

## FRANCHISE DISCLOSURE DOCUMENT

Tiger-Rock MAI Systems, Inc.  
8781 Penrose Lane  
Lenexa, Kansas 66219  
(913) 725-0777  
[www.tigerrockmartialarts.com](http://www.tigerrockmartialarts.com)  
[franchise@tigerrockmartialarts.com](mailto:franchise@tigerrockmartialarts.com)



We grant you the right to operate a Franchised Location (“Franchised Location”), offering a unique martial arts program, including instruction according to a distinctive curriculum, operational system, design and teaching methodology (“Tiger-Rock Program”).

The total investment necessary to begin operation of a Franchised Location is from \$277,100 to \$376,300. This includes \$44,500 to \$47,500 that must be paid to us or our affiliates.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, us 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 Bert D. Kollars, 8781 Penrose Lane, Lenexa, Kansas 66219, (913) 725-0777.

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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: August 29, 2023

## 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
<b>How much can I earn?</b>	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 or Exhibit E.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Tiger-Rock business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Tiger-Rock franchisee?</b>	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

## Some States Require Registration

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

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, or litigation only in Kansas. 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 Kansas than in your own state.
2. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment

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

## TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
1. ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES .....	1
2. ITEM 2 BUSINESS EXPERIENCE .....	3
3. ITEM 3 LITIGATION .....	5
4. ITEM 4 BANKRUPTCY .....	5
5. ITEM 5 INITIAL FEES .....	5
6. ITEM 6 OTHER FEES .....	6
7. ITEM 7 ESTIMATED INITIAL INVESTMENT .....	8
8. ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....	10
9. ITEM 9 FRANCHISEE’S OBLIGATIONS .....	13
10. ITEM 10 FINANCING .....	14
11. ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING .....	14
12. ITEM 12 TERRITORY .....	19
13. ITEM 13 TRADEMARKS .....	23
14. ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION .....	24
15. ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS .....	25
16. ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....	25
17. ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION .....	26
18. ITEM 18 PUBLIC FIGURES .....	28
19. ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS .....	28
20. ITEM 20 OUTLETS AND FRANCHISEE INFORMATION .....	29
21. ITEM 21 FINANCIAL STATEMENTS .....	35
22. ITEM 22 CONTRACTS .....	36
23. ITEM 23 RECEIPTS .....	36

### EXHIBITS

- A. LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS
- B. FINANCIAL STATEMENTS
- C. FRANCHISE AGREEMENT (INCLUDING APPENDICES AND ADDENDA)
- D. OPERATIONS MANUAL TABLE OF CONTENTS
- E. LIST OF FRANCHISEES
- F. STATE ADDENDA
- G. SAMPLE RELEASE
- H. STATE EFFECTIVE DATES & RECEIPTS

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

To simplify the language in this Disclosure Document, “we” or “us” means Tiger-Rock MAI Systems, Inc., the franchisor. “You” means the person or entity that buys the franchise. If the franchisee is a corporation, partnership or other entity, “you” also may mean its owners.

**The Franchisor**

We were formed as a Florida corporation in October 2008 and in August 2017, we converted to a Kansas corporation. We began offering franchises in October 2008 under the name ITA Franchising, Inc. In June 2010, we changed our name to Tiger-Rock MAI Systems, Inc. Our principal place of business is at 8781 Penrose Lane, Lenexa, Kansas 66219; (913) 725-0777; [www.tigerrockmartialarts.com](http://www.tigerrockmartialarts.com). We do business under the name “TIGER-ROCK MARTIAL ARTS.” We do not have any predecessors.

We do not offer, and have not offered, franchises in any other line of business. We have never operated a business similar to the business being franchised. We do not conduct business in any other line of business.

We have the following affiliates that must be disclosed in this Disclosure Document: Tiger-Rock Martial Arts International, Inc., formerly known as International TaeKwonDo Alliance, Inc., Dakota Suppliers, LLC, and BP Systems, LLC (collectively, “Affiliates”). We and our Affiliates have common ownership.

Tiger Rock Martial Arts International, Inc. is a Kansas corporation and is located at 8781 Penrose Lane, Lenexa, Kansas 66219. Tiger Rock Martial Arts International, Inc. is the owner of the TIGER-ROCK MARTIAL ARTS Trademarks, and has granted us a license to use and sublicense the trademarks to franchisees in the United States and all U.S. territories. Additionally, Tiger-Rock Martial Arts International, Inc. offers trademarked items and products for sale via the Internet.

Dakota Suppliers, LLC is a South Dakota corporation and is located at 1701 E 123rd St, Olathe, KS 66061. Dakota Suppliers, LLC supplies uniforms and other products to our franchisees.

BP Systems, LLC is a Kansas limited liability company and is located at 8781 Penrose Lane, Lenexa, Kansas 66219. BP Systems, LLC is a technology company that has developed a proprietary technology platform that you will use in your Academy (the “Tiger-Rock App”).

As of the date of this Disclosure Document our Affiliates do not operate a business similar to the type being franchised under this Disclosure Document. Additionally, our Affiliates have never offered franchises in any line of business, but may do so in the future. We do not have any parent companies or predecessors.

Our agents for service of process are disclosed in Exhibit A to this Disclosure Document.

## Our Business Experience

Tiger Rock Martial Arts International, Inc. previously granted licenses to third parties for the right to use our former ITA curriculum, ITA certification services, and INTERNATIONAL TAEKWONDO ALLIANCE trademarks. In late 2008/early 2009 the majority of the licensees converted their existing licensed academy to a franchised location. For those licensees that chose not to convert to a franchised location, the licensee was allowed to continue operating its licensed location through the remaining term of its license agreement, all of which expired on December 31, 2009. As of the Issuance Date of this FDD, all of Tiger-Rock Martial Arts International, Inc.'s licensing agreements have expired.

We and/or Tiger-Rock Martial Arts International, Inc. will designate, plan and run events for Members (as defined below) (each, a "Company Event" and collectively, the "Company Events"). You are required to follow our annual calendar scheduling and timing of all events and not deviate from it for your Franchised Location.

"Member" or "Members" means any person with access to training content, training services, event services or martial art engagement communications through any platform by you or your academy regardless of paid or complimentary access satisfies the definition of a "Member." Following your first full year of operation, and for each year remaining under the term of this Agreement, you must maintain an average of 30 Members.

## The Franchise

We grant qualified franchisees the right to open and operate a Franchised Location ("Franchised Location"), which will offer a Tiger-Rock Program focusing on martial arts and self-defense instruction, according to the terms of a Franchise Agreement. You will operate your Franchised Location inside a Designated Territory (as defined in Item 12). The Tiger-Rock Program includes providing martial arts instruction according to a distinctive curriculum and rank and teaching certification services (as defined in the Manual). You must operate your Tiger-Rock Program under the required practices that we identify, including, following our Tiger-Rock Curriculum and Tiger-Rock Certification Services, complying with our teaching systems, use of technology, use of designated service and supplier providers, curriculum delivery systems, championship dates, methods and systems, annual calendar, certification services, professional instructor programs, testing systems, rank systems, promotional qualifications, instructor certification requirements, event standards guide, insurance standards and tournament management and rules. We will also determine the type of events that you may have in your Designated Territory. As of the date of this Disclosure Document, our Tiger-Rock Curriculum includes the TIGER-ROCK martial arts product for adults, youth, juniors and tiger-cubs, all of which we may modify, change, add to, eliminate and innovate from time to time. All Franchised Locations offering a Tiger-Rock Program will operate under the name TIGER-ROCK MARTIAL ARTS® and other marks as we designate (collectively, the "Martial Arts Trademarks").

In addition to operating the Tiger-Rock Program from your Franchised Location, you may also offer the Tiger-Rock Program from a Feeder Club located inside your Designated Territory. A Feeder Club is a location where you deliver all or a portion of the Tiger-Rock Program on a part-time or limited basis. For example, a Feeder Club would include teaching a portion of the

Tiger-Rock Program after school at an elementary school located inside your Designated Territory. Feeder Clubs must be located inside your Designated Territory and you may not offer the Tiger-Rock Program from a Feeder Club until you receive our written consent and have commenced operations at your Franchised Location.

### The Market and Competition

Your Franchised Location will offer martial arts instruction. Your competitors include other businesses offering martial arts instruction. Most of your competitors are independent businesses, but others belong to regional or national networks. The market for businesses similar to the Franchised Location you will operate is developing.

### Licenses and Permits

In addition to laws and regulations that apply to businesses generally, your Franchised Location will be subject to various federal, state and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act. In addition, you must comply with the federal Protecting Young Victims from Sexual Abuse and Safe Sports Authorization Act of 2017 (“Safe Sports Act”) which imposes obligations on all youth sports organizations. You must ensure that all individuals who engage with Members on your behalf, including certified instructors, employees and volunteers, receive all the training and certifications required under applicable law. You must also complete background checks on these individuals.

It is your sole responsibility to comply with these laws, and to obtain and keep in force all necessary licenses and permits required by public authorities. You also must comply with laws that apply to businesses generally.

## **ITEM 2** **BUSINESS EXPERIENCE**

### Bert D. Kollars – Chief Executive Officer, Corporate President, Chairman of Board of Directors

Mr. Kollars has served as our CEO and President, and has been a Member of our Board of Directors, since October 2008. Mr. Kollars also has served as our Affiliate’s CEO and President since October 1983. From August 1977 to the present, Mr. Kollars has served as the owner of Franchised Locations located in Pensacola, Florida, Sioux Falls, South Dakota and Sioux City, Iowa.

### James Bailey – Vice President

Mr. Bailey has been a Member of our Board of Directors since October 2008. Mr. Bailey also has been a Member of our Affiliate’s Board of Directors since 1993. From August 1981 to the present, Mr. Bailey has been a multi-unit owner of Franchised Locations located in Alabama.



#### Chris Jackson –Franchise Support and Development

Mr. Jackson has been in charge of Franchise Support and Development since June 2016. Mr. Jackson was the operations manager for a multi-unit Franchised Location in Tuscaloosa, Alabama from 2009 to May 2016.

#### Kyler Masilionis - Franchise Director

Mr. Masilionis has been the Franchise Director since September of 2022. Prior to his current role, he served as our National Outreach and Communications Manager from April 2022 until September 2022, where he established a strong background in marketing and communications. From September 2021 through April 2022, Mr. Masilionis was a traveling healthcare consultant with Apex Systems in Overland Park, KS. From October 2020 through May 2021, Mr. Masilionis was a personal banker for Central National Bank in Manhattan, Kansas and from June 2018 through August 2018, as finance intern with NBKC bank in Kansas City, MO. From May 2011 to August 2018, Mr. Masilionis was a martial arts instructor at our affiliate's Academy in Olathe, Kansas.

#### Brooke Rolling - Secretary of Board of Directors

Ms. Rolling joined the Board of Directors in January of 2023. She has worked as the internal accountant for Tiger-Rock Martial Arts since March 2015.

#### Michael Holt - Treasurer of Board of Directors

Mr. Holt has been a member of the Tiger Rock Board of Directors since 2019. He has also been the Owner and President of a Tiger Rock Franchise location in Northport, Alabama since August 1999, and partner in a Tiger Rock location in Franklin, TN since February 2021.

#### Jeff Dousharm - Member of Board of Directors

Mr. Dousharm has been a member of the Tiger Rock Board of Directors since January 2019, and has been a multi-unit owner of academy locations in Omaha and Lincoln Nebraska since 1994. Additionally, Mr. Dousharm has been the owner of Paradigm Impact located in Lincoln, NE since August 2010.

#### Jason Griffin - Member of Board of Directors

Mr Griffin has been a part of Tiger Rock for over 38 years. He joined the Board of Directors in January 2021. He has opened 5 Tiger Rock academies in his career and has operated an Academy in Ridgeland, MS since August 1998.

#### Patrick Nelson - Member of Board of Directors

Mr. Nelson has been a member of the Tiger Rock Board of Directors since January 2023. Additionally, Mr. Nelson has been the founder of Matrix Software Solutions located in Katy, TX

since September 2021. Prior to that, he was a senior software architect for Chevron located in Houston, TX from June 2005 to September 2021.

Alexis Kopikis - Member of Board of Directors

Mr. Kopikis has been a member of the Tiger Rock Board of Directors since January 2023. Additionally, Ms. Kopikis has been the Founder and CEO at Alexify located in Boston, MA since November 2017. Prior to that, he was the Founder and CEO at Ubuntu Labs located in Boston, MA from September 2016 to October 2017.

**ITEM 3**  
**LITIGATION**

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**

The Initial Franchise Fee is \$39,000. The Initial Franchise Fee is a lump sum payment, fully earned upon receipt, and is not refundable. The Initial Franchise Fee is uniformly imposed.

You must purchase uniforms and other apparel bearing our Trademarks from us or our affiliate before you open your Franchised Location, which we estimate to cost approximately \$3,000 to \$6,000.

We currently offer an opportunity to develop 2 Franchised Locations (the “TR 2A Program”), provided that you sufficiently demonstrate to us that you are capable of developing 2 Franchised Location simultaneously. Under the TR 2A Program, you will sign 2 Franchise Agreements at the same time and develop 2 Franchised Locations at the same time. You will pay a discounted Initial Franchise Fee of \$19,500 per Franchise Agreement (a total of \$39,000) that will be due 240 days following the date you sign the 2 Franchise Agreements. The Initial Franchise Fee is not refundable.

We also currently offer an opportunity to develop 4 Franchised Locations (the “TR 4A Program”), provided that you sufficiently demonstrate to us that you are capable of developing 4 Franchised Location simultaneously. Under the TR 4A Program, you will sign 4 Franchise Agreements at the same time and develop 4 Franchised Locations at the same time. You will pay a discounted Initial Franchise Fee of \$9,750 per Franchise Agreement (a total of \$39,000) that will be due 240 days following the date you sign the 4 Franchise Agreements. The Initial Franchise Fee is not refundable.

We collected Initial Franchise Fees ranging from \$0 to \$5,500 during our last fiscal year.

You also must pay to us the cost of the 10-week Academy Certified Manager (ACM) Course (described in Item 11), which is currently \$2,500. The ACM Course fee is non-refundable.

**ITEM 6**  
**OTHER FEES**

Name of Fee (Note 1)	Amount	Due Date	Remarks
Royalty Fee	\$7.00 per Member	It is due on or before the 7 <sup>th</sup> day of every month, or by the date agreed to by the parties, for the preceding Reporting Period. (Note 2)  You do not have to pay us the Royalty Fee until 6 months from the earlier of: (a) the date you open or (b) the date 240 days after you sign the Franchise Agreement.	We may increase the Royalty Fee on an annual basis based upon any increase to the Index (Note 3).
National Marketing Fee	\$1.00 per Member	Payable in the same manner as the Royalty Fee.	Used for national marketing and promotional activities. See Item 11.
Local Advertising	\$1,500 each month	Monthly	Commencing after the first 90 days of operations, you must spend at least \$1,500 per month on approved local advertising. You do not pay these amounts to us but if you fail to spend these amounts, we may collect the difference between what you should have spent and actually do spend, and then spend that money on your behalf as we deem appropriate. The \$1,500 per month requirement is in addition to any amounts you spend during your first 6 months from Members fees.
Technology Fee	Currently, \$0	Monthly	We reserve the right to establish this fee upon 60 days' notice to you. We anticipate that the Technology Fee may start around \$119 per month, but it will not exceed \$229 per month per territory in your first calendar year. We may increase the maximum amount charged for the Technology Fee by up to 10% each calendar year.
Tiger-Rock App Fee	Currently \$499 per month	Monthly	Payable to BP Systems, LLC for access to the Tiger-Rock App
Consulting Fee	Currently \$339 for one Academy, and \$499 for multiple Academies per month	Monthly	Payable in the same manner as the Royalty Fee in consideration of our "Grow Group" team's consulting services, including related to day-to-day operations, brand compliance, and increasing membership. May increase upon 60 days' notice, provided that we won't increase the fee more than 10% per year.
Additional Training	\$60 to \$400 for additional training, instruction and seminars we offer or require, plus travel expenses.	As Incurred	

<b>Name of Fee (Note 1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
ACM Course	Currently, \$2,500 per person	As Incurred	At all times, your Academy must be managed by someone who has successfully completed the ACM Course.
Talent Assistance Fee	Based upon our then current rates charged (currently, 12% - 16% of employee's total salary for first 24 months of employment).	50% paid within 90 days of assistance commencing, remainder paid if franchisee hires a certified instructor or manager with our assistance	At your option, we may provide you with assistance with searching for certified instructors or managers for your Franchised Location. You may use us or a third party such as an employment agency, headhunter or similar service.
Transfer Fee	Then-current Initial Franchise Fee charged for the Program(s) offered by the franchised location being transferred.	At the time of transfer	
Insurance	Cost of insurance	Prior to opening	If you fail to obtain or maintain required insurance, we may obtain insurance on your behalf and seek from you reimbursement for insurance.
Attorneys' Fees	Varies with the circumstances	As Incurred	We may recover costs and reasonable attorneys' fees if you lose in a dispute with us.
Shortfall Royalty	Difference between the royalty fee you should have paid had you achieved the Minimum Member requirement and the actual Royalty Fee you paid	Yearly, if required	Following your first full year of operation, and for each year remaining under the term of the Franchise Agreement, you must maintain an average of 30 Members (the "Minimum Members"). If you do not achieve the required Minimum Members for any year during the term of the Franchise Agreement, we may collect the Shortfall Royalty.
Apparel / Uniforms	Varies, but currently a uniform is \$34.95 and includes a jacket, pants and belt	As incurred	You must purchase uniforms and apparel bearing our Trademarks from our affiliate, Dakota Suppliers, LLC
Non-Compliance Fee	Up to \$500 per occurrence per month	As incurred	If you fail to comply with certain obligations, you must pay us a Non-Compliance Fee as consideration for the expenses we incur in addressing your failure to comply with the Franchise Agreement.

**Notes:**

- (1) You pay all fees to us unless otherwise noted. The fees identified in this Item 6 are not uniformly imposed. All fees are non-refundable.
- (2) Reporting Period means the period of one month (unless we designate otherwise).
- (3) We may adjust the Royalty Fee each year, in proportion to any cumulative percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for all Items (1982 – 1984 = 100) (the "Index"), not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics that has occurred since we last adjusted the Royalty Fee. If the Index is discontinued or revised during the term of the Franchise Agreement, such other governmental index or computation with which it is replaced must be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. Any increase to the Royalty Fee will be based off of the base royalty fee as first established by us on January 1, 2013 (the "Base Royalty Fee").

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of Expenditure*</b>	<b>Amounts**</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial Franchise Fee (Note 1)	\$39,000	Lump Sum	Upon Signing of Franchise Agreement	Us
ACM Training Course	\$2,500			
Lease (Note 2)	\$11,000 to \$30,000	As Arranged	As Arranged	Landlord
Construction and Remodeling (Note 3)	\$99,000 to \$171,200	As Arranged	As Arranged	Contractors
Furniture and Fixtures	\$14,000 to \$20,000	As Arranged	As Arranged	Third Party Suppliers
Interior / Exterior Signage	\$5,000 to \$9,000	As Incurred	As Arranged	Third Party Suppliers
Equipment	\$3,500 to \$8,500	As Incurred	As Arranged	Third Party Suppliers
Computer System and Tiger-Rock App	\$1,000 to \$5,000	As Incurred	As Arranged	Third Party Suppliers
Lease & Utility Deposits (Note 4)	\$500 to \$1,000	As Arranged	Before Opening	Lessor and Utility Companies
Inventory	\$3,000 to \$6,000	As Arranged	As Arranged	Us and Third Party Suppliers
Insurance (Note 5)	\$200 to \$300	As Arranged	As Arranged	Insurance Company
Grand Opening Marketing (Note 6)	\$15,000 to \$40,000	As Incurred	As Incurred	Media, Printers, Other Suppliers
3 Month Marketing	\$1,800 to \$5,400	As Arranged	As Arranged	Third Party
Professional Fees and Business Licenses and Permits	\$100 to \$5,000	As Arranged	As Arranged	Your Attorneys and Other Professionals, Local and State Agencies
Staffing and Training (both required and optional)	\$2,000 to \$9,000	As Incurred	As Incurred	See Item 11 for more information on additional training.
Bill Processing Fee (Note 7)	\$1,000 to \$4,000	Monthly	Monthly	Designated Supplier
Additional Funds (Note 8) (three month period)	\$6,000 to \$20,000	As Incurred	As Incurred In First Three Months	Employees, Suppliers
<b>TOTAL ESTIMATED INITIAL INVESTMENT (Note 9)</b>	<b>\$277,100 to \$376,300</b>			

Notes:

\* We do not offer direct or indirect financing to franchisees for any items. Except where otherwise noted, all amounts that you pay to us or our affiliates are nonrefundable. Third party suppliers will decide if payments to them are refundable.

\*\* The lower initial investment assumes that you operate your Franchised Location from a smaller location and therefore your investments and overhead for rent, construction and remodeling, equipment, fixtures and signage are limited given the nature of the location.

(1) Initial Franchise Fee. The Initial Franchise Fee is earned upon receipt and non-refundable.

- (2) Lease. We estimate that the Franchised Location will range from 1,800 to 2,400 square feet. If you operate your Franchised Location from a smaller or older location, your monthly lease expenses will be less than if you operate your Franchised Location from a new rental location. If you operate your Franchised Location from a larger location, your monthly lease expenses will be higher.
- (3) Construction and Remodeling. The costs of construction and remodeling depend upon the size and condition of the premises, the nature and extent of the improvements you make, the local cost of contract work and the location of your Franchised Location. Your landlord may contribute to the construction and remodeling costs, depending upon the terms of your lease.
- (4) Lease & Utility Security Deposits. Landlords may require a security deposit, and utility companies may require that you place a deposit prior to installing telephone, gas, electricity and related utility services. Your rental expense may vary widely based on geographic location, size of the facility, negotiating factors, local rental rates and other factors.
- (5) Insurance. You must procure and maintain throughout the term of the Franchise Agreement insurance from an approved supplier that provides compliance oversight with the Safe Sports Act and in such minimum amounts as noted in the Manual. This estimate is for your first three (3) months of insurance. The cost of insurance will vary based on policy limits, type of policies procured, any lease requirements, nature and value of physical assets, number of employees, square footage, contents of the business, geographical location and other factors bearing on risk exposure.
- (6) Grand Opening Marketing. You must spend at least \$15,000 on grand opening marketing for your Franchised Location during the first 90 days of operation, but we encourage you to spend between \$15,000 and \$40,000.
- (7) Bill Processing Fee. You must use our designated supplier to process payments for your memberships. The range noted in the table above reflects the estimated Bill Processing Fee for a period of 3 months. The amount of the Bill Processing Fee you will pay each month will depend on the method a payment used by your Members to pay their membership fees.
- (8) Additional Funds. This amount of working capital is projected as sufficient to cover initial operating expenses, including management salaries, for a period of 3 months. These figures are estimates, and we cannot guarantee you will not have additional expenses starting the business. Hourly labor costs are not included in this estimate. Your expenses will depend on factors such as: how closely you follow our recommendations; your management skills, experience and business acumen; local economic conditions; the prevailing wage rate; competition; and the sales level reached during the initial period.
- (9) Total. We have used our franchisees' prior experience to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

You are cautioned to allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and local market conditions, which can be highly variable and can result in substantial, rapid and unpredictable increases in costs. You must

bear any deviation or escalation in costs from the estimates in this Item 7 or estimates that we give during any phase of the development process.

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

As of the date of this Disclosure Document, you must obtain uniforms and other Trademarked apparel from us or our affiliate Dakota Suppliers, LLC. Neither we nor our Affiliates are currently an approved supplier or the only approved supplier for any other goods, services, supplies, fixtures, equipment, inventory, computer hardware, real estate or comparable items, but we reserve the right to be designated as the approved supplier or the only approved supplier for any of these items in the future.

#### **Approved Supplies and Suppliers**

In order to ensure a uniform image and uniform quality of products and services throughout the Franchised Locations, you must maintain and comply with our required quality standards. You are required to use our then-current designated supplier to assist you in selecting a site for your Franchised Location. You must construct and equip your Franchised Location in accordance with our required specifications and standards. In addition to meeting our required design specifications and standards, it is your responsibility to ensure that your building plans comply with the Americans With Disabilities Act and all other federal, state and local laws. You also must use our designated layout and design company in constructing your Franchised Location. In addition, you must use equipment, signage, fixtures, furnishings, products, supplies, point-of-sale systems and software, and marketing materials that meet our required specifications and standards.

We provide you with a list of required and approved manufacturers, suppliers and distributors (“Approved Suppliers List”) and approved inventory products, fixtures, furnishings, equipment, signs, insurance, advertising materials, point-of-sale systems and software, merchant accounts and gateways, millwork, trademarked items and novelties, and other items or services necessary to operate the Franchised Location (“Approved Supplies List”). The Approved Suppliers List may specify the specific manufacturer or supplier of a specific product or piece of equipment. For example, as of the date of this Disclosure Document, you must obtain your computer operating software, flooring, external signs, Member and instructor uniforms, retail apparel bearing our Trademarks, membership billing services, merchant account providers and computer services from our designated source, which may be us or our Affiliates. We also may, but are not required to, develop customary or proprietary technology hardware or software for use at your Franchised Location, and we reserve the right to require you to purchase such software, hardware, equipment, wearables, or other items from an Approved Supplier, which may be us or our Affiliates.

The lists may also include other specific products without reference to a particular manufacturer or supplier, or they may contain the specifications and/or standards for other approved products. The minimum standards and specifications for any products or materials that you must meet will be identified in the Manual. Any modification to these standards and specifications will be provided to you in writing, typically through a supplement to the Manual. We provide a list of our standards and specifications to our approved suppliers.

We may revise the Approved Suppliers List and Approved Supplies List. We give you the approved lists as we deem advisable. We generally do not give these lists to our approved suppliers.

Except for single sourced items, if you want us to add a specific product, material or supplier to our Approved Supplies List or Approved Supplier List, or you want to offer for sale any brand of product, or to use in the operation of your Franchised Location any other material, item or supply that is not approved by us, or to purchase any product from a supplier that is not then designated by us as an approved supplier, you must submit samples and other information as we require for testing or to otherwise determine whether the product, material or supply, or the proposed supplier meets our specifications and quality standards. We will notify you whether the supplier or supply will be added to our Approved Supplies List or Approved Suppliers List within 30 to 45 days of our receipt of all information and samples we request. We do not charge fees to secure supplier approval; however, the supplier may be required to sign a supplier agreement. We may re-inspect the facilities and products of any approved supplier or item and revoke our approval of any supplier or item that fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or item.

We apply the following general criteria in designating approved suppliers: (1) ability to make product in conformity with our specifications; (2) willingness to protect the secrets behind the uniqueness of a product without dissemination to others; (3) production, supply considerations and delivery capability; (4) reputation and integrity of supplier; (5) financial condition and insurance coverage of the supplier; and (6) price.

We or our Affiliates reserve the right to receive rebates or other consideration from Approved Suppliers in connection with your purchase of goods, products and services as described in this Item 8. During our last fiscal year ending December 31, 2022, our affiliates received \$180,696.92 in rebates from Approved Suppliers. We will retain and use such payments as we deem appropriate or as required by the vendor. During our last fiscal year ending December 31, 2022, we did not receive any revenue from required franchisee purchases or leases from us. During its last fiscal year ending December 31, 2022, our affiliate Dakota Suppliers, LLC received revenue in the amount of \$3,140,825.79 from required franchisee purchases or leases.

Except for ownership in Dakota Suppliers, LLC and BP Systems, LLC, none of our officers or our Affiliate's officers identified in Item 2 own an interest in any of our suppliers.

All Members (which may include you) will pay our Affiliate, Tiger-Rock Martial Arts International, Inc., a Company Event Fee for each Company Event in which they, or you, participate. Company Events currently include the July National Championship Tournament, Certified Instructor Event, and the High Rank Testing Event (testing for 4<sup>th</sup> degree and above), and any other Company Event that we or our affiliate designate. These fees cover the Member's (or your) entrance fee to the Company Event and helps cover the costs and expenses Tiger-Rock Martial Arts International, Inc. incurs in planning and sponsoring the event. If you participate in a Tiger-Rock Program as a Member and choose to participate in any Company Events as a Member, you will pay these same fees to Tiger-Rock Martial Arts International, Inc. Tiger-Rock Martial Arts International, Inc. may increase these fees on a yearly basis.



We may negotiate prices for products for the benefit of the franchise system but not on behalf of individual franchisees. There currently is no purchasing or distribution cooperative. We will try to receive volume discounts for our franchises. We do not provide material benefits (for example, renewal or granting additional franchises) to you based on your purchase of particular products or services or use of particular suppliers.

You must obtain a computer system for your Franchised Location that meets our standards and specifications. You must obtain the Tiger-Rock App from our affiliate, BP Systems, LLC. The cost and specifications are listed in Item 11.

In order to facilitate compliance with the Safe Sports Act, at our request, you must participate in our designated youth sports compliance program (currently overseen by Block Insurance) and pay any fees associated with such program to our designated third party supplier. You must ensure that all individuals who engage with Members on your behalf, including certified instructors, employees and volunteers, receive all the training and certifications required under applicable law. You must also complete background checks on these individuals. You must periodically, as set forth in our Manual, and upon our request certify to us in the form and manner that we prescribe that you are in compliance with these requirements.

You must purchase and maintain in full force and effect, at your expense, insurance that insures both you and us, our affiliates and any other persons we designate by name. Currently, you must purchase and maintain the following minimum types and amounts of insurance coverage: (1) general aggregate - \$3,000,000 per location; (2) general liability coverage - \$1,000,000 per occurrence; (3) personal injury and advertising injury - \$1,000,000; (4) products, completed operations - \$1,000,000 aggregate; (5) legal liability to participants - \$1,000,000; (6) professional liability - \$1,000,000; (7) damage to premises rented by you - \$300,000; (8) medical expense coverage - \$5,000; and (9) non-owned and hired auto liability - \$1,000,000. All insurance policies will: (1) name us, our officers, directors, partners, members, affiliates, subsidiaries and employees as additional insureds; (2) contain a waiver of the insurance company's right of subrogation against us; (3) contain the minimum insurance coverage for each Franchised Location that you operate; and (4) provide that we will receive thirty (30) days' prior written notice of any material change in or termination, expiration or cancellation of any policy. The minimum insurance coverages and specifications are listed in the Manual. We periodically may, with prior written notice to you, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. There is no guaranty that the minimum insurance coverages and specifications noted in the Manual will be sufficient to cover your investment. You are responsible for obtaining any additional coverage you deem necessary. If you at any time fail to maintain in effect any insurance coverage we require, or to furnish satisfactory evidence thereof, we, at our option, may obtain insurance coverage for you. You agree to promptly sign any applications or other forms or instruments required to obtain any insurance and pay to us, on demand, any costs and premiums we incur. You will provide us with copies of the certificate of insurance, insurance policy endorsements or other evidence of compliance with these requirements before you take possession and commence development of the Franchised Location, and at such other times as we may require.

Currently, we require that you use Block Insurance as your insurance provider. In limited circumstances, we will allow you to use a different insurance provider, but if we allow you to use

a different insurance provider, you must pay Block Insurance a review fee to ensure that the insurance you procure complies with the requirements above. We currently estimate the review fee will be \$500. If you fail to comply with these requirements, we may purchase insurance on your behalf and you must reimburse us for our expenses.

In addition, you must use Lead to Conversation for national digital marketing services.

You can expect items purchased or leased in accordance with our specifications will represent approximately 70% to 80% of total purchases you will make to begin operations of the business and 30% to 50% of the ongoing costs to operate the business.

## **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.**

	<b>Obligation</b>	<b>Section in Franchise Agreement</b>	<b>Item in Disclosure Document</b>
a.	Site selection and acquisition/lease	Sections 2.A and 5	Items 7 and 11
b.	Pre-opening purchases/leases	Sections 6.A and 6.B	Items 5, 6, 7 and 8
c.	Site development and other pre-opening requirements	Sections 2, 5 and 6	Items 7, 8 and 11
d.	Initial and ongoing training	Section 7	Items 5, 6 and 11
e.	Opening	Section 2B	Items 5 and 11
f.	Fees	Section 8	Items 5, 6 and 7
g.	Compliance with standards and policies/Operations Manual	Section 6	Items 6, 7, 8, 11, 14 and 16
h.	Trademarks and proprietary information	Section 3	Items 13 and 14
i.	Restrictions on products/services offered	Section 6	Items 6, 7, 8, 11, and 16
j.	Warranty and customer services requirements	Not Applicable	Items 6 and 11
k.	Territorial development and sales quotas	Not Applicable	Item 12
l.	Ongoing product/service purchases	Section 6	Items 6, 7 and 8
m.	Maintenance, appearance and remodeling requirements	Not Applicable	Items 8 and 11
n.	Insurance	Section 9C	Items 6, 7 and 8
o.	Advertising	Section 6H	Items 6, 7 and 11
p.	Indemnification	Section 9B	None
q.	Owner's participation/management/staffing	Not Applicable	Items 11 and 15
r.	Records/reports	Section 6H	Not Applicable
s.	Inspections/audits	Section 6C	Items 6 and 11
t.	Transfer	Section 10	Items 6 and 17
u.	Renewal	Section 4B	Items 6 and 17
v.	Post-termination obligations	Section 13	Item 17
w.	Non-competition covenants	Section 9D	Item 17
x.	Dispute resolution	Section 11	Item 17
y.	Other	Not Applicable	Not Applicable

## **ITEM 10** **FINANCING**

We do not offer, either directly or indirectly, any financing to you. We are unable to estimate whether you will be able to obtain financing for any or all of your investment and, if so, the terms of such financing. We do not guarantee your notes, leases or other 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 Assistance: Before you open your Franchised Location, we will:

1. Provide you with the Approved Suppliers and Approved Supplies Lists (Franchise Agreement, Section 6B).
2. Provide you with a copy of the Manual. The Manual may be made available to you via access to our electronic document library. (Franchise Agreement, Section 6D).
3. Provide the training programs described below (Franchise Agreement, Sections 7A and B).
4. Evaluate your proposed site for your Franchised Business (Franchise Agreement, Section 5A).

Except as identified above, we do not provide you with any other pre-opening assistance.

Ongoing Assistance. During the operation of your Franchised Location, we will:

1. Provide updates to the Approved Suppliers and Approved Supplies Lists (Franchise Agreement, Section 6B).
2. Provide additional training courses, instruction and seminars as we deem necessary. We may require you to pay a fee to attend any additional training, instruction or seminars (Franchise Agreement, Section 7B).
3. Operate the Marketing Fund (Franchise Agreement – Section 6.H.2).

Except as identified above, we do not provide you with any other ongoing assistance.

### **Marketing**

#### *Grand Opening Marketing*

You are required to spend at least \$15,000 on grand opening marketing for your Franchised Location during the first 90 days of operation, but we encourage you to spend between \$15,000

and \$40,000 on your grand opening efforts. We must approve all of your grand opening marketing materials prior to their use.

### *National Advertising*

In 2023, we plan to begin operating a National Marketing and Promotional Fund (the “Marketing Fund”) to advertise and promote the Tiger-Rock Program. You will pay us a monthly fee of \$1.00 per Member (the “Marketing Fee”) in the same manner as the Royalty Fee. We will deposit the Marketing Fee in the Marketing Fund that we manage through a separate account. We may use the Marketing Fund to conduct national, regional and local advertising, marketing, promotional and public relations campaigns, including the cost of preparing and conducting print, point of purchase, radio, television, Internet, electronic and billboard advertising, and employing advertising agencies. We also may use the Marketing Fund to develop advertising and promotional materials for regional and local advertising cooperatives and for use in each franchisee’s local market. Currently, we anticipate that the Marketing Fund will be used primarily to pay for creative design costs to produce marketing materials and promotions for use within the Tiger-Rock App. In the future, we may develop an in-house advertising staff to assist in advertising. We also may contract with various outside advertising agencies and third-party vendors to produce certain advertising production and promotional materials and to create and implement public relations campaigns. We will determine the use of monies in the Marketing Fund. We are reimbursed for reasonable administrative costs and overhead incurred in administering the Marketing Fund for the preceding year.

We are not required to spend any particular amount on marketing, advertising or production in the area in which your Franchised Location is located. Marketing Fees not spent in any fiscal year will be carried over for future use. We may make loans to the Marketing Fund bearing reasonable interest to cover any deficit of the Marketing Fund and cause the Marketing Fund to invest in a surplus for future use by the Marketing Fund. Marketing Fees will not be used for advertising principally directed at the sale of franchises. Upon your written request, we will provide you with an annual unaudited statement of the receipts and disbursements of the Marketing Fund for the most recent calendar year.

Each new Tiger-Rock franchisee must pay the Marketing Fee. Other franchisees may not pay Marketing Fees or pay the same, less or more for the Marketing Fee. In addition, each Tiger-Rock Program location we own will contribute to the Marketing Fund on the same basis as franchisees.

### *Local Advertising*

You must promote and advertise your Franchised Location in the Designated Territory and participate in any local marketing and promotional programs we establish from time to time. During the first 6 months of operations, instead of paying us the monthly Royalty Fee, you will be required to spend those amounts on local advertising. Commencing after the first 90 days of operations, you must spend a minimum of \$1,500 per month on approved local advertising and marketing activities to promote your Franchised Location. The \$1,500 minimum monthly requirement is in addition to the amounts you are required to devote to local advertising from Member fees that you would have paid to us during the first 6 months. Upon our request, you must

provide to us copies of all invoices and receipts evidencing your local marketing activities. If you fail to spend the required minimum amount in any month, we may collect the difference between what you should have spent and actually do spend, and then spend that money on your behalf in the manner we deem appropriate in our sole discretion.

Aside from the above Marketing Fund and the local advertising requirement, you are not required to participate in any local or regional cooperatives.

You must use our designated vendor for digital marketing services, and the amounts you spend with our designated vendor will be credited towards your local advertising and marketing requirements. You may, but are not required to, purchase marketing materials from our Approved Suppliers.

We must approve any marketing or promotional materials you use in connection with your Franchised Location (including any marketing or promotion you do through social media platforms). You must submit samples of all proposed plans and materials to us before use. Any marketing or promotional items or materials you use must comply with our then-current standards and requirements as detailed in the Manual. If we do not notify you that we disapprove of your plans or materials within 15 days of receipt, the plans or materials will be deemed approved.

You may not separately register any domain name containing any of the Trademarks. We will provide you with a list of recommended domain names that you may use. The web page for your Franchised Location must be hosted on our web site and you must use our, or our designated supplier's web templates in creating your web page. We reserve the right to review and approve the content posted on your web page. Your general conduct on our web site and intranet or extranet system or other online communications (including through social media) and specifically your use of the Trademarks or any advertising is subject to our prior consent and any policies, guidelines or standards we may implement in the future.

#### Local or Regional Cooperatives; Franchisee Advisory Council

We do not have an advertising or advisory council composed of franchisees that advise us on advertising policies, but reserve the right to form a council in the future.

You will not be required to join or participate in a local or regional advertising cooperative.

#### Information System

You must obtain the computer hardware, other equipment, software, applications and enhancements we designate for your Franchised Location (the "Information System"). The Information System includes all hardware and software used in connection with the operation of your Franchised Location; regardless of whether the hardware or software is required or optional. The Information System developed for use in your business may include one or more proprietary software programs developed for us, and includes the Tiger-Rock App. You must use any customized proprietary software that we designate, and you may be required to enter into an agreement for the right to use any such proprietary or customized software. As of the date of this Disclosure Document you must obtain access to the Tiger-Rock App from our affiliate, BP

Systems, LLC. We currently do not require you to have any other computer software, but we reserve the right to require you to use a designated event registration, reporting and management system. You will pay BP Systems, LLC a monthly fee for each Academy (currently \$499 per month). The hardware needed for your Information System includes one basic desktop or laptop computer and printer. The Information System hardware currently costs approximately \$1,000 to \$3,000. You must use any additional computer hardware or software that we designate in the future. Upon 60 days' notice to you, we may also require you to pay us or our designee our then-current technology fee ("Technology Fee"), which we may use for developing, implementing, maintaining, running, operating, and/or upgrading any customized or proprietary technology software, hardware, wearables, applications, online platforms, websites, or for any other technology related purpose that we deem appropriate in our sole discretion. The Technology Fee will not exceed \$229 per month per territory in your first calendar year, but we reserve the right to increase the maximum amount we may charge for the Technology Fee by up to 10% each calendar year.

You will be solely responsible for the acquisition, operation, maintenance, and upgrading of the Information System. Neither we, nor any affiliate or third party, is obligated to provide ongoing maintenance, repairs, upgrades or updates for the Information System. We currently do not require that you purchase a maintenance, repair, upgrade or update service contract for the Information System. We estimate that the annual cost of optional and required maintenance, updating, upgrading or support contracts for your Information System will range from \$0 to \$200. Technology is growing rapidly and during the term of the Franchise Agreement you will need to invest in the Information System. You must upgrade, update, replace, add to, supplement or modify, the Information System as directed by us during the term of the Franchise Agreement. There are no contractual limitations on the frequency and costs of this obligation.

We reserve the right to access the Information System or retrieve, analyze, download or use any of the software, data or files stored or used on the Information System. We also will have independent access to the information you share with us as part of the web-based franchised location software system. The data currently stored and generated by the Tiger-Rock App includes: Member information, testing and rank results, Member and membership information (including fees paid by a Member), and other financial information. You understand that the data storage, phone line, modem, communication software, Internet access, Internet email account and all additional hardware and software needed to implement and maintain these services on your Information System is at your cost.

### Site Selection

You are solely responsible for selecting a site for your Franchised Location. We do not select your site, but we do review the site to ensure that it meets our site selection criteria. In addition, you must use our designated supplier, currently Locate Commercial Real Estate, to assist you in selecting the site for your Franchised Location. You must submit a complete site report (containing the demographic, commercial, and other information and photographs as we may reasonably require) for each site at which you propose to establish and operate your Franchised Location which must conform to minimum criteria we establish. In evaluating the site, we may consider a variety of factors, which may include some of the following: demographic characteristics, population, traffic patterns, the predominant character of the neighborhood,

competition from other businesses providing similar products and services within the area, and the size, appearance, and other physical characteristics of the Site. We will notify you in writing within thirty (30) days after we receive your complete site evaluation form and other materials we request whether we accept or reject the proposed Franchised Location premises.

### Typical Length of Time Before You Open Your Franchised Location

The typical length of time between the signing of the Franchise Agreement and the opening of your business is approximately 180 days to 240 days from the execution of the Franchise Agreement.

Factors that may impact this length of time may include whether you have a site selected upon execution of the Franchise Agreement, your ability to obtain a site, prepare a site survey, arrange leasing and financing, make leasehold improvements, install fixtures, equipment, and signs, decorate the Franchised Location, meet local requirements, obtain inventory and similar factors. If you fail to open your Franchised Location within 240 days of signing the Franchise Agreement, we may terminate the Franchise Agreement or grant you an extension of time to open your Franchised Location.

### Operations Manual

We will loan you a copy of our Manual, which as of the issuance date of this Disclosure Document is 110 pages. The Manual may be made available to you via access to our electronic document library. Our Manual contains proprietary information and you must keep such information confidential, as stated in Item 14 of this Disclosure Document. A graphic table of contents for the Operations Manual is attached as Exhibit D, which each box representing one electronic page. Our Manual consists of any collection of written, video, online, audio and/or software media (including materials distributed electronically), regardless of title and consisting of various subparts and separate components, all of which we or our agents produce and which contain required specifications and standards, and recommended policies, procedures and guidelines for your Franchised Location, all of which we may change from time to time. We will provide you with a copy of the then-current written materials included in the Manual on your discovery day.

### Training

At least 10 days prior to the opening of your Franchised Location, you or your designated manager must attend and successfully complete a 10-week Academy Certified Manager (ACM) Course online, in Lenexa, Kansas, or at another location we designate. You must pay to us the cost of the ACM Course, which is currently \$2,500 per person, and you are responsible for all travel and lodging costs for any participants.. At all times your Franchised Location must be managed only by you or another person who has successfully completed the ACM Course. We will hold the ACM Course as often as is necessary.

## TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-job Training	Location
Anthem & TR App	20		Virtual
TR Opportunities	20		Virtual
CDA Document, Calendar, History, Scholarship	20		Virtual
Events	20		Virtual
Style, CDA Directors, Certified Leaders	20		Virtual
Talk 15 & Hybrid Model	20		Virtual
Process 15 & Accelerators	20		Virtual
Grow & Score	20		Lenexa, KS or other location we designate
Bootcamp Performance Onsite		40	Lenexa, KS or other location we designate
Bootcamp Performance Onsite		40	Lenexa, KS or other location we designate
<b>TOTAL</b>	<b>160</b>	<b>80</b>	

Bert D. Kollars oversees our training. Mr. Kollars has served as our CEO and President since October 2008, and as our Affiliate’s CEO and President since 1983. Mr. Kollars also has operated 14 martial arts businesses since 1977. The Manual will be used as the principal instructional material.

In addition, you must participate in and attend all training we require. In addition, we recommend, but do not require, that you attend any optional training programs we offer. We reserve the right to charge a fee to attend any optional training program we offer.

Regardless of whether the training is required or optional, you and/or your designated staff member must pay all costs, fees and expenses necessary to attend any events, trainings or other programs we may offer. We also may charge a fee to attend such programs.

## **ITEM 12** **TERRITORY**

### Franchise Agreement

The franchise license granted to you through the Franchise Agreement provides you with the right to develop and operate one Franchised Location within the area described on the data sheet attached to the Franchise Agreement (the “Designated Territory”). Your Designated Territory will be defined as a radius around your Franchised Location. The precise radius around your Franchised Location will depend on the population density and natural and manmade barriers



of an area. The radius may range from 1/2 mile in densely populated suburban areas (population of 15,000 or more) to up to 5 miles in sparsely populated areas (population of 15,000 or less). If you need to relocate your Franchised Location it is your responsibility to find a new location and you must first receive our permission. The relocation site must be inside your Designated Territory and may not be any closer to the Designated Territory of another franchisee. We will not consent to the relocation of your Franchised Location if, for example, the location of the proposed site infringes on the territory rights of another franchisee, the proposed site is close to the border of another franchisee's territory, or the proposed site does not meet our site selection standards. Your failure to notify us of your relocation within your Designated Territory will constitute a default of this Agreement and provide us with the option to terminate this Agreement. You may operate the Tiger-Rock Program from a Feeder Club located inside your Designated Territory. A Feeder Club is a location where you deliver all or a portion of the Tiger-Rock Program on a part-time or limited basis. For example, a Feeder Club would include teaching a portion of the Tiger-Rock Program after school at an elementary school located inside your Designated Territory. Feeder Clubs must be located inside your Designated Territory and you may not offer the Tiger-Rock Program from a Feeder Club until you receive our written consent. 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.

Except as further noted below, during the term of this Agreement and provided you are in compliance with the terms and conditions of the Franchise Agreement, we will not (i) modify the Designated Territory without your written permission, or (ii) establish either a company-owned or franchised location within the Designated Territory that offers the Tiger-Rock Program. We, our affiliates or third party may, however, operate or grant a third party the right to operate any martial arts, health, fitness, or safety programs, or other programs or services inside your Designated Territory, other than the Tiger-Rock Program, even if you have obtained our consent to offer the same or similar programs from your Franchised Location.

If you are in compliance with the terms of your Franchise Agreement, we may permit you to offer certain Tiger-Rock Programs over the Internet as a part of a membership. A "membership" means those memberships held by Members of your Franchised Location who are eligible to participate in the Tiger-Rock Program and/or are granted access to your Franchised Location, regardless of whether the Member pays you any consideration. Currently, all memberships must include Tiger-Rock Programs that take place at your Franchised Location. While we do not have any plans to offer online-only memberships, we reserve the right to do so in the future.

Except as provided herein, the license granted to you does not include (i) any right to sell products or services using our Trademarks through any other channels or methods of distribution including, but not limited to, through mail order, catalogue, the Internet, or any other existing or future forms of electronic commerce, (ii) any right to sell services or products at any Company Event, even if the Company Event is held in your Designated Territory, (iii) any right to exclude, control or otherwise impose conditions on our development of future franchised, company or affiliate owned locations offering the Tiger-Rock Program at any time or at any location outside the Designated Territory, or (iv) any right to exclude, control or otherwise impose conditions on our development of future franchised, company or affiliate owned locations offering a program other than the Tiger-Rock Program at any time or at any location inside or outside your Designated Territory.

Except as noted below, you may not directly market or provide services to customers located outside your Designated Territory, and you may not use other channels of distribution to make sales inside or outside your Designated Territory. “Other channels of distribution” includes, but is not limited to, through mail order, catalogue, the Internet, or any other existing or future forms of electronic commerce. You may indirectly market outside your Designated Territory if you market or advertise in a manner that is not directed towards or targeting customers outside of your Designated Territory, including social media. You may not, however, directly market or solicit customers outside your Designated Territory, including in-person and related outreach efforts. If the geographic area surrounding your Designated Territory is not included in the territory of another franchisee, you may directly market to customers in such an area until the time we grant the area to a franchisee. While you limited in your ability to market customers and Members outside of your Designated Territory, customers are permitted to join whichever Tiger-Rock location they prefer, regardless of where the customer lives and whether the customer lives within a franchisee’s designated territory.

You may offer only the Tiger-Rock Program from your Franchised Location that we authorize and allow. You may not offer any martial arts, fitness, health or safety-related program from your Franchised Location without our prior written approval. You also may not accompany any customers or Members to—or otherwise participate in, endorse, or sponsor—any non-Tiger-Rock events located anywhere, whether inside or outside your Designated Territory; provided that you may attend such non-Tiger-Rock events as an observer.

Historically, we did not grant certain franchisees any territory protection. As a result, at the time we define your Designated Territory, you acknowledge and understand that a franchised location (that offers the Tiger-Rock Program) may be operating inside your Designated Territory and this franchised location may compete with the Franchised Location(s) you open and operate inside your Designated Territory. After we define your Designated Territory, we will not grant anyone else the right to open and operate a franchised location inside your Designated Territory that offers the Tiger-Rock Program.

We or our affiliates may, among other things, on any terms and conditions we deem advisable, without paying compensation to any franchisee, and without granting you any rights:

- (i) establish and/or license others to establish company-owned or franchised locations that offer the Tiger-Rock Program at any location outside the Designated Territory;
- (ii) establish and/or license others to establish company-owned or franchised locations inside or outside the Designated Territory that offer a program other than the Tiger-Rock Program;
- (iii) offer, market and sell, or license a third party the right to offer, market and sell, both inside and outside the Designated Territory, any products (including retail items and annual subscriptions and/or memberships) identified by the Trademarks or any other trademarks, service marks or trade names;

- (iv) offer, market and sell any products or services identified by the Trademarks or any other trademarks, service marks or trade names to your Members at Company Events regardless of where the Company Event is held; or
- (v) offer, market and sell inside the Designated Territory any products or services identified by the Trademarks from another business premises (for example, from a school, corporation or hospital), provided we will not establish a physical location identified by the Trademarks inside the Designated Territory.

Additionally, we, our affiliates, or a third party we designate may offer, market or sell, inside or outside the Designated Territory, any products or services (including retail items and annual memberships or subscriptions) identified by the Trademarks, or any other trademarks, service marks or trade names through alternate forms of distribution including, but not limited to, through mail order, catalogue, the Internet, or any other existing or future form of electronic commerce. For example, we, our affiliates, or a third party may offer, market or sell Trademarked items, annual memberships, subscriptions, training, games or products through the Internet. We are not required to pay you any compensation for soliciting or accepting orders inside the Designated Territory.

Following your first full year of operation, and for each year remaining under the term of this Agreement, you must maintain an average of 30 Members. If you do not achieve the required Minimum Members for any year during the term of this Agreement, in addition to our right to terminate the Franchise Agreement, we may require you to comply with all or some of the following:

1. Collect a shortfall royalty from you equal to the difference between the Royalty Fee you should have paid had you achieved the Minimum Members for that year and the actual Royalty Fee you paid to us during the year (the “Shortfall Royalty”).
2. Participate in additional assistance, including conference calls and video conferences.
3. Participate in remedial training, at your expense.

You understand that meeting the Minimum Performance Requirements does not suggest that you are sufficiently penetrating the market in your Designated Territory or that the Franchised Location will be successful. Rather, the Minimum Performance Requirements are threshold minimum amounts. The Minimum Performance Requirements applicable to your Franchised Location may vary from the performance standards applicable to other franchised locations due to geographic area and other variables. There are no circumstances that allow us to modify your Designated Territory without your consent.

Except for the operation of a Feeder Club, you do not have any options, rights of first refusal or similar rights to acquire additional franchises within your Designated Territory.

## **ITEM 13**

### **TRADEMARKS**

The Franchise Agreement licenses you to use certain Trademarks. We claim common law trademark rights for all of the Trademarks. Our Affiliates have filed or intend to file all required affidavits and renewals for the Trademarks listed below. The primary Trademarks for each Program are listed below and are registered with the U.S. Patent and Trademark office.

<b>Trademark</b>	<b>Registration Number</b>	<b>Registration Date</b>	<b>Register</b>
HO-AM TAEKWONDO	3175914	11/28/2006	Principal
BE YOUR REVOLUTION	4162011	06/19/2012	Principal
TIGER-ROCK MARTIAL ARTS INTERNATIONAL	4316153	04/09/2013	Principal
TIGER-ROCK MAI	4316152	04/09/2013	Principal
TIGER-ROCK MAI SYSTEMS	4316151	04/09/2013	Principal
TIGER-ROCK MARTIAL ARTS	4316150	04/09/2013	Principal
TIGER-ROCK GEAR TRG	4384493	08/13/2013	Principal
TIGER-ROCK GEAR	4384492	08/13/2013	Principal
TR TR TIGER-ROCK	4423719	10/29/2013	Principal
XP	4451215	12/17/2013	Principal
R15E	5053725	10/04/2016	Principal
R15E	5218359	06/06/2017	Principal
BE TRANSFORMED	5999603	03/03/2020	Principal
R15E	6122548	08/11/2020	Principal
COMPETE. DEFEND. ADVANCE.	90151712	09/1/2020	Principal

<b>Trademark</b>	<b>Application Number</b>	<b>Application Date</b>	<b>Register</b>
COMPETE. DEFEND. ADVANCE.	3175914	11/28/2006	Principal

We do not have a federal registration for this principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Tiger-Rock Martial Arts International, Inc. has licensed us the right to use the Trademarks and to sublicense the use of the Trademarks for the operation of a Franchised Location under a license agreement dated October 2008. The license agreements provide for unlimited, automatic renewals. Our Affiliates may terminate the license agreements in the event, among other things, we file bankruptcy or we or any franchisee materially misuse the Trademarks. The license agreements contain no other limitations. Except for the license agreements, there are no other agreements that limit our right to use the Trademarks.

Appendix B to your Franchise Agreement identifies the Trademarks that you are licensed to use. We have the right to change Appendix B from time to time. Your use of the Trademarks and any goodwill is to our and our Affiliates' exclusive benefit and you retain no rights in the Trademarks. You also retain no rights in the Trademarks upon expiration or termination of your Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Trademarks unless we direct in writing. We will have no liability or obligation as to your modification or discontinuance of any Trademark.

There are currently no effective material determinations by the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Trademarks. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Trademarks in any manner material to the franchise. We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Trademarks.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Trademarks, or to participate in your defense or indemnify you for expenses or damages if you are named as a party to an administrative or judicial proceeding involving the Trademarks. We reserve the right to control any litigation related to the Trademarks and we have the sole right to decide to pursue or settle any infringement actions related to the Trademarks. You must notify us promptly of any infringement or unauthorized use of the Trademarks of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the Trademarks, you must make the changes or substitutions at your own expense.

#### **ITEM 14**

#### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

There are no patents or copyrights currently registered or pending that are material to the franchise, although we claim copyright ownership and protection for our Franchise Agreement, Manual (including all subparts), web site and for various sales, promotional and other materials published from time to time.

There are no currently effective determinations of the Copyright Office (Library of Congress), United States Patent and Trademark Office, Board of Patent Appeals and Interferences, or any court, or any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any patents or copyrights. There are currently no agreements in effect that significantly limit our rights to use or license the use of any patents or copyrights in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the patents or copyrights.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of any patents or copyrights, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to any patents and copyrights and we have the sole right to decide to pursue or settle any infringement actions related to the patents or copyrights. You must notify us promptly of any infringement or unauthorized use of the patents or copyrights of which you become aware.

Except as noted below, all ideas, concepts, techniques, or materials concerning your Franchised Location or evolution of the Tiger-Rock Curriculum, Tiger-Rock Certification Services (as defined in the Franchise Agreement), or any other program or service we authorize, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property and works made-for-hire for us. To the extent any item does not qualify as a “work made-

for-hire” for us, you must assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

You must keep confidential during and after the term of the Franchise Agreement all proprietary information, including the Manual and all subparts and related writings. Upon termination of your Franchise Agreement, you must return to us all proprietary information, including but not limited to the Manual and all other copyright material. You must notify us immediately if you learn about an unauthorized use of proprietary information. We are not obligated to take any action and we have the sole right to decide the appropriate response to any unauthorized use of proprietary information.

## **ITEM 15**

### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

We recommend, but do not require, that you participate in the operation of your Franchised Location. You may participate personally in the direct operation of your Franchised Location as you determine appropriate. We also recommend, but do not require, that you provide on-premises supervision of your Franchised Location. If you are not skilled in martial arts, you must hire an on-premises supervisor that is at least a certified instructor to provide on-site supervision of your Franchised Location. If you are a legal entity, there is no requirement that your on-premises supervisor own any interest in the Franchisee.

All persons owning 10% or more of a franchisee that is a corporation, partnership, limited liability company or partnership or other legal entity must execute the form of undertaking and guarantee attached to the Franchise Agreement.

All shareholders, officers, directors, partners, members and all managers and other employees having access to our proprietary information must execute non-disclosure agreements. Your managers and supervisory personnel and other employees receiving training from us must execute non-disclosure agreements. It is your responsibility to make sure that all non-disclosure agreements you use comply with applicable state law.

## **ITEM 16**

### **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

Item 8 of this Disclosure Document describes our requirements for approved supplies and suppliers. You must purchase any approved supplies from our approved suppliers.

You may offer for sale at your Franchised Location all, and only, the Tiger-Rock Program, products, apparel and services that we approve and you may not offer at the Franchised Location any unapproved programs, products, apparel or services or use the premises for any purpose other than the operation of a Franchised Location. We may permit you to offer and sell virtual Tiger-Rock Programs as a part of a membership. You also may not accompany any customers or Members to—or otherwise participate in, endorse, or sponsor—any non-Tiger-Rock events located anywhere, whether inside or outside your Designated Territory.

We have the unlimited right to change the types of authorized products and services you may offer.

Except as otherwise noted in Item 12, you may not offer services to customers or Members located outside your Designated Territory.

## **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 Disclosure Document.**

	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
a.	Length of the franchise term	Section 4A and Data Sheet	The initial term for a new franchise franchised location will be as agreed upon by the parties and will be designated on the Data Sheet attached to the Franchise Agreement.
b.	Renewal or extension of the term	Section 4B	You may renew your rights under the Franchise Agreement for one additional term equal to our then-current renewal term.
c.	Requirements for franchisee to renew or extend	Section 4B	<p>You give us written notice of your decision to renew at least 2 months before the end of the expiring term; you are not in default and have satisfied your obligations on a timely basis; you have not received more than 3 notices of default from us in the 2 year period immediately preceding our receipt of your intent not to renew; if leasing, you have renewed the lease; if you have remodeled the franchise premises to meet our then-current standards, you and your owners sign a release of claims; you sign our then-current form of franchise agreement, you attend any training we require at your expenses; and you pay us a renewal fee equal to 25% of the then-current initial franchise fee at least 30 days after the current agreement expires.</p> <p>If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.</p>
d.	Termination by franchisee	Section 12C	You may terminate the Franchise Agreement only for a material breach by us, provided you give us written notice of the breach and allow 60 days to cure such breach and, if not cured, wait 90 days from the original notice of breach before terminating the Franchise Agreement (post-term obligations do apply).
e.	Termination by franchisor without cause	Not Applicable	Not Applicable
f.	Termination by franchisor with cause	Sections 12A and B	We can terminate the Franchise Agreement only if you default or fail to comply with your obligations.
g.	“Cause” defined – curable defaults	Sections 12A and B	Except as otherwise noted, you have 60 days to cure any defaults under the Franchise Agreement and any other default not listed in (h) below. You have 10 days to cure any default relating to any material misrepresentation or omission in your franchise application.

	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
h.	“Cause” defined – non-curable defaults	Sections 12A and B	Non-curable defaults include: abandonment, loss of lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to relocate, closing of Franchised Location, insolvency, unapproved assignments or transfers, convictions, multiple defaults, or failure to cure within 24 hours of notice a default which materially impairs the goodwill associated with any of our Trademarks.
i.	Franchisee’s obligations on termination/non-renewal	Section 13A	Obligations include complete de-identification and payment of amounts due, return of the Manual and related writings, and proprietary materials (also see (r) below).
j.	Assignment of contract by Franchisor	Section 10C	No restriction on our right to assign.
k.	“Transfer” by franchisee - defined	Section 10A	Includes any transfer of your interest in the Franchise Agreement or in the business or any ownership change.
l.	Franchisor approval of transfer by franchisee	Section 10A	We have the right to approve all transfers, but will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Section 10A	You may sell, in whole or in part, your franchise rights to a third party so long as: (i) the prospective buyer goes through our application and qualification process and, if we require, signs our then-current form of franchise agreement and pays our transfer fee; (ii) you are not in default and have satisfied your obligations on a timely basis you, and (iii) your principals and guarantors sign a release in a form we prescribe. You also may transfer, in whole or in part, any of your rights or interest in the Franchise Agreement to a legal entity wholly-owned by you.
n.	Franchisor’s right of first refusal to acquire franchisee’s business	Not Applicable	Not Applicable
o.	Franchisor’s option to purchase franchisee’s business	Section 13D	Upon termination, we have the right (but not the obligation) to purchase or designate a third party the right to purchase all or any portion of the assets of your Franchised Location. Qualified appraisers will determine the price as outlined in the Franchise Agreement.
p.	Death or disability of franchisee	Section 10B	If you, or the managing owner, die or are permanently disabled, your estate or personal representative must transfer your interest within 12 months to a person we approve. During that time, your Franchised Location must be managed by a person we designate. The manager must complete our required training.
q.	Non-competition covenants during the term of the franchise	Section 9D	No direct or indirect involvement in any franchised location or business that sells or offers for sale programs, products and services that are the same as or similar to the Tiger-Rock Program or any other program we authorize.



	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
r.	Non-competition covenants after the franchise is terminated or expires	Section 9D	For a period of two years after termination of your Franchise Agreement you will not: (i) own, manage, operate, maintain, engage in, mutually sponsor or participate in, consult with or have an interest in any business, seminar, championship or training that provides services to commercial taekwondo or other martial arts schools that are substantially similar to the services we provide to you, or in any way compete with us (this includes any championships, training and seminars wherein you invite Members and/or members or students from other organizations or businesses to participate); or (ii) own, manage, operate, maintain, engage in, mutually sponsor or participate in, consult with, or have any interest in a franchised location or business that sells or offers programs or services that are the same as or similar to the Tiger-Rock Program or any other program we authorize: (i) from your Authorized Location or from anywhere inside your Designated Territory; (ii) within 35 miles of the outer boundary of your Designated Territory; or (iii) within 35 miles of the outer boundary of any existing or former Franchised Location's Designated Territory.
s.	Modification of the Agreement	Section 14B	No modifications generally, but we have the right to change Manual, list of authorized Trademarks.
t.	Integration/merger clause	Section 14B	Only the terms of the Franchise Agreement and Disclosure Document are binding (subject to state law). Any statements or promises not in the Franchise Agreement and Disclosure Document should not be relied upon and may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 11A-11B	Except as expressly noted all claims and disputes will first be mediated and then arbitrated in the city and state where our headquarters are located at the time the mediation and/or arbitration commences (currently, Olathe, Kansas) (subject to state law).
v.	Choice of forum	Section 14H	Litigation must be in the applicable state or federal district court located closest to the city and state where our headquarters are located at the time the litigation commences (currently, Olathe, Kansas), or as otherwise agreed to by the parties (subject to state law).
w.	Choice of law	Section 14G	Except for claims under federal trademark law, and the parties' rights under the Federal Arbitration Act, the law of the state where our headquarters is located (currently, Kansas) will govern any dispute (subject to state law).

## **ITEM 18**

### **PUBLIC FIGURES**

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

## **ITEM 19**

### **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

(2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

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 Bert D. Kollars, 8781 Penrose Lane, Lenexa, Kansas 66219, (913) 725-0777, the Federal Trade Commission, and the appropriate state regulatory agencies.

## **ITEM 20**

### **OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**

#### **Systemwide Outlet Summary for Years 2020 to 2022**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	100	99	1
	2021	99	99	0
	2022	99	98	-1
Company-Owned	2020	1	1	0
	2021	1	1	0
	2022	1	2	1
Total Outlets	2020	101	100	1
	2021	100	100	0
	2022	100	100	0

**Table No. 2****Transfers of Outlets from Franchisees to New Owners  
(Other than Franchisor) for Years 2020 to 2022**

State	Year	Number of Transfers
Alabama	2020	2
	2021	0
	2022	2
Arizona	2020	0
	2021	1
	2022	0
Colorado	2020	0
	2021	0
	2022	1
Kansas	2020	1
	2021	0
	2022	0
Louisiana	2020	0
	2021	0
	2022	0
Mississippi	2020	1
	2021	0
	2022	0
Pennsylvania	2020	1
	2021	0
	2022	0
Texas	2020	2

	2021	0
	2022	0
Total	2020	7
	2021	1
	2022	3

**Table No. 3**

**Status of Franchise Outlets  
for Years 2020 to 2022**

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Re-Acquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
AL	2020	15	0	0	0	0	0	15
	2021	15	0	0	0	0	0	15
	2022	15	0	0	0	0	0	15
AZ	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
CA	2020	2	0	2	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
CO	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
FL	2020	8	0	0	0	0	0	8
	2021	8	0	0	0	0	0	8
	2022	8	1	0	0	0	0	9
GA	2020	7	0	0	0	0	0	7

	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	1	6
IA	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
KS	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
KY	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
LA	2020	12	1	1	0	0	0	12
	2021	12	0	0	0	0	0	12
	2022	12	0	0	0	0	0	12
MD	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
MN	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
MS	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
NC	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3

	2022	3	0	0	0	0	0	3
NE	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
NM	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
NV	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
OH	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
PA	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
SC	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	1	1
SD	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
TN	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2

TX	2020	28	0	0	0	0	0	28
	2021	28	0	0	0	0	0	28
	2022	28	0	0	0	0	0	28
UT	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
VA	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Total	2020	100	2	3	0	0	0	99
	2021	99	0	0	0	0	0	99
	2022	99	1	0	0	0	2	98

**Table No. 4**

**Status of Company-Owned Outlets  
For Years 2020 to 2022**

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Iowa	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Kansas	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
Total	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	1	0	0	0	2

**Table No. 5**

**Projected Openings as of December 31, 2022**

State	Franchise Agreements Signed But Outlet Not	Projected New Franchised Outlets in The Next Fiscal	Projected New Company-Owned Outlets In the Next Fiscal Year
-------	--	---	---

	Opened	Year	
Colorado	0	0	0
Georgia	1	0	0
Kansas	1	0	0
Louisiana	1	0	0
Missouri	1	0	0
North Carolina	1	0	0
Pennsylvania	1	0	0
Tennessee	1	0	0
Texas	3	0	0
<b>Total</b>	10	0	0

A list of current franchisees is attached as Exhibit E to this Disclosure Document. Exhibit E also includes the names, city, state, and business telephone numbers of every franchisee who had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year. No franchisees have failed to communicate with us in the ten weeks prior to the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, we have signed confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us. We have not created, endorsed or sponsored any trademark-specific franchisee associations.

## **ITEM 21**

### **FINANCIAL STATEMENTS**

Attached as Exhibit B are the following financial statements:

1. Audited Financial Statements for January 1, 2020 through December 31, 2020;
2. Audited Financial Statements for January 1, 2021 through December 31, 2021; and
3. Audited Financial Statements for January 1, 2022 through December 31, 2022; and
4. Unaudited Financial Statements as of July 31, 2023.



Our fiscal year ends on December 31.

**ITEM 22**  
**CONTRACTS**

This Disclosure Document includes a sample of the following contracts:

Exhibit C - Franchise Agreement, including Appendices: A-Data Sheet; B-Trademarks; and C-Franchise Agreement Addendum.

Exhibit F - State Addenda

Exhibit G - Sample Release.

**ITEM 23**  
**RECEIPTS**

Attached to this Disclosure Document as Exhibit H is a detachable acknowledgment of receipt.

## **EXHIBIT A**

### List of State Agencies and Agents for Service of Process

## List of State Agencies and Agents for Service of Process

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020 410-576-6360
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020 410-576-6360
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 <sup>st</sup> Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	Office of the New York State Attorney General Investor Protection Bureau Franchise Section	28 Liberty Street, 21 <sup>st</sup> Floor New York, New York 10005 212-416-8236 Phone 212-416-6042 Fax
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

**EXHIBIT B**

Financial Statements

# **TIGER-ROCK MAI SYSTEMS, INC.**

FINANCIAL REPORT  
AS OF DECEMBER 31, 2022 AND 2021



**TIGER-ROCK MAI SYSTEMS, INC.**

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	3
Balance Sheets	5
Statements of Operations	6
Statements of Changes in Stockholders' Equity (Deficit)	7
Statements of Cash Flows	8
Notes to Financial Statements	9



## **Independent Auditor's Report**

To the Stockholders  
Tiger-Rock MAI Systems, Inc.  
Olathe, Kansas

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Tiger-Rock MAI Systems, Inc. which comprise the balance sheet as of December 31, 2022, and 2021, and the related statements of operations, changes in member's equity and cash flows for years ended December 31, 2022, 2021 and 2020, and the related notes to the financial statements.

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of Tiger-Rock MAI Systems, Inc. as of December 31, 2022, and 2021, and the results of its operations and its cash flows for the years ended December 31, 2022, 2021 and 2020 in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tiger-Rock MAI Systems, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tiger-Rock MAI Systems, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood

that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Tiger-Rock MAI Systems, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tiger-Rock MAI Systems, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Reese CPA LLC*

Ft. Collins, Colorado  
April 25, 2023



**TIGER-ROCK MAI SYSTEMS, INC.**  
**BALANCE SHEETS**

	<b>AS OF DECEMBER 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>ASSETS:</b>		
<b>CURRENT ASSETS</b>		
Cash and equivalents	\$ 37,949	\$ 198,792
Accounts receivable	-	3,747
<b>TOTAL CURRENT ASSETS</b>	<u>37,949</u>	<u>202,539</u>
<b>INTANGIBLES, NET</b>	1,053	2,387
<b>TOTAL ASSETS</b>	<u><u>\$ 39,002</u></u>	<u><u>\$ 204,926</u></u>
<b>LIABILITIES AND MEMBERS' EQUITY:</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 22,013	\$ 8,646
Non-refundable deferred franchise fees, current	3,800	2,200
<b>TOTAL CURRENT LIABILITIES</b>	<u>25,813</u>	<u>10,846</u>
<b>LONG-TERM LIABILITIES</b>		
Long-term debt	149,900	149,900
Non-refundable deferred franchise fees	28,465	17,462
<b>TOTAL LIABILITIES</b>	<u>204,178</u>	<u>178,208</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$1 par value; 50,000 shares		
Authorized; 250 shares issued and outstanding	250	250
Additional paid-in capital	49,750	49,750
Retained (deficit)	(65,176)	(23,282)
Due from related party	(150,000)	-
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<u>(165,176)</u>	<u>26,718</u>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<u><u>\$ 39,002</u></u>	<u><u>\$ 204,926</u></u>

The accompanying notes are an integral part of these financial statements.

**TIGER-ROCK MAI SYSTEMS, INC.**  
**STATEMENTS OF OPERATIONS**

	<b>FOR THE YEARS ENDED DECEMBER 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>			
Certification revenue	\$ 1,295,710	\$ 939,398	\$ 609,861
Franchise fees	3,397	24,338	-
<b>TOTAL REVENUES</b>	<u>1,299,107</u>	<u>963,736</u>	<u>609,861</u>
<b>OPERATING EXPENSES</b>			
Salaries, wages and related costs	448,434	309,373	333,683
General and administrative	881,110	663,430	305,989
Amortization and depreciation	1,334	1,333	1,333
<b>TOTAL OPERATING EXPENSES</b>	<u>1,330,878</u>	<u>974,136</u>	<u>641,005</u>
<b>OPERATING (LOSS)</b>	(31,771)	(10,400)	(31,144)
<b>OTHER INCOME (EXPENSES)</b>			
Other Income	-	3,000	772
Interest expense	(10,123)	(7,344)	-
<b>TOTAL OTHER INCOME (EXPENSE)</b>	<u>(10,123)</u>	<u>(4,344)</u>	<u>772</u>
<b>NET (LOSS)</b>	<u>\$ (41,894)</u>	<u>\$ (14,744)</u>	<u>\$ (30,372)</u>

The accompanying notes are an integral part of these financial statements.

**TIGER-ROCK MAI SYSTEMS, INC.**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**  
**FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020**

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total Stockholders' Equity</u>
<b>BALANCE, DECEMBER 31, 2019</b>	<b>\$ 250</b>	<b>\$ 49,750</b>	<b>\$ 21,834</b>	<b>\$ 71,834</b>
Net (loss)	<u>-</u>	<u>-</u>	<u>(30,372)</u>	<u>(30,372)</u>
<b>BALANCE, DECEMBER 31, 2020</b>	<b>250</b>	<b>49,750</b>	<b>(8,538)</b>	<b>41,462</b>
Net (loss)	<u>-</u>	<u>-</u>	<u>(14,744)</u>	<u>(14,744)</u>
<b>BALANCE, DECEMBER 31, 2021</b>	<b>250</b>	<b>49,750</b>	<b>(23,282)</b>	<b>26,718</b>
Net (loss)	<u>-</u>	<u>-</u>	<u>(41,894)</u>	<u>(41,894)</u>
<b>BALANCE, DECEMBER 31, 2022</b>	<u><u>\$ 250</u></u>	<u><u>\$ 49,750</u></u>	<u><u>\$ (65,176)</u></u>	<u><u>\$ (15,176)</u></u>

The accompanying notes are an integral part of these financial statements.

**TIGER-ROCK MAI SYSTEMS, INC.**  
**STATEMENTS OF CASH FLOWS**

	<b>FOR THE YEARS ENDED DECEMBER 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net (loss)	\$ (41,894)	\$ (14,744)	\$ (30,372)
Adjustments to reconcile net (loss) to net cash provided by operating activities:			
Amortization	1,334	1,333	1,333
Recognition of non-refundable deferred franchise sales	(3,397)	(2,338)	-
Forgiveness of EIDL grant	-	(3,000)	-
Changes in assets and liabilities			
Accounts receivable	3,747	(426)	(2,931)
Accounts payable and accrued expenss	13,367	8,646	-
Non-refundable deferred franchise fees	16,000	-	22,000
Net cash provided(used) by operating activities	(10,843)	(10,529)	(9,970)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net cash provided (used) by investing activities	-	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Due to affiliate	(150,000)	(66,611)	2,706
Proceeds from borrowing	-	-	152,900
Net cash provided by financing activities	(150,000)	(66,611)	155,606
<b>NET INCREASE (DECREASE) IN CASH</b>	(160,843)	(77,140)	145,636
<b>CASH, beginning of year</b>	198,792	275,932	130,296
<b>CASH, end of year</b>	<u>\$ 37,949</u>	<u>\$ 198,792</u>	<u>\$ 275,932</u>
<b>SUPPLEMENTAL DISCLOSURES</b>			
Cash paid for interest	\$ 5,286	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

**TIGER-ROCK MAI SYSTEMS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Tiger-Rock MAI Systems, Inc. (the "Company") was formed on October 14, 2008, in the State of Florida, as a corporation. The Company offers for sale franchises to operate a Tiger-Rock MAI Systems location that engages in providing rank and teaching certification services for TaeKwonDo and other martial arts instruction pursuant to certain required and recommended practices.

The Company has two affiliates, Tiger-Rock Martial Arts International, Inc. ("Affiliate") and KCK Investments, LLC ("KCK"). The Affiliate offers memberships to students and sponsors, special events, seminars, testing, and tournaments. The Company pays the affiliate for management fees and shared operating expenses.

COVID-19

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

A summary of significant accounting policies follows:

Basis of Presentation

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

Preparation of the Company's financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had cash equivalents of \$0 and \$53,497 as of December 31, 2022, and 2021, respectively.

**TIGER-ROCK MAI SYSTEMS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Accounts Receivable*

Accounts receivable arise in the normal course of business through franchise sales and fees earned. Management evaluates individual customers' receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company did not record an allowance for uncollectible accounts at December 31, 2022, and 2021. Bad debt expense was \$0, \$0, and \$0, for the years ending December 31, 2022, 2021 and 2020, respectively.

*Property, Plant & Equipment*

Property and equipment are stated at historical cost. Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (generally three to seven years).

*Intangible Assets*

Intangible assets consist principally of intellectual property and franchise agreements. The Company has established intangible assets for the cost of developing its unique franchise agreements and intellectual property.

The Company has adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350, Intangibles – Goodwill and Other that requires that goodwill and intangible assets with indefinite lives (such as intellectual property) no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives (such as franchise documents and non-compete agreements) are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which the asset is expected to contribute directly or indirectly to future cash flows. Franchise agreements are amortized over the period the agreements are expected to remain in place, assuming renewals without material modifications to the original terms and conditions (generally ten years from the date of the agreement). Intangible assets with finite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable.

*Revenue Recognition*

The Company recognizes revenue under the guidance of ASC 606 “Contracts with Customers”. The Company’s revenue is principally generated through franchise agreements executed with the Company’s franchisees. Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each performance obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee.

**TIGER-ROCK MAI SYSTEMS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Revenue Recognition (continued)*

When a franchisee purchases a Tiger Rock franchise, the Company grants the franchisee the right to use the proprietary methods, techniques, trade dress, trademarks, and logos ("the license"). This is considered to be symbolic intellectual property. Continuing monthly membership, network and testing fees are recognized as revenue when invoiced. These monthly fees are defined in the franchise agreement. The membership fee is charged on a per member basis. The network fee is agreed at the signing of the franchise and may be increased annually under the terms of the franchise agreement. The test fee is charged on a per test basis and varies from year to year under the terms of the franchise agreement. These revenues are used to continue the development of the Company's brand, the franchise system and provide ongoing support for the Company's franchisees over the term of the agreement. The royalties are billed monthly and are recognized as revenue when earned.

Revenue from initial fees is allocated to the performance obligations in the franchise agreement that are distinct from the symbolic intellectual property. These primarily include training services, opening support services, opening marketing assistance and franchisee acquisition and acceptance. The amount allocated to each identified performance obligation is determined using the expected cost plus a margin approach. Revenue from initial fees is recognized when the performance obligation is satisfied and control of the good or service has been transferred to the franchisee. Performance obligations that are normally satisfied by the opening of the franchised business to the public are determined to be earned during the period from the execution of the contract to the opening of the franchised business which is generally less than one year.

*Advertising Costs*

The Company expenses advertising costs as incurred. Advertising expense for the year ended December 31, 2022, 2021 and 2020 were \$0, \$0, and \$0, respectively.

*Income Taxes*

The stockholders of the Company have elected to be treated as an S corporation for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of its stockholders and no provisions for federal or state income taxes have been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements or that would affect the Company's member. The Company's evaluation was performed for the years ended December 31, 2022, 2021 and 2020 for U.S. Federal Income Tax and for the State of Kansas Income Tax.

**TIGER-ROCK MAI SYSTEMS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Fair Value of Financial Instruments*

For certain of the Company's financial instruments, including cash, accounts receivable and accounts payable. The carrying amounts approximate fair value due to their short maturities.

*Recently issued accounting pronouncements*

The Company has adopted all recently issued Accounting Standards Updates ("ASU"). The adoption of the recently issued ASUs, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

**NOTE 2 – CONTRACTS WITH CUSTOMERS**

The Company has recorded a liability for unearned revenue associated with the performance obligation of the Company's franchise agreements. The account balances and activity for the years ended December 31, are as follows:

	December 31, 2022	2021
<b>Deferred Non-refundable Franchise Fees:</b>		
Balance beginning of year	\$ 19,662	\$ 22,000
Deferral of non-refundable franchise fees	16,000	
Recognition of non-refundable franchise fees	(3,397)	(2,338)
Balance at end of year	<u>\$ 32,265</u>	<u>\$ 19,662</u>

*Estimated Recognition of Deferred Franchise Fees*

Estimated revenues to be recognized in future periods related to deferred franchise fees as reported at December 31, 2022, is as follows:

	Non-refundable Franchise Fees
Year ending December 31:	
2022	\$ 3,800
2023	3,800
2024	3,800
2025	3,800
2026	3,800
Thereafter	13,265
	<u>\$ 32,265</u>



**TIGER-ROCK MAI SYSTEMS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – CONTRACTS WITH CUSTOMERS (CONTINUED)**

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees for the years ending December 31, 2022, 2021, and 2020 is as follows:

	2022	2021	2020
Performance obligations satisfied at a point in time	\$ 1,295,710	\$ 961,398	\$ 609,861
Performance obligations satisfied through the passage of time	3,397	2,338	-
Total revenues	<u>\$ 1,299,107</u>	<u>\$ 963,736</u>	<u>\$ 609,861</u>

**NOTE 3 – INTANGIBLES**

Franchise development costs, net, consist of the following at December 31,

	2022	2021
Franchise development costs	\$ 20,000	\$ 20,000
Less accumulated amortization	(18,947)	(17,613)
	<u>\$ 1,053</u>	<u>\$ 2,387</u>

Amortization expense for the year ended December 31, 2022, 2021 and 2020 was \$1,334, \$1,333, and \$1,333, respectively. Amortization expense for the year is expected to be \$ 1,053 per year.

**NOTE 4 – NOTES PAYABLE**

Notes payable consist of the following at December 31,

	2022	2021
Note payable with the Small Business Administration Face amount of \$150,000, payable in 360 monthly installments of \$731 including interest at the rate of 3.75% Final payment due on June 18, 2050. Collateralized by assets of the Company.	\$ 149,900	\$ 149,900
Less current maturities	-	-
	<u>\$ 149,900</u>	<u>\$ 149,900</u>

**TIGER-ROCK MAI SYSTEMS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – NOTES PAYABLE (CONTINUED)**

The maturities of the long-term debt are as follows:

Year ending December 31:

2023	\$ -
2024	-
2025	-
2026	-
2027	969
Thereafter	146,207
	<hr/> \$ 149,900 <hr/>

**NOTE 5 – RELATED PARTY TRANSACTIONS**

*Management Fees and Operating Expenses*

The affiliated company, Tiger-Rock Martial Arts International, Inc., offers memberships to students and sponsors tournaments, seminars, special events, and high rank testing for the students. Tiger-Rock MAI Systems, Inc. pays the affiliated company for management fees and operating expenses. The amount of those fees and costs paid for the year ended December 31, 2022, 2021 and 2020 totaled \$1,106,422, \$977,876, and \$623,254, respectively.

*Related Party Revenues*

The owners of the Company operate TaeKwonDo academies that pay testing fees to the Company. Amounts paid were \$196,210, \$122,157, and \$96,732 for the years ended December 31, 2022, 2021 and 2020, respectively.

**NOTE 6 – SAVINGS INCENTIVE MATCH PLAN FOR EMPLOYEES**

The Company maintains a Savings Incentive Match Plan for Employees (SIMPLE) whereby the employees may elect to contribute up to \$11,500 of their gross wages upon meeting age and length of service requirements. The Company contributes 1% to 3% of electing employees; deferrals based on the discretion of management. Employer contributions to the Plan totaled \$13,574, \$9,633, and \$10,770 for the years ended December 31, 2022, 2021 and 2020, respectively.

**NOTE 7 – FRANCHISE SALES**

For the year ended December 31, 2022, 2021 and 2020 the Company had 103, 100, and 100 franchises, respectively.

**TIGER-ROCK MAI SYSTEMS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8- COMMITMENTS AND CONTINGENCIES**

*Litigation*

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

*Operating Lease*

The Company rents space from the Company's Affiliate, month-to-month as part of the shared expenses with Affiliate. Rent expense allocated to the Company were \$54,951, 29,351, and \$27,174 for the years ending December 31, 2022, 2021 and 2020, respectively.

**NOTE 9 - SUBSEQUENT EVENTS**

*Date of Management's Evaluation*

Management has evaluated subsequent events through April 25, 2023, the date on which the financial statements were available to be issued.

**UNAUDITED FINANCIAL STATEMENTS  
AS OF JULY 31, 2023**

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THE CONTENT OR FORM.

# TRMAI Systems, Inc

## Balance Sheet As of July 31, 2023

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Business Basic (XX 3293)-Central Bank	215,945.00
Cash in bank-Coastal Bank and Trust	0.00
Community America Checking	2,600.35
Community America Savings	0.00
<b>Total Bank Accounts</b>	<b>\$218,545.35</b>
Accounts Receivable	
Accounts Receivable	15,883.00
Accounts Receivable (A/R)	0.00
Accounts Receivable-KCK Properties	
<b>Total Accounts Receivable</b>	<b>\$15,883.00</b>
Other Current Assets	
A/R - Tiger-Rock International	150,000.00
A/R - KCK Properties	0.00
Prepaid Expenses	0.00
Systems CD	0.00
Undeposited Funds	2,093.00
<b>Total Other Current Assets</b>	<b>\$152,093.00</b>
<b>Total Current Assets</b>	<b>\$386,521.35</b>
Fixed Assets	
Machinery & Equipment	19,522.88
Accum Depr-machinery and equipment	-19,522.88
<b>Total Machinery &amp; Equipment</b>	<b>0.00</b>
Start Up Expenses-Net of Amortization	-777.84
<b>Total Fixed Assets</b>	<b>\$ -777.84</b>
Other Assets	
Accumulated Amortization	-18,947.14
Start Up Expenses	20,000.00
<b>Total Other Assets</b>	<b>\$1,052.86</b>
<b>TOTAL ASSETS</b>	<b>\$386,796.37</b>

# TRMAI Systems, Inc

## Balance Sheet

As of July 31, 2023

	TOTAL
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	150,000.00
<b>Total Accounts Payable</b>	<b>\$150,000.00</b>
Other Current Liabilities	
Central Bank Line of Credit	0.00
Deferred Revenue	23,558.33
<b>Total Other Current Liabilities</b>	<b>\$23,558.33</b>
<b>Total Current Liabilities</b>	<b>\$173,558.33</b>
Long-Term Liabilities	
EDIL	0.00
Small Business Loan - COVID Disaster Relief	146,245.00
<b>Total Long-Term Liabilities</b>	<b>\$146,245.00</b>
<b>Total Liabilities</b>	<b>\$319,803.33</b>
Equity	
Additional Paid in Captial	49,750.00
Common Stock	250.00
Dividend distributions	0.00
Opening Balance Equity	0.00
Retained Earnings	-42,929.29
Net Income	59,922.33
<b>Total Equity</b>	<b>\$66,993.04</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$386,796.37</b>

# TRMAI Systems, Inc

## Profit and Loss

January - July, 2023

	TOTAL
Income	
Cycle Testing Fees	547.62
Franchise/Network Fee	2,583.00
Member Fees	758,333.05
New Franchise-Inside	22,500.00
<b>Total Income</b>	<b>\$783,963.67</b>
Cost of Goods Sold	
Merchant Fees	3,468.95
<b>Total Cost of Goods Sold</b>	<b>\$3,468.95</b>
GROSS PROFIT	<b>\$780,494.72</b>
Expenses	
Bank Service Charges	216.16
Dues & subscriptions-	425.00
Insurance-worker comp	328.00
Interest expense	2,973.22
<b>Total Expenses</b>	<b>\$3,942.38</b>
NET OPERATING INCOME	<b>\$776,552.34</b>
Other Income	
Interest Income	0.81
<b>Total Other Income</b>	<b>\$0.81</b>
Other Expenses	
Amortization	777.84
Management Fee	715,852.98
<b>Total Other Expenses</b>	<b>\$716,630.82</b>
NET OTHER INCOME	<b>\$ -716,630.01</b>
NET INCOME	<b>\$59,922.33</b>

**EXHIBIT C**

Franchise Agreement



Tiger-Rock MAI Systems, Inc.  
Franchise Agreement

Tiger-Rock MAI Systems, Inc.  
8781 Penrose Lane  
Lenexa, KS 66219  
(913) 725-0777

## **--TABLE OF CONTENTS--**

### **TIGER-ROCK MAI SYSTEMS, INC. FRANCHISE AGREEMENT**

<b><u>SECTION</u></b>	<b><u>PAGE</u></b>
RECITALS .....	1
1. DEFINITIONS.....	1
2. GRANT OF LICENSE .....	4
3. TRADEMARK STANDARDS AND REQUIREMENTS.....	6
4. TERM AND RENEWAL .....	8
5. FACILITY STANDARDS AND MAINTENANCE .....	9
6. PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS .....	10
7. TRAINING .....	15
8. FEES, REPORTING AND AUDIT RIGHTS .....	16
9. YOUR OTHER OBLIGATIONS; NONCOMPETE COVENANTS .....	18
10. TRANSFER OF FRANCHISE.....	22
11. DISPUTE RESOLUTION .....	23
12. DEFAULT AND TERMINATION .....	25
13. POST-TERM OBLIGATIONS .....	26
14. GENERAL PROVISIONS .....	29

### **APPENDICES**

- A. Data Sheet
- B. Trademarks
- C. Electronic Transfer of Funds Form

## TIGER-ROCK MAI SYSTEMS, INC. FRANCHISE AGREEMENT

This Franchise Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ between Tiger-Rock MAI Systems, Inc., a Kansas corporation with its principal business located at 8781 Penrose Lane, Lenexa, KS 66219 (“Franchisor,” “we” or “us”), and “Franchisee” or “you” as identified on the Data Sheet attached as Appendix A (the “Data Sheet”). If the franchisee is a corporation, partnership, limited liability company or other legal entity, certain provisions of this Agreement also apply to its owners.

### RECITALS

A. We are the Franchisor. We and our affiliate, Tiger-Rock Martial Arts International, Inc. (“Affiliate”) have developed a distinctive curriculum, operational system, unit design, retail product line, event concept, tournament system, facility design, product delivery and teaching methodology for a Tiger-Rock Program (defined below) pursuant to certain required and recommended practices;

B. Our Affiliate also owns the TIGER-ROCK MARTIAL ARTS® trademarks and other trademarks used in connection with the operation of a TIGER-ROCK MARTIAL ARTS Franchised Location;

C. Our Affiliate has granted us the right to sublicense the right to develop and operate TIGER-ROCK MARTIAL ARTS franchised locations;

D. You desire to develop and operate a Franchised Location; and

E. We have agreed to grant you a franchise subject to the terms and conditions of this Agreement.

In consideration of the foregoing and the covenants and consideration below, you and we agree as follows:

### DEFINITIONS

1. For purposes of this Agreement, the terms below have the following definitions:

A. “Membership” means those memberships held by Members of your Franchised Location who are eligible to participate in the Tiger-Rock Program and/or are granted access to your Franchised Location, regardless of whether the Member pays you any consideration.

B. “Certified Instructor” means an individual who holds, and at all times maintains, an active training certification from us. You are not required to be a Certified Instructor, but if you are not a Certified Instructor, you must hire a third party who is a Certified Instructor. A Certified Instructor is required to maintain and renew his/her teaching certificate(s). A Certified Instructor may only deliver instruction for those Tiger-Rock Programs for which they hold an active training certificate.

C. “Company Events” means those TIGER-ROCK MARTIAL ARTS events we and/or our Affiliate designate, plan and run for Members. We and our Affiliate will retain all fees collected for a Company Event, except as described herein. All TIGER-ROCK MARTIAL ARTS Members may attend Company Events. Company Events must: (i) be designated on the annual calendar, (ii) be approved by us, and (iii) fit into the annual Company, Sanctioned and Franchisee Events calendar designed and determined by us.

D. “Feeder Club” means a location inside your Designated Territory where you deliver all or a portion of the Tiger-Rock Program on a part-time or limited basis. For example, a Feeder Club would include teaching a portion of the Tiger-Rock Program after school at an elementary school located inside your Designated Territory.

E. “Franchised Location” means the Franchised Location or Franchised Locations you develop and operate pursuant to this Agreement.

F. “Franchisee Events” means those events that you run, design and plan for your Franchised Location(s). You are responsible for all costs and expenses incurred in any Franchisee Event you run. You likewise will retain all fees you collect from any Franchisee Event you run, except as otherwise described herein. All TIGER-ROCK MARTIAL ARTS Members may attend your Franchisee Events. Franchisee Events must (i) be designated on the annual calendar, (ii) be approved by us, and (iii) fit into the annual Company, Sanctioned and Franchisee Events calendar designed and determined by us.

G. “Manual” or “Operations Manual” means any collection of written, video, online, audio and/or software media (including materials distributed electronically), regardless of title and consisting of various subparts and separate components, all of which we or our agents produce and which contain required specifications and standards, and recommended policies, procedures and guidelines for your Franchised Location, all of which we may change from time to time.

H. “Member” or “Members” mean any person with access to training content, training services, event services or martial art engagement communications through any platform by you or your Franchised Location regardless of paid or complimentary access satisfies the definition of a Member.

I. “Principal” means each person who is an owner of Franchisee (including all proprietors, partners, and shareholders), or who otherwise controls Franchisee, or who is an officer, director, manager or member of Franchisee.

J. “Proprietary Materials” means, collectively, the (i) Trademarks, (ii) TIGER-ROCK MARTIAL ARTS logos, (iii) Tiger-Rock Curriculum, (iv) TIGER-ROCK CERTIFICATION SERVICES, (v) marketing materials and methods (including our website and social media pages), (vi) operations systems and methods, (vii) teaching and delivery systems, (viii) TIGER-ROCK MARTIAL ARTS Tournament Rules and Systems, (ix) Manual, (x) DVDs/Videos we provide to you or give you access to, (xi) seminar outlines and materials; (xii) any software we provide you whether developed by us or a third party we designate, and (xiii) our facility design and trade dress.

K. “Rank” means the system of establishing proficiency levels of physical, technical and artistic skill in learning a particular Tiger-Rock Program.

L. “Required Practices” means those practices, procedures and systems that we require you to use and follow in connection with the operation of your Franchised Location, all of which are set forth in the Manual. Required Practices include, among other things, practices and procedures relating to curriculum, teaching systems, curriculum delivery systems, championship dates, methods and systems, annual calendar, certification services, Certified Instructor programs, testing systems, rank systems, promotional qualifications, instructor/trainer certification requirements, professional liability insurance specifications and carriers, and tournament management and rules. Further, Required Practices include using our designed online platforms, using our designated software, marketing designs and promotional materials, purchasing or leasing products, supplies or services from suppliers on our Approved Suppliers (defined in Section 6.B) and constructing your Franchised Location consistent with our required design, layout and signage requirements. Finally, if you run a Franchisee Event or administer a Sanctioned Event it is a Required Practice that you follow the TIGER-ROCK MARTIAL ARTS Tournament Rules, our events standards guide, and our required curriculum delivery, schedule and design. We reserve the right to modify, revise, or add to our list of Required Practices at any time.

M. “Sanctioned Events” means those TIGER-ROCK MARTIAL ARTS events that are sanctioned by us but are fully administered by TIGER-ROCK MARTIAL ARTS franchisees. All Sanctioned Events must comply with our standards, requirements and criteria. We reserve the right to change, revise and update the list of Sanctioned Events at any time including adding or removing events from the Sanctioned Events list. We reserve the right to change or eliminate the content of Sanctioned Events. TIGER-ROCK MARTIAL ARTS franchisees who administer the Sanctioned Event will collect and retain (on a pro rata basis) all fees associated with the Sanctioned Event. All TIGER-ROCK MARTIAL ARTS Members may attend Sanctioned Events. Sanctioned Events must (i) be designated on the annual calendar, (ii) be approved by us, and (iii) fit into the annual Company, Sanctioned and Franchisee Events calendar designed and determined by us.

N. “Tiger-Rock Certification Services” means those certification and testing services, as more fully set forth in the Manual, for Members and trainers to achieve and maintain Rank, Certified Instructor qualifications and certification in the Tiger-Rock Program, and include, but are not limited to, Rank and certification processing services, Certified Instructor and Member training, and testing systems and processing, all of which we may amend from time to time.

O. “Tiger-Rock Curriculum” means the TIGER-ROCK martial arts product for adults, youth, juniors and tiger-cubs, all of which we may modify, change, add to, eliminate or innovate from time to time. You must follow the Tiger-Rock Curriculum as we prescribe and may not alter, add programs to, change the delivery and/or teaching systems, or vary the Tiger-Rock Curriculum without our written consent. The Tiger-Rock Curriculum for adults, youth, juniors and tiger-cubs is specific to the Tiger-Rock Program or any name we may choose to call the Tiger-Rock Program in the future.

P. “Tiger-Rock Program” means the program utilizing the Tiger-Rock Curriculum and Tiger-Rock Certification Services. We reserve the right to add other programs, curriculum, certification services or activities to the Tiger-Rock Program in the future.

Q. “Trademarks” means the trademarks we or our affiliates have applied for registration with the United States Patent & Trademark Office and the trademarks, service marks, logos and trade names set forth on Appendix B, as we may modify and change from time to time, and the trade dress and other commercial symbols used in the Franchised Location. Trademarks also mean the trade dress, which includes the designs, color schemes and image we authorize you to use in the operation of the Franchised Location from time to time.

### GRANT OF LICENSE

2. The following provisions control with respect to the license granted hereunder:

A. Authorized Location. We grant to you the right and license to establish and operate one Franchised Location using the Tiger-Rock Program, identified by the Trademarks or such other marks as we may direct at the location identified on the Data Sheet (the “Authorized Location”). You accept the license and undertake the obligation to operate the Franchised Location at the Authorized Location using the Tiger-Rock Program and Trademarks and in compliance with the terms and conditions of this Agreement. Unless we otherwise authorize in writing, your Franchised Location may only offer the Tiger-Rock Program. We reserve the right to amend, add to, modify or change the Tiger-Rock Program at any time. You may not offer other martial arts, health, fitness, or safety programs, or any other programs or services from your Franchised Location unless you have our prior written consent to offer such programs or services. If we grant you permission to offer any additional programs or serves from your Franchised Location that you are not part of the Tiger-Rock Program, you acknowledge and agree that we will not train you to conduct those programs or services, and we will not support such programs or services.

B. Opening. You agree that the Franchised Location will be open and operating within 240 days of the signing of this Agreement unless we authorize in writing an extension of time. If you fail to open your Franchised Location with 240 days of signing this Agreement, we may terminate this Agreement.

C. Designated Territory. The license provides you with the right to develop and operate one Franchised Location within the area described on the Data Sheet (the “Designated Territory”). Your Designated Territory will be defined as a radius around your initial Franchised Location. The precise radius around your Franchised Location will depend on the population density, natural and manmade barriers of an area and any territory rights we may have issued previously. The radius may range from 1/2 mile in densely populated suburban areas to up to 5 miles in sparsely populated areas. If you need to relocate your Franchised Location, it is your responsibility to find a new location and you must first receive our written consent, as described in Section 5.C.

You may operate all or a portion of the Tiger-Rock Program from a Feeder Club located inside your Designated Territory. Feeder Clubs must be located inside your Designated Territory and you may not offer the Tiger-Rock Program from a Feeder Club until you receive our written consent.

Except as further noted below, during the term of this Agreement and provided you are in compliance with the terms and conditions of this Agreement, we will not (i) modify the Designated Territory without your written permission, or (ii) establish either a company-owned or franchised location within the Designated Territory that offers the Tiger-Rock Program. We, our affiliates or a third party may, however, operate or grant a third party the right to operate any martial arts, health, fitness, or safety programs, or any other programs or services inside your Designated Territory, other than the Tiger-Rock Program, even if you have obtained our consent to offer the same or similar programs from your Franchised Location.

If you are in compliance with the terms of this Agreement, we may, in our sole discretion, permit you to offer certain Tiger-Rock Programs over the Internet as a part of a Membership with our prior written consent. We reserve the right offer online-only Memberships in the future.

The license granted to you does not include (i) any right to sell products or services using our Trademarks through any other channels or methods of distribution including, but not limited to, through mail order, catalogue, the Internet, or any other existing or future forms of electronic commerce, (ii) any right to sell services or products at any Company Events, even if the Company Event is held in your Designated Territory, (iii) any right to exclude, control or otherwise impose conditions on our development of future franchised, company or affiliate owned locations offering the Tiger-Rock Program at any time or at any location outside the Designated Territory, or (iv) any right to exclude, control or otherwise impose conditions on our development of future franchised, company or affiliate owned locations offering a program other than the Tiger-Rock Program at any time or at any location inside or outside your Designated Territory.

You may not directly market to customers located outside your Designated Territory, and you may not use other channels of distribution to make sales inside or outside your Designated Territory. "Other channels of distribution" includes, but is not limited to, through mail order, catalogue, the Internet, or any other existing or future forms of electronic commerce. You may indirectly market outside your Designated Territory if you market or advertise in a manner that is not directed towards or targeting customers outside of your Designated Territory, including social media. You may not, however, directly market or solicit customers outside your Designated Territory, including in-person and related outreach efforts. If the geographic area surrounding your Designated Territory is not included in the territory of another franchisee (an "Open Area"), you may directly market to customers located inside this Open Area until such time as we grant the Open Area to another franchisee.

D. Our Reservation of Rights. We and our affiliates retain all rights that are not expressly granted to you under this Agreement. We or our affiliates may, among other

things, on any terms and conditions we deem advisable, without paying compensation to any franchisee, and without granting you any rights therein:

1. establish and/or license others to establish company-owned or franchised locations that offer the Tiger-Rock Program at any location outside the Designated Territory;
2. establish and/or license others to establish company-owned or franchised locations inside or outside the Designated Territory that offer a program other than the Tiger-Rock Program;
3. offer, market and sell, or license a third party the right to offer, market and sell, both inside and outside the Designated Territory, any products (including retail items and annual subscriptions and/or memberships) identified by the Trademarks or any other trademarks, service marks or trade names;
4. offer, market and sell any products or services identified by the Trademarks or any other trademarks, service marks or trade names to your Members at Company Events regardless of where the Company Event is held; and
5. offer, market and sell inside the Designated Territory any products or services identified by the Trademarks from another business premises (for example, from a school, corporation or hospital), provided we will not establish a physical location identified by the Trademarks inside the Designated Territory, as agreed upon in writing by the parties.

Additionally, we, our affiliates or a third party we designate may offer, market or sell, inside or outside the Designated Territory, any products or services (including retail items and annual memberships or subscriptions) identified by the Trademarks, or any other trademarks, service marks or trade names through alternate forms of distribution including, but not limited to, through mail order, catalogue, the Internet, or any other existing or future form of electronic commerce. For example, we, our affiliates or a third party may offer, market or sell Trademarked items, annual memberships, subscriptions, training, games, or products through the Internet.

### TRADEMARK STANDARDS AND REQUIREMENTS

3. You acknowledge and agree that the Trademarks are our Affiliate's property and it has licensed the use of the Trademarks to us with the right to sublicense to you and others. You further acknowledge that your right to use the Trademarks is specifically conditioned upon the following:

A. Trademark Ownership. The Trademarks are our Affiliate's valuable property, and they are the owner of all right, title and interest in and to the Trademarks and all past, present or future goodwill of the Franchised Location and of the business conducted at the Authorized Location to the extent such goodwill is associated with or attributable to the Trademarks. Your use of the Trademarks will inure exclusively to our and our Affiliate's benefit. You may not, during or after the term of this Agreement,



engage in any conduct directly or indirectly that would infringe upon, harm or contest our Affiliate's rights in any of the Trademarks or the goodwill associated with the Trademarks, including any use of the Trademarks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media.

B. Trademark Use. You may not use, or permit the use of, any trademarks, trade names or service marks in connection with the Franchised Location except those set forth in Appendix B, or except as we otherwise direct in writing. You must comply with all trademark, trade name and service mark notice marking requirements. You may use the Trademarks only in association with products, apparel and services approved by us or our affiliates. Use of our Trademarks must be approved by us in advance. We do not permit the affixing of our Trademarks to apparel, equipment, products or training gear by anyone other than our licensed providers or affiliates.

C. Franchised Location Identification. You must use the name TIGER-ROCK MARTIAL ARTS or any other Trademark or trade name that we designate in the future to identify your Franchised Location to the public. For example, you may identify your Franchised Location as "TIGER-ROCK MARTIAL ARTS of Florida." You may not, however, use the words TIGER-ROCK MARTIAL ARTS or any of the other Trademarks as part of the legal name of your corporation, partnership, limited liability company or other similar entity. Specifically, you must identify your Franchised Location as a TIGER-ROCK MARTIAL ARTS Franchised Location, but the legal name of your business entity cannot include the Trademarks. For example, the name of your entity cannot be Crofton Tiger-Rock Martial Arts, LLC, but can be Crofton Martial Arts, LLC. You may use the Trademarks on various materials, such as business cards, stationery and checks, but only if you (i) accurately depict the Trademarks on the materials as we describe, (ii) include a statement on the materials indicating that the business is independently owned and operated by you, (iii) do not use the Trademarks in connection with any other trademarks, trade names or service marks unless we specifically approve in writing before such use, and (iv) make available to us, upon our request, a copy of any materials depicting the Trademarks. You are required to identify your Franchised Location as a TIGER-ROCK MARTIAL ARTS franchise in all advertising or marketing materials. You must post a prominent sign that is approved by us in the Franchised Location identifying you as a TIGER-ROCK MARTIAL ARTS franchisee, including an acknowledgment that you independently own and operate the Franchised Location and that the TIGER-ROCK MARTIAL ARTS Trademark is owned by Tiger-Rock Martial Arts International, Inc. and your use is under a license we have issued to you. For example, the sign may state that "this Franchised Location is a TIGER-ROCK MARTIAL ARTS franchise and is independently owned and operated by Bloomfield Martial Arts, LLC."

D. Litigation. If any person or entity improperly uses or infringes the Trademarks or challenges your use or our use or ownership of the Trademarks, we will control all litigation and we have the right to determine whether suit will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you are aware or any challenge or claim arising out of your use of any Trademark. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be

responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Trademarks in violation of this Agreement, in which case you must pay us for our costs and expenses.

E. Changes. You may not make any changes or substitutions to the Trademarks unless we direct in writing. We reserve the right to change the Trademarks at any time. Within 18 months after receiving notice from us to change the Trademarks, or other timeframe we designate in the notice, you must cease using the former Trademarks and begin using the changed Trademarks, at your expense. If we terminate the use of a Trademark or our right to the Trademark expires, you must cease using the Trademark after receiving written notice from us.

F. System Developments. If you, your Principal or employees develop any new concept, technique, idea, process, trademark, copyright, media, improvement, or other content concerning the Franchised Location or evolution of the Tiger-Rock Program, Tiger-Rock Curriculum, certification services, or any other or service we authorize, whether or not protectable property, you agree to promptly notify us and provide to us all necessary related information, without compensation. You acknowledge that any concept, technique, idea, process or improvement becomes our property and you agree to assign all rights to us without compensation. We may use or disclose the information to other franchisees as we determine appropriate.

#### TERM AND RENEWAL

4. The following provisions control with respect to the term and renewal of this Agreement:

A. Term. The initial term of this Agreement will be as set forth on the Data Sheet. The initial term begins on the Effective Date (as defined in Section 16.N) of this Agreement. The parties may agree to extend the initial term of this Agreement as the parties determine appropriate or necessary.

B. Renewal Term and Conditions of Renewal. You may renew your rights under this Agreement for one additional term equal to our then-current renewal term, subject to the following terms and conditions: (i) you have given us written notice of your decision to renew at least 2 months before the end of the expiring term; (ii) you are not in default of this Agreement or any other agreement pertaining to your franchise, have satisfied all monetary and material obligations on a timely basis during the term and are in good standing; (iii) you have not received more than 3 notices of default from us in the 2 year period immediately preceding our receipt of your intent to renew, regardless if you cured such defaults; (iv) if leasing the Franchised Location premises, you have renewed the lease; (v) you have remodeled the Franchised Location premises to meet our then-current standards; (v) you and your Principals and guarantors execute a general release of claims in a form we prescribe; (vii) you sign our then-current form of franchise agreement; (viii) you attend any training we require at your expense; and (ix) you pay us a renewal fee equal to 25% of the then-current initial franchise fee at least 30 days before the initial term of this Agreement expires.

## FACILITY STANDARDS AND MAINTENANCE

5. You agree to maintain and comply with the following terms and conditions:

A. Franchised Location Facility; Lease. You alone are responsible for purchasing or leasing a site for your Franchised Location, but we do review the site to ensure that it meets our site selection criteria. You are also required to engage our then-current designated supplier to assist you in selecting a site for your Franchised Location. You may not use the Franchised Location premises or Authorized Location for any purpose other than the operation of a Franchised Location during the term of this Agreement, unless we provide written consent stating otherwise. We make no guarantees concerning the success of the Franchised Location located on any site.

B. Construction; Future Alteration. You must construct and equip your Franchised Location in accordance with our current approved specifications and standards pertaining to equipment, interior and exterior décor or image, inventory, signage, fixtures, accessory features, and the design and layout of the building. You may not commence the construction or design of your Franchised Location until you have received our written consent to your plans. You must use our designated layout and design company (as described on the Approved Supplier List) in constructing your Franchised Location. We may require you to update your Franchised Location every 5 years to reflect our current specifications and standards.

C. Relocation. If you need to relocate your Franchised Location, you must obtain our prior written consent and any new Franchised Location must be located inside your Designated Territory and may not be any closer to an adjacent franchisee's territory than the current Franchised Location. We will not consent to the relocation of your Franchised Location if, for example, the location of the proposed site infringes on the territory rights of any other franchisee, the proposed site is close to the border of another franchisee's territory, or the proposed site does not meet our standards and requirements. If you relocate your Franchised Location, you must re-open your Franchised Location for business at the new location within 90 days after you discontinue operation of your Franchised Location at the Authorized Location. You also must de-identify your prior location in accordance with the de-identification procedures and requirements set forth in Section 13.A of this Agreement.

D. Signage. Any signage at your Franchised Location must be approved by us and comply with our then-current specifications, which we may modify and change from time to time. You must make changes to the outdoor signage as we require per the requirements noted in Section 3.E.

## PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS

6. You must implement and abide by the following:

A. Required Practices. Your Franchised Location must implement and abide by our Required Practices (as defined in Section 1.K), including the use of the Tiger-Rock

Curriculum, Tiger-Rock Certification Services and other Proprietary Materials in accordance with the required standards and specifications set forth by us from time to time in the Manual. We will supply to you a copy of the current Manual before the opening of the Franchised Location (the Manual may be made available to you via access to our electronic document library). Any Required Practices exist to protect our interests in the Trademarks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you.

B. Approved Supplies and Suppliers.

We will furnish to you from time to time lists of approved supplies (“Approved Supplies List”) or approved suppliers (“Approved Suppliers List”). You must only use approved products, inventory, equipment, fixtures, furnishings, signs, advertising materials, point-of-sale systems and software, merchant accounts and gateways, services, and trademarked items, and other items (collectively, “approved supplies”) in your Franchised Location as set forth in the Approved Supplies List and/or Approved Suppliers Lists, as we may amend from time to time. Although we do not do so for every item, we have the right to approve the supplier of approved supplies. You acknowledge and agree that certain approved services and supplies may only be available from one approved supplier source (a single source supplier) and we or our affiliates may be that single source supplier. For example, as of the Effective Date of this Agreement you must obtain certain computer software, Member and instructor uniforms, retail apparel bearing our Trademarks, membership billing services, merchant account providers, and computer services from us, our affiliates or our designated source. You will pay the then-current price in effect for approved product or service you purchase from our approved supplier. In some instances, the price for the approved products and supplies may exceed the price for similar products and services on the market. All services, inventory, products, materials and other items and supplies used in the operation of the Franchised Location that are not included in the Approved Supplies List or Approved Suppliers Lists must conform to the specifications and standards we establish from time to time. **ALTHOUGH APPROVED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO PRODUCTS, EQUIPMENT, SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS.**

We reserve the right to identify required standards for certain products, materials, and services that you must meet.

Except for single sourced items, if you want us to add a specific service, product, material or supplier to our Approved Supplies List or Approved Supplier List or you want to offer for sale any brand of product, or to use in the operation of your Franchised Location any other material, item or supply that is not approved by us, or to purchase any product from a supplier that is not then designated by us as an approved supplier, you must submit samples and other information as we require for testing or to otherwise determine whether the product, material or supply, or the proposed supplier meets our specifications and quality standards. We generally will notify you whether the supplier or supply will be

added to our Approved Supplies List or Approved Suppliers List within 30 to 45 days of our receipt of all information and samples we request. We do not charge fees to secure supplier approval; however, the supplier may be required to sign a supplier agreement. We may re-inspect the facilities and products of any approved supplier or item and revoke our approval of any supplier or item that fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or item.

Our determination of approved suppliers and brands or supplies will be based on a variety of criteria which may include quality, design, safety, price, insurance, distribution methods, supply considerations and compatibility with the Tiger-Rock Program.

If you develop a particular tangible training tool or piece of equipment, you will maintain all rights and interest in and to the item as further described in Section 3.F. You may not, however, sell the product to your Members or other franchisees unless you first become one of our approved suppliers.

C. Health and Sanitation. Your Franchised Location must be operated and maintained at all times in compliance with all applicable health and sanitary standards prescribed by governmental authority. If your Franchised Location presents a threat to customers, public health, or public safety, as determined by a governmental agency, we may take whatever measures we deem necessary, including requiring you to immediately close the Franchised Location until the situation is remedied to the satisfaction of the applicable government agency.

D. Operating Procedures. You must operate your Franchised Location in accordance with the terms set forth in this Agreement and the required standards and specifications outlined in the Manual. The Manual also will include recommended practices, policies and guidelines which you may, but are not required to, follow in connection with the operation of the Franchised Location. Further, you acknowledge and agree that you will offer for sale only the Tiger-Rock Program, products and services that we approve and you may not offer any unapproved programs, products or services. Additionally, you may not accompany any customers or Members to—or otherwise participate in, endorse, or sponsor—any non-Tiger-Rock events located anywhere, whether inside or outside your Designated Territory; provided that you may attend such non Tiger-Rock events as an observer.

In order to control and minimize any scheduling conflicts between Franchisee, Sanctioned and Company Events, we will control the annual calendar of events, including the scheduling and timing of all events and you must follow such annual calendar of events at your Franchised Location.

We will provide you with access to the Manual during the term of this Agreement. (As noted in Section 6.A above, the Manual may be made available to you via access to our electronic document library.) The Manual at all times is our sole property. You must at all times treat the Manual, and the information it contains, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential. We may from time to time revise the contents of the Manual, and may, on any number of

occasions, modify, revise or add to the list of Required Practices, and you expressly agree to comply with each new or changed requirement. Further, you must at all times ensure that your copy of the Manual is kept current and up to date, and in the event of any disputes as to the contents of the Manual, the terms of the master copy of the Manual that we maintain will control.

E. Confidential Information. You and the Principals may not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person or entity any Confidential Information, except to such employees as must have access to it in order to operate the Franchised Location. For purposes of this Agreement, “Confidential Information” means the Proprietary Materials, and the information contained in the Manual or otherwise communicated to you in writing, verbally or through the Internet or other online or computer communications, the Member and Membership Data (as defined below), and any other knowledge or know-how concerning the methods of operation of the Franchised Location. Any and all Confidential Information, including, without limitation, the Tiger-Rock Curriculum, Tiger-Rock Certification Services, Proprietary Materials, proprietary methods, procedures, specifications, processes, materials, systems, techniques and other data, may not be used for any purpose other than operating the Franchised Location. We require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from any persons owning a minority interest in the franchisee, the Principals, your employees, and all members of your Certified Instructor program. You must provide signed copies of these agreements to us upon our request. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain Confidential Information in limited circumstances as specified in the Manual.

F. Compliance with Law; Licenses and Permits. You must at all times maintain your premises and conduct your Franchised Location operations in compliance with all applicable laws, regulations, codes and ordinances, including any laws related to youth sports and youth supervision. You must obtain and maintain in force all required licenses, permits and certificates relating to your Franchised Location. You must participate in our designated sport safe compliance program and pay any fees associated with such program to our designated third party supplier. You must ensure that all individuals who engage with Members on your behalf, including Certified Instructors, employees and volunteers, receive all the training and certifications required under applicable law and under our established policies. In addition, we may require you to certify to us, in the form, manner, and frequency as set forth in our Manual and upon our written request, that you have complied with certain laws and other policies described in our Manual that are applicable to your Franchised Location. You must ensure that all individuals who engage with Members on your behalf, including Certified Instructors, employees and volunteers, receive all the training and certifications required under applicable law. In addition, we may require you to certify to us that you have complied with these laws and policies.

You are solely responsible for all employment decisions and functions of the Franchised Location including, without limitation, those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, scheduling, benefits,

recordkeeping, supervision, and discipline of employees, regardless of whether you receive advice from us on these subjects. You acknowledge and agree that all personnel decisions will be made by you, without any influence or advice from us, and such decisions and actions will not be, nor be deemed to be, a decision or action of ours.

You must immediately notify us in writing of any claim, litigation or proceeding that arises from or affects the operation or financial condition of your business or Franchised Location.

G. Participation in Internet Web Sites or Other Online Communications. We have the right to determine the content and use of our web site and intranet or extranet system and will establish the rules under which franchisees must participate. You may not separately register any domain name containing any of the Trademarks. We will provide you with a list of recommended domain names that you may use. The web page for your Franchised Location must be hosted on our web site and you must use our, or our designated supplier's web templates in creating your web page. We reserve the right to review and approve the content posted on your web page. We retain all rights relating to our web site and intranet system and may alter or terminate our web site, extranet system or intranet system. Your general conduct on our web site and intranet or extranet system or other online communications (including through social media) and specifically your use of the Trademarks or any advertising is subject to the provisions of this Agreement and any policies, guidelines or standards we may implement in the future, including any social media policy we implement.

H. Advertising and Marketing. We must approve any marketing or promotional materials you use in connection with your Franchised Location (including any marketing or promotion you do through social media platforms). You must submit samples of all proposed plans and materials to us before use. Any marketing or promotional items or materials you use must comply with our then-current standards and requirements as detained in the Manual. If we do not notify you that we disapprove of your plans or materials within 15 days of receipt, the plans or materials will be deemed approved.

1. *Grand Opening Marketing.* You are required to spend at least \$15,000 on grand opening marketing within the first 90 days of the Franchised Location's opening.

2. *National Marketing and Promotional Fund.* During the term of this Agreement, you will pay to us for deposit in a national marketing and promotional fund (the "Marketing Fund") a national marketing fee monthly of \$1.00 per Member (the "Marketing Fee"). The Marketing Fee is payable in the same manner as the Royalty Fee. We will place all Marketing Fees we receive in the Marketing Fund and will manage such Marketing Fund. We also will contribute to the Marketing Fund for each TIGER-ROCK MARTIAL ARTS location that we operate in the United States on the same basis as new TIGER-ROCK MARTIAL ARTS franchisees must pay to the Marketing Fund. Reasonable disbursements from the Marketing Fund will be made solely to pay expenses we incur in connection with the general promotion of the Trademarks and the Tiger Rock Program, including creative design costs to produce marketing and advertising materials through the Tiger-Rock App, the cost of formulating, developing and implementing advertising,

marketing promotional materials and public relations campaigns; and the reasonable costs of administering the Marketing Fund, including the cost of employing advertising agencies to assist us and providing promotional and advertising materials to TIGER-ROCK MARTIAL ARTS franchisees and to regional and local advertising cooperatives, as well as accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in any activities related to the promotion of the Trademarks, brand awareness and the Tiger Rock Program or in administration of the Marketing Fund. The Marketing Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the Marketing Fund. We cannot insure that any individual franchisee will benefit directly or on a pro rata basis from the future placement of any such advertising in its local market. We may spend in any fiscal year an amount greater or less than the aggregate contributions of TIGER-ROCK MARTIAL ARTS franchisees to the Marketing Fund in that year. We may, through the Marketing Fund, furnish you with approved local marketing plans and materials on the same terms and conditions as we impose on plans and materials we furnish to other TIGER-ROCK MARTIAL ARTS franchisees. We will determine the methods of advertising, media employed, and scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs. Upon written request, we will provide you an annual unaudited statement of the receipts and disbursements of the Marketing Fund for the most recent calendar year.

3. *Local Advertising.* In addition to the Marketing Fee due under Section 6.H.2 above, you must promote and advertise your Franchised Location in the Designated Territory and participate in any local marketing and promotional programs we may establish from time to time. Commencing after the first 90 days of operations, you must spend a minimum of \$1,500 per month on approved local advertising and marketing activities to promote your Franchised Location. Upon our request, you must provide to us copies of all invoices and receipts evidencing your local marketing activities. If you fail to spend the required minimum amount in any month, we may collect the difference between what you should have spent and actually do spend, and then spend that money on your behalf in the manner we deem appropriate in our sole discretion.

4. *Digital Marketing.* You must use our designated vendor to conduct digital marketing. Amounts spent on digital marketing will be credited towards your local advertising and marketing requirement.

I. Right to Use Content. With respect to any pictures, other media or content you supply to us (including for use on our web site, intranet or extranet system, or any web page describing your Franchised Location), you acknowledge and agree that you own the copyright of any such picture, other media or content, and you grant us a fully paid up and royalty free license and right to use, sublicense, repurpose and distribute such pictures, media and content as we deem appropriate. You agree to indemnify and hold us harmless against any third party claims that our use infringes any third party's rights or as to any claims relating to the picture, other media or content supplied by you. Additionally, you acknowledge and agree that we may use any photographs or other media content of you or your owners, the interior or exterior of your Franchised Location, any vehicles used by you in connection with operating your Franchised Location, or any other photographs or media



content containing the Trademarks as we deem appropriate without obtaining any further consent or approval from you.

J. Information System. You will use in the operation of the Franchised Location the computer hardware, other equipment, software, applications and enhancements we designate, including all existing or future communication or data storage systems, components thereof and associated service, which we have developed and/or selected for the System (the “Information System”). The Information System developed for use in your business may include one or more proprietary software programs developed for us (the “Proprietary Software”). You must use any Proprietary Software that we designate. The Proprietary Software will remain the confidential property of us or our third party supplier. You may be required to enter into our or a third party supplier’s standard form computer software access or license agreement in connection with your use of the Proprietary Software. You may be required to pay us or our third party suppliers the then-current license fee related to your use of any Proprietary Software and you will pay us or our third party suppliers the then-current fees for the purchase of the Information System hardware components. You will pay the then-current fee for the Proprietary Software and hardware (as applicable) at or before you open your Franchised Location. We reserve the right to assign our rights, title and interest in any Proprietary Software or any software license agreement to a third party we designate, or to replace the Proprietary Software. In such event, you may be required to enter into a separate computer software license agreement specified by us or the third party supplier of the Proprietary Software. You must replace the Information System, including the Proprietary Software, as we designate. We may require you to make certain updates and modifications to the Information System more frequently. We also may access financial information, member data, performance data, and all other data produced by or otherwise located on your Information System (collectively the “Membership Data”). We own the Membership Data that is stored on the Information System and you assign your rights in the Membership Data to us. We periodically will establish policies respecting the use of the Membership Data. The computer hardware and equipment component of the Information System must comply with specifications we develop. We have the right to designate a single source from which you must purchase the Information System, any software or hardware components thereof or associated service, and we or our affiliates may be that single source. You acknowledge that technology is rapidly evolving, and that you will be required to invest in the Information System during the term of this Agreement. You must use and, at our direction, pay for all future replacements, additions, updates, supplements and modifications to the Information System.

K. Background Check. You must conduct criminal background checks, to the extent allowed under applicable law, on anyone who is engaging with Members on your behalf, including all Certified Instructors, employees and volunteers. A criminal background check is a prerequisite to engaging with Members due to the children that you teach. You agree that we do not assume any responsibility or liability for the hiring or training of your employees or volunteers, which you acknowledge is your sole responsibility. We may require you to certify to us, in the form, manner, and frequency as set forth in our Manual and upon our written request, that you are in compliance with this requirement.

## TRAINING

7. The following provisions control with respect to training:

A. Initial Training. At least 10 days prior to the opening of your Franchised Location, you must successfully complete our required academy certified manager training course (“ACM Course”). The ACM Course consists of a 10 week training program, taught virtually and in-person at our headquarters or a franchised location that we designate. You must pay us We may modify the length and content from time to time. Your Franchised Business must be under the direct supervision of a person that has attended and successfully completed the ACM Course, including any future managers. You must pay us our then-current training fee for each person that attends the ACM Course and are responsible for paying all travel, accommodation and other costs and expenses associated with attending the training program. As of the Effective Date, the ACM Course training fee is equal to \$2,500.

B. Ongoing Training. You must participate in and attend any training activities or events we periodically require. We also recommend, but do not require, that you attend any optional training programs we offer. We reserve the right to charge a fee to attend any optional training we offer and you are responsible for paying all travel, accommodation and other costs and expenses associated with attending any optional training.

C. Additional Training Information. Regardless of whether the training is required or optional, you and/or your designated management team member must pay all costs, fees and expenses necessary to attend any events, trainings or other programs we may offer. In addition, we reserve the right to charge training fees, event fees, or program fees, and we may charge fees for required events, trainings or other programs even if you fail to attend such events, programs or other training.

## FEES, REPORTING AND AUDIT RIGHTS

8. You must pay the fees described below and comply with the following provisions:

A. Initial Franchise Fee. You must pay to us a nonrefundable Initial Franchise Fee in the amount noted on the Data Sheet. The Initial Franchise Fee is payable in full on the date described in the Data Sheet. If neither box in the Data Sheet is checked, then the Initial Franchise Fee is due on the date you sign this Agreement. The Initial Franchise is fully earned upon receipt.

B. Royalty Fees. You must pay us a monthly royalty fee equal to \$7.00 per Member (“Royalty Fee”). Despite the foregoing, you will not be required to pay us the Royalty Fee until 6 months from the earlier of: (i) the date you open; or (ii) the date 240 days after the Effective Date, and instead, you must spend the Royalty Fee on local advertising (in addition to any required amounts described in Section 6.H.1 of this Agreement). Following such time period, you must pay us the Royalty Fee. We reserve the right to increase the Royalty Fee once each calendar year. Any modification to the Royalty

Fee will be based upon any increase to the Index (as defined in Section 14M). Any increase or change to the Royalty Fee will be noted in the Manual.

You must record and process all Members, Memberships, other membership payments and rank tests online as outlined further in the Manual.

C. Minimum Performance Requirements. Your rights under this Agreement are conditioned upon your active and continuous development of the Franchised Location. One measure of your development of the Franchised Location is meeting the Minimum Performance Requirements set forth below. You understand that meeting the Minimum Performance Requirements does not suggest that you are sufficiently penetrating the market in your Designated Territory or that the Franchised Location will be successful. Rather, the Minimum Performance Requirements are threshold minimum amounts.

Following your first full year of operation, and for each year remaining under the term of this Agreement, you must maintain an average of 20 Members. If you do not achieve the required Minimum Members for any year during the term of this Agreement, in addition to our right to put you in default under the terms of this Agreement, we may require you to comply with all or some of the following requirements:

1. You pay us a shortfall royalty from you equal to the difference between the Royalty Fee you should have paid had you achieved the Minimum Members requirement for that year and the actual Royalty Fee you paid to us during the year.
2. You participate in additional assistance we require, including conference calls and video conferences.
3. You participate in any remedial training we require at your expense, including at your Franchised Location. You must pay us our then-current training fees, and pay for our travel expenses to provide such training.

You acknowledge and agree that it is a material breach of this Agreement if you fail to comply with any of these requirements.

D. Technology Fee. Upon 60 days' notice to you, we may require you to pay us or our designee our then-current technology fee ("Technology Fee"), which we may use as we determine, including for developing, implementing, maintaining, running, operating, and/or upgrading any customized or proprietary technology software, hardware, wearables, applications, online platforms, websites, or for any other technology related purpose that we deem appropriate in our sole discretion. The Technology Fee will not exceed \$229 per month per territory in your first calendar year, but we reserve the right to increase the maximum amount we may charge for the Technology Fee by up to 10% each calendar year. You acknowledge that in addition to the Technology Fee, you must pay all third party fees related to the Information System, as described in Section 6.J, or any other required technology.

E. Tournament Fees, Seminar Fees, Certification Fees, Company Event Fees. All Members will pay our Affiliate (currently, Tiger-Rock Martial Arts International, Inc.) a fee for July National Championship Tournament, Certified Instructor Event, and the High Rank Testing Event (testing for 4th degree and above), and any other Company Event in which they participate. Our Affiliate reserves the right to increase these fees as it deems appropriate.

F. Talent Assistance Fee. At your option, we may provide you with assistance searching for potential certified instructors or managers for your Franchised Location. We may charge you a fee for providing this assistance as outlined in the Manual. You are solely responsible for all hiring decisions, wages and benefits, and we do not represent that we will be able to assist you in locating a certified instructor or manager for your Franchised Location.

G. Non-Compliance Fee. You must pay to us a “Non-Compliance Fee” if you fail to comply on a timely basis with certain obligations under this Agreement or the Manual as consideration for the expenses we incur in addressing your failure to comply with the terms of this Agreement. All Non-Compliance Fees shall be imposed according to the schedule stated in the Manual, and in no event will exceed \$500 plus interest per occurrence per month. The Non-Compliance Fee in addition to all other of our remedies and rights under applicable law or this Agreement.

H. Consulting Fee. You must pay to us a monthly “Consulting Fee” of \$339 for one Academy, and \$499 for multiple Academies in consideration of our “Grow Group” team’s consulting services, including consulting services related to day-to-day operations, brand compliance, and increasing the membership at your Franchised Location. We may increase this fee upon 60 days’ notice; provided that we will not increase this fee more than 10% per year.

I. Remittances. You must submit all Royalty Fees, Marketing Fees, and other fees due and owing to us on the 7<sup>th</sup> day of each month, or other date agreed upon by the parties, for the prior month. You must sign an electronic transfer of funds authorization (attached as Appendix C), to authorize the automatic payment of all Royalty Fees, Marketing Fees, and other fees. You must maintain a balance in your account sufficient to allow us to collect the amounts owed when due. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this Section.

J. Our Right to Inspect the Franchised Business. To determine whether you are complying with this Agreement, we may, at any time during regular business hours and without prior notice to you, inspect the Franchised Location. You will fully cooperate with our representatives making any inspection and will permit our representatives to take photographs or videotapes of the Franchised Location and to interview employees and Members of the Franchised Location.

K. Our Right to Examine Books and Records. We may, at all reasonable times and without prior notice to you, examine, audit, or request copies of all books, records,

online databases, and state and/or federal income tax records of the Franchised Location (collectively, the “Records”) and the federal income tax returns of any Principal Owner. You must maintain all Records and supporting documents at all times at the Franchised Location. You will make financial and other information available at a location we reasonably request, and will allow us (and our agents) full and free access to any such information at the Franchised Location or any other location we designate. You must make copies of any Records we request and deliver those Records to us or our designee. You otherwise will fully cooperate with our representative and independent accountants hired to conduct any examination or audit.

L. Result of Audit; Unreported Gross Sales. If any examination or audit discloses an underpayment of any amounts you owe to us under the terms of this Agreement, you will pay to us, within fifteen (15) days after receipt of the examination or audit report, the Royalty Fees, Marketing Fees, and any other fees you owe to us. You must reimburse us for the cost of the audit or examination, including the charges of any independent accountants and the travel expenses, room and board and compensation of our employees, if: (1) an examination or audit is necessary because you failed to timely provide required information; or (2) any examination or audit results in a determination that your underpayments of amounts owed to us are greater than 2%. The foregoing remedies are in addition to all other of our remedies and rights under applicable law.

#### YOUR OTHER OBLIGATIONS; NONCOMPETE COVENANTS

9. During the entire term of this Agreement, you agree to comply with the following terms and conditions:

A. Payment of Debts. You agree to pay promptly when due: (i) all payments, obligations, assessments and taxes due and payable to us and our affiliates, vendors, suppliers, lessors, federal, state or local governments, or creditors in connection with your business; and (ii) all accounts and other indebtedness of every kind incurred by you in the conduct of the Franchised Location or business. You further agree to pay us (or any subsidiary, affiliate or designee) promptly and when due the amount of all sales taxes, use taxes, personal property taxes, and similar taxes imposed upon, required to be collected, or paid by us or our affiliate on the account of any services or goods furnished by us or our affiliate to you through sale, lease, or otherwise or on account of collection by us or our affiliate of the Initial Franchise Fee, Royalty Fees, Marketing Fees, Company Event Fee, Seminar Fee, Annual Program Certified Instructor Certification Fee, High Rank Testing Fee, Event Fee, or as a result of any other payment you are required to make to us or our affiliate pursuant to the terms of this Agreement.

B. Indemnification. You waive all existing and future claims against us for damages to property or injuries to persons arising out of the operation of your Franchised Location. You must fully protect, indemnify and hold us and our owners, directors, officers, successors and assigns and our affiliates harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your Franchised Location (regardless of cause or any concurrent or contributing fault or

negligence of us or our affiliates) or any breach by you or your failure to comply with any of the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you must reimburse us for our costs, expenses, attorneys' fees, and interest immediately upon our request as they are incurred.

We waive all existing and future claims against you for damages to property or injuries to persons arising out of the operation of our company- or affiliate-owned locations. We must fully protect, indemnify and defend you and your affiliates and hold you and them harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of our company- or affiliate-owned locations (regardless of cause or any concurrent or contributing fault or negligence of you) or any breach by us or our failure to comply with any of the terms and conditions of this Agreement.

C. Insurance. Throughout the term of this Agreement, you must maintain such types of insurance, in such amounts, as we may require. Such insurance is in addition to any other insurance that may be required by applicable law, your landlord, or otherwise. Policies that we require must be written by an insurance company reasonably satisfactory to us and, must name us and our respective officers, directors, partners, members, affiliates, subsidiaries and employees as additional insured parties on all of the policies. You must use our designated insurance company unless you receive our prior written approval to use a different insurance company and pay our designated insurance company to review your insurance coverage. Additional insured status will include, without limitation, coverage for ongoing and completed operations. The additional insured endorsement form will be ISO CG 20-26 or any other form that we approve in writing that provides comparable coverage. The minimum insurance coverages and specifications are set forth in the Manual.

At least thirty (30) days prior to the time any insurance is first required to be carried by you, and thereafter at least thirty (30) days prior to the expiration of any such policy, you will deliver to us, certificates of insurance, endorsements, insurance declarations and/or other documents requested by us (collectively "certificates"), evidencing the proper coverage with limits not less than those identified in the Manual. All certificates will expressly provide that no less than thirty (30) days' prior written notice will be given us in the event of material alteration to, cancellation, or non-renewal of the coverages evidenced by such certificates. In the event that you fail to obtain the required insurance or to provide evidence reasonably satisfactory to us of the insurance policies required by this Section, we reserve the right to obtain such required policies on your behalf, and if we obtain such policies on your behalf then you agree that you will promptly reimburse us for all costs related to obtaining such policies upon notice from us.

Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified will not be limited in any way by reason of any insurance that may be maintained by us, nor will your procurement of required insurance relieve you of liability under the indemnity provisions set forth herein. Your insurance procurement obligations under this Section are separate and independent of your indemnity obligations.

We do not represent or warrant that any insurance that you are required to purchase, or which we procure on your behalf, will provide adequate coverage for you. The requirements of insurance specified in this Agreement are for our protection. You should consult with your own insurance agents, brokers, attorneys or other insurance advisors to determine the level of insurance protection you need and desire, in addition to the coverage and limits required by us.

Our review and verification of certain elements of your insurance does not in any way reduce or eliminate your obligations to fully comply with all insurance requirements. It is your sole obligation to fully comply with these insurance requirements and it is your sole obligation to confirm with your insurance providers that your policies are in compliance.

D. Noncompete Covenants. You agree that you have or will receive valuable training and Confidential Information that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You therefore agree to the following noncompetition covenants:

1. Unless otherwise specified, the term “you” as used in this Section 9.D includes, collectively and individually, all Principals, guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in you.

2. You covenant that during the term of this Agreement you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, mutually sponsor or participate in, consult with or have any interest in any franchised location or business that sells or offers services or programs that are the same as or similar to the Tiger-Rock Program, or any other programs we authorize you to offer from your Franchised Location. During the term of this Agreement, you may not operate another business or franchised location that offers a Tiger-Rock Program or any other programs we authorize you to offer from your Franchised Location unless the franchised location is affiliated with the Trademarks.

3. You covenant that you will not, for a period of two years after the termination or expiration of this Agreement, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, including any former franchisee or licensee, or other entity:

(a) Own, manage, operate, maintain, engage in, mutually sponsor or participate in, consult with or have any interest in any business, seminar, championship or training that provides services to commercial taekwondo or other martial arts or health and fitness schools that are substantially similar to the services we provide to you, or in any way compete with us: (i) from your Authorized Location or from anywhere inside your Designated Territory; (ii) within 35 miles of the outer boundary of your Designated Territory; or (iii) within 35 miles of the outer boundary of any existing Tiger-Rock MAI Systems, Inc.’s Designated

Territory. This includes tournaments, trainings and seminars wherein you invite Members and/or members or students from other organizations or businesses to participate; or

(b) Own, manage, operate, maintain, engage in, mutually sponsor or participate in, consult with, or have any interest in any franchised location or business that sells or offers programs or services that are the same as or similar to the Tiger-Rock Program or any other programs we authorize you to offer: (i) from your Authorized Location or from anywhere inside your Designated Territory; (ii) within 35 miles of the outer boundary of your Designated Territory; or (iii) within 35 miles of the outer boundary of any existing Tiger-Rock MAI Systems, Inc.'s designated territory. Conversion franchisees upon expiration will not be required to shut down their business but may continue operating from their current locations at the time of expiration but may not expand into new locations closer than 35 miles from other Tiger-Rock franchised locations for a period of 2 years.

Nothing in this Section 9.D prevents you from owning less than a 5% beneficial interest in the outstanding equity securities of any publicly-held corporation.

4. You agree that the length of time and geographical area and scope set forth in subpart (3) above are reasonable and necessary to protect our investment in your training, our Confidential Information, Proprietary Materials, goodwill and other legitimate interests. You further agree that a breach of the covenants contained in this Section will be deemed to threaten immediate and substantial irreparable injury to us and give us the right to obtain immediate injunctive relief without limiting any other rights we may have. You agree that the length of time set forth in subpart (3) will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of every other covenant or provision of this Agreement. If a court or tribunal having jurisdiction to determine the validity or enforceability of this Section determines that, strictly applied, it would be invalid or unenforceable, then the time, geographic area and scope of activity restrained may be modified to the minimum extent necessary such that the restrictions in this Section will be valid and enforceable.

5. You agree that we are licensing you to use during the term of this Agreement the goodwill attendant to the use of our Trademarks at the Authorized Location, and, upon termination of this Agreement, we will have the exclusive right to such goodwill, including the rights to your Members list. We will retain the right to contact or communicate with all active and inactive Members.

### TRANSFER OF FRANCHISE

10. The following provisions govern any transfer or proposed transfer:

A. Transfer by You. You (and your Principals) may not sell, transfer, or assign, in whole or part, any of your rights or interest in this Agreement, the Franchised Location,



all or materially all of the assets of the Franchised Location, or any controlling interest in you unless you receive our prior written consent which consent will not be unreasonably withheld. Controlling interest includes a proposed transfer of 50% or more of ownership interest in you. We will not unreasonably withhold our consent to transfer provided that you comply with our transfer conditions which may include the following:

1. The assignee must meet all of our then-current requirements for our franchise program we are offering at the time of the proposed transfer and, at our election, sign our then-current form of franchise agreement.
2. The assignee or you must pay us a transfer fee in the amount of the then-current Initial Franchisee Fee being charged for the transferred franchised location.
3. All amounts owed by you to us, or any of our affiliates, or upon which we or any of our affiliates have any contingent liability must be paid in full.
4. You and your Principals and guarantors execute a general release of claims in a form we prescribed.
5. You must have complied with any other conditions that we reasonably require from time to time as part of our transfer policies.

If, however, a franchisee requests to transfer a franchise agreement or any interest therein to a corporation, limited liability company or other legal entity (the "Entity") which will be entirely owned by franchisee, and which Entity is being formed for financial planning, tax or other convenience of franchisee, the conditions to transfer outlined above will not apply and, instead, our consent to such transfer will be conditioned upon the following requirements:

1. The Entity will be newly organized and its charter will provide that its activities are confined exclusively to the operation of the Franchised Location.
2. Franchisee will retain total ownership of the outstanding stock or other capital interest in the transferee Entity, and franchisee (or its principal officers, managers or directors if franchisee is an entity) will act as the principal officers, managers or directors thereof, as appropriate.
3. All financial and non-financial obligations of franchisee to us or our affiliate will be fully paid and satisfied prior to the transfer.
4. The Entity assignee will enter into a written agreement with us expressly assuming the obligations of the franchise agreement and all other agreements relating to the operation of the Franchised Location or, at our option, sign our then-current form of franchise agreement.

5. Franchisee and each of its Principals will enter into an agreement with us, jointly and severally, guaranteeing the full payment of the Entity's obligations and the performance by the Entity of all the obligations of the franchise agreement.

6. Each stock certificate or other ownership interest certificate of the Entity will have conspicuously endorsed upon the face thereof a statement, in a form satisfactory to us, that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by the franchise agreement.

7. The term of the transferred franchise agreement will be the unexpired term of the franchise agreement, or, if a new agreement is signed, the term identified in our current form of franchise agreement.

B. Death Or Disability. If you (or the managing Principal) die or are permanently disabled, your executor, administrator, or other personal representative must transfer your interest within a reasonable time, not to exceed 12 months from the date of death or permanent disability, to a person approved by us. During that period, the Franchised Location must be managed by a person we approve. Such manager must attend and successfully complete the training we require within 30 days of the death or permanent disability.

C. Transfer by Us. We have the right to sell or assign, in whole or in part, our interest in this Agreement, without obtaining your consent.

## DISPUTE RESOLUTION

11. The following provisions apply with respect to dispute resolution:

A. Mediation. Except as noted in Section 11.C below, before any party may bring an action in arbitration, court or against the other, the parties must first meet to mediate the dispute. The mediation will be held in the city and state where our headquarters are located at the time the mediation commences (currently, Lenexa, Kansas). Any such mediation will be non-binding and will be conducted in accordance with the American Arbitration Association's then-current rules for mediation of commercial disputes.

B. Arbitration. Except as noted in Section 11.C below, any claim, suit or demand not resolved through mediation arising from or related to this Agreement, the parties' relationship, or your Franchised Location must be submitted to binding arbitration under the authority of the Federal Arbitration Act and in accordance with the Center for Public Resources Rules Non-Administered Arbitration of Business Disputes then in effect. 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 other claim or any other proceeding involving third parties. In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties must submit all claims to the jurisdiction of the courts. The arbitration

must take place in the city and state where our headquarters are located at the time the arbitration commences (currently, Lenexa, Kansas). The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least 5 years of significant experience in franchise law. A judgment may be entered upon the arbitration award by any state or federal court in the state where we maintain our headquarters or the state where your Franchised Location is located. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; or (3) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set.

C. Exceptions to Mediation and Arbitration. The parties agree that the following claims will not be subject to mediation or arbitration:

1. any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, 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 proceedings initiated hereunder, or

2. any action in ejectment or for possession of any interest in real or personal property.

D. Attorneys' Fees. The prevailing party in any arbitration or other action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Franchised Location or Authorized Location, or the business will be entitled to recover its reasonable attorneys' fees, costs, and interest.

## DEFAULT AND TERMINATION

12. The following provisions apply with respect to default and termination:

A. Defaults. You are in default if we determine that you or any Principal or guarantor has breached any of the terms of this Agreement or any other agreement between you and us or our affiliates, which without limiting the generality of the foregoing includes: (i) failure to pay when due any amounts required to be paid to us or any of our affiliates, (ii) conviction of you, a Principal, or a guarantor of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of any of the Trademarks or the Franchised Location, (iii) any conviction of you, a Principal or a guarantor of (or pleading no contest to) any felony, (iv) filing of tax or other liens that may affect this Agreement, (v) voluntary or involuntary bankruptcy by or against you or any Principal or guarantor, (vi) insolvency of you or any Principal or guarantor, (vii) failure to meet your minimum performance requirements, or (viii) if you or any Principal or guarantor makes an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors.

B. Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

1. Termination After Opportunity to Cure. Except as otherwise provided in this Section 12.B: (i) you will have 60 days from the date of our issuance of a written notice of default to cure any default under this Agreement; and (ii) your failure to cure a default within the 60-day period will provide us with good cause to terminate this Agreement. If you fail to cure any default identified in the written notice of default, the termination will be effective 90 days after the issuance of the written notice of default.

If the default relates to any material misrepresentation or omission in your franchise application, you will have 10 days from the date of our issuance of a written notice of default to cure the default. If you fail to cure any default relating to a material misrepresentation or omission in your franchise application, termination will be accomplished by mailing or delivering a notice of termination and the termination will be effective upon our issuance of the written notice of termination.

2. Immediate Termination With No Opportunity to Cure. In the event any of the following defaults occurs, you will have no right or opportunity to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination: (i) your voluntary abandonment of this Agreement or the Authorized Location, (ii) the loss of your lease, (iii) the failure to timely cure a default under your lease, (iv) the loss of your right of possession or failure to reopen or relocate under Section 5.C, (v) the closing of the Franchised Location by any state or local authorities for health or public safety reasons, (vi) any unauthorized use of the Confidential Information, (vii) insolvency of you, a Principal, or guarantor, (viii) you, a Principal, or a guarantor making an assignment or entering into any similar arrangement for the benefit of creditors, (ix) conviction of you, any Principals, or guarantors of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of the Trademarks or the Franchised Location, (x) any conviction of you, any Principal or a guarantor of (or pleading no contest to) any felony, (xi) any unauthorized transfer or assignment in violation of Paragraph 10, (xii) if you intentionally under-report or falsify financial data, or otherwise commit an act of fraud with respect to your acquisition of this Franchised Location or your rights or obligations under this Agreement, or (xiii) any default by you that is the second same or similar default within any 12-month consecutive period or the third default of any type within any 24-month consecutive period.

3. Immediate Termination After No More than 24 Hours to Cure. If a default under this Agreement occurs that materially impairs the goodwill associated with any of the Trademarks, violates any health, safety or sanitation law or regulation, or if the operation of the Franchised Location presents a health or safety hazard to your customers or to the public: (i) you will have no more than 24 hours after we provide written notice of the default to cure the default; and (ii) this Agreement will terminate effective immediately on our issuance of written notice of termination.

4. Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise supersede any provision of this Agreement that is less favorable to you.

C. Termination by You. You may terminate this Agreement as a result of a breach by us of a material provision of this Agreement if: (i) you provide us with written notice of the breach that identifies the grounds for the breach; and (ii) we fail to cure the breach within 60 days after our receipt of the written notice. If we fail to cure the breach, the termination will be effective 90 days after our receipt of your written notice of breach. Your termination of this Agreement under this Section 12.C will not release or modify your Post-Term Obligations under Section 13 of this Agreement.

### POST-TERM OBLIGATIONS

13. Upon the expiration or termination of this Agreement by either party to this Agreement:

A. Reversion of Rights; Discontinuation of Trademark Use. All of your rights to the use of the Trademarks and all other rights and licenses granted herein and the right and license to conduct business under the Trademarks at the Authorized Location will revert to us without further act or deed of any party. You must immediately cease all use and display of the Trademarks and of all Proprietary Materials, systems, trade dress, facility design elements, curriculum, concepts, teaching systems, Member and Membership Data, Manual and Required Practices, and cancel or assign, at our option, any assumed name rights or equivalent registrations filed with authorities. At the time of expiration or termination, you must pay all sums due to us, our affiliates or designees and all sums you owe to third parties that have been guaranteed by us or any of our affiliates. You must immediately return to us, at your expense, all copies of the Manual then in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of Section 6.E. You must promptly at your expense remove or obliterate all Franchised Location signage, displays or other materials in your possession at the Authorized Location or elsewhere that bear any of the Trademarks or names or material confusingly similar to the Trademarks. If, however, you refuse to comply with the provisions of this Section 13.A within 30 days after the date of expiration or termination, we have the right to enter the Authorized Location and remove all Franchised Location signage, displays or other materials from the Authorized Location or elsewhere that bear any of the Trademarks or names or material confusingly similar to the Trademarks, and you must reimburse us for our costs incurred. We also reserve the right to inspect your former Authorized Location at any time within 90 days after the termination or expiration of this Agreement to ensure your compliance with your post-term obligations. We further reserve the right to select a third party to inspect your former Authorized Location at any time during the 12 months following the expiration or termination of this Agreement to ensure your compliance with your post-term obligations. Notwithstanding the foregoing, in the event of expiration or termination of this Agreement, you will remain liable for your obligations pursuant to this Agreement or any other agreement between you

and us or our affiliates that expressly or by their nature survive the expiration or termination of this Agreement.

B. Non-Compete. You must immediately comply with the post-term noncompete obligations under Section 9.D.

C. Claims. Except for those claims brought under the indemnification or insurance coverage provisions under Sections 9.B and 9.C, upon expiration or termination of this Agreement, you and your Principals and guarantors may not assert any claim against us or our affiliates relating to this Agreement after the shorter period of: (i) the applicable statute of limitations, or (ii) one year following the effective date of termination of this Agreement; but where the one-year limitation of time is prohibited or invalid by or under any applicable law, no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations. The term “claims” means any allegation, challenge, demand, cause of action, lawsuit, arbitration, dispute, controversy, investigation or administrative proceeding.

D. Option to Purchase. We have the right to purchase or designate a third party that will purchase all or any portion of the assets of your Franchised Location that are owned by you or any of your affiliates including, without limitation, the equipment, fixtures, signage, furnishings, supplies, leasehold improvements, and products of the Franchised Location at a price determined by a qualified appraiser (or qualified appraisers if one party believes it is better to have a business appraiser appraise the Franchised Location’s assets) selected with the consent of both parties, provided we give you written notice of our preliminary intent to exercise our purchase rights under this Paragraph within 30 days after the date of the expiration or termination of this Agreement. If the parties cannot agree upon the selection of an appraiser(s), one or both will be appointed by a Judge of the United States District Court for the District in which the Franchised Location is located upon petition of either party.

The price determined by the appraiser(s) will be the reasonable fair market value of the assets based on their continuing use in, as, and for the operation of a TIGER-ROCK MARTIAL ARTS Franchised Location and the appraiser will designate a price for each category of asset (e.g., equipment, fixtures, etc.), but will not include the value of any goodwill of the business, as the goodwill of the business is attributable to the Trademarks and the Tiger-Rock Program we developed.

Within 45 days after our receipt of the appraisal report, we or our designated purchaser will identify the assets, if any, that we intend to purchase at the price designated for those assets in the appraisal report. We or our designated purchaser and you will then proceed to complete and close the purchase of the identified assets, and to prepare and execute purchase and sale documents customary for the assets being purchased, in a commercially reasonable time and manner. We and you will each pay one-half of the appraiser’s fees and expenses. Our interest in the assets of the Franchised Location that are owned by you or your affiliates will constitute a lien thereon and may not be impaired or terminated by the sale or other transfer of any of those assets to a third party. Upon our or our designated purchaser’s exercise of the purchase option and tender of payment, you agree to sell and deliver, and cause your affiliates to sell and deliver, the purchased assets to us or our designated purchaser, free and

clear of all encumbrances, and to execute and deliver, and cause your affiliates to execute and deliver, to us or our designated purchaser a bill of sale therefor and such other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

If you or your affiliate own the real estate where the Franchised Location is located, we do not have the right to purchase the real estate (land and building), but, at our option, you must lease to us, or to our designated third party, the Franchised Location premises for the remaining term of this Agreement and one then-current renewal term at fair market value. If we and you are unable to agree upon fair market value for the lease, we will appoint an appraiser to determine the fair market value of the leased premises. If the parties cannot agree upon the selection of an appraiser(s), one or both will be appointed by a Judge of the United States District Court for the District in which the Franchised Location is located upon petition of either party. Within 45 days after our receipt of the appraisal report, we or our designated lessee will notify you if we or our designated lessee will lease the Franchised Location premises. We and you will each pay one-half of the appraiser's fees and expenses. Upon our or our designated lessee's exercise of this option, you and we or our designated lessee will enter into a lease for the Franchised Location premises that is commercially reasonable and customary.

If we do not exercise our option to purchase or lease under this subparagraph, you may sell or lease the Franchised Location to a third party purchaser, provided that your agreement with the purchaser includes a covenant by the purchaser, which is expressly enforceable by us as a third party beneficiary, pursuant to which the purchaser agrees, for a period of 2 years after the expiration or termination of this Agreement not to use the premises for the operation of a business that offers services or programs similar to that employed by your Franchised Location.

## GENERAL PROVISIONS

14. The parties agree to the following provisions:

A. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written.

B. Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify the Manual, Appendices and/or Required Practices and as otherwise provided herein, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing

signed by you and us. This Agreement together with the addenda and appendices hereto constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements either oral or in writing. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

You have conducted an independent investigation of the franchised business, and you recognize that the franchised business involves risks and that its success will be largely dependent upon your ability as an independent businessperson. You acknowledge that you are entering into this Agreement as a result of your own independent investigation and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

C. Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree or are required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise “reasonable business judgment” in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of “reasonable business judgment”, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended to promote or benefit the Tiger-Rock Program generally even if the decision or action also promotes a financial or other individual interest of us. Neither you nor any third party (including a trier of fact), will substitute its judgment for our reasonable business judgment.

D. Notices. Except as otherwise provided in this Agreement, any notice or demand provided for in this Agreement must be delivered via email, text, video, fax, U.S. mail, personally delivered or posted to our website. Any notice or demand concerning any default, breach or termination of this Agreement or any demand made for mediation must be in writing, signed by the party serving the same, and delivered personally, by a reputable overnight service provider (signature required), or by registered or certified mail, and addressed as follows:

1. If intended for us, addressed to Tiger-Rock MAI Systems, Inc., 8781 Penrose Lane, Lenexa, KS 66219;

2. If intended for you, addressed to you at the address set forth on the Data Sheet or at the Authorized Location; or,

in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this Section.

E. Authority. Any modification, consent, approval, authorization or waiver granted hereunder required to be effective by signature will be valid only if in writing



executed by you or, if on behalf of us, in writing executed by our Corporate President or CEO.

F. Guarantee. All persons owning 10% or more of a franchisee that is a corporation, partnership, limited liability company or partnership or other legal entity must execute the form of undertaking and guarantee which is attached to this Agreement. Any person or entity that at any time after the date of this Agreement becomes a 10% owner pursuant to the provisions of Section 10 or otherwise must execute the form of undertaking and guarantee at the end of this Agreement.

G. Successors/Assigns. Subject to the terms of Section 10 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

H. Applicable Law and Waiver. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Section 11 of this Agreement, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state where our headquarters are located (currently, Kansas) irrespective of any conflict of laws. The parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. Franchisee waives, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation.

I. Venue. Any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship between the parties that is not subject to arbitration under Section 11, must be brought exclusively in the state or federal district court located closest to the city and state where our headquarters are located at the time the litigation commences (currently, Lenexa, Kansas), unless otherwise agreed to by the parties. ANY SUCH ACTION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT AS PART OF A CONSOLIDATED, COMMON, OR CLASS ACTION, AND YOU AND YOUR OWNERS WAIVE ANY AND ALL RIGHTS TO PROCEED ON A CONSOLIDATED, COMMON OR CLASS BASIS.

J. JURY WAIVER. ALL PARTIES HEREBY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN CONNECTION WITH THE ENFORCEMENT OR INTERPRETATION BY JUDICIAL PROCESS OF ANY PROVISION OF THIS AGREEMENT, AND IN CONNECTION WITH ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION OR SIMILAR CAUSES OF ACTION OR ANY LEGAL ACTION INITIATED FOR THE RECOVERY OF DAMAGES FOR BREACH OF THIS AGREEMENT.

K. WAIVER OF PUNITIVE DAMAGES. YOU AND US AND OUR AFFILIATES AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR CLAIM FOR PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF ANY DISPUTE

BETWEEN THEM, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED.

L. Privacy Laws. You agree to abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information ("Privacy Laws").

1. You agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and actual applicable law, you will: (i) comply with the requirements of applicable law; (ii) immediately give us written notice of said conflict; and (iii) promptly and fully cooperate with us and our counsel in determining the most effective way, if possible, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law.

2. You agree not to publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to said policy.

M. Relationship of the Parties. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence.

N. No Fiduciary Relationship; No Employment Relationship: The parties understand and agree that this Agreement does not create a fiduciary relationship between them, that you are an independent contractor and that nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose.

We are not the employer of you or any of your employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or by implication, shall be considered our employee for any purpose, regardless of inclusion in mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or terminate the employment of your employees. You expressly agree, and will never claim otherwise, that our authority under this Agreement to determine that certain of your employees are qualified to perform certain tasks for your Franchised Location does not directly or indirectly vest in us the power to influence the employment terms of any such employee.

You agree that you alone are to exercise day-to-day control over all operations, activities and elements of your Franchised Location, and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never claim otherwise, that the various restrictions, prohibitions, specifications and procedures of the Required Practices which you are required to comply with under this Agreement, whether set forth in our Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your

Franchised Location, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Franchised Location.

O. Identification as Independent Contractor. At all times during the term of this Agreement and any extensions hereof, you will hold yourself out to the public as an independent contractor operating the business pursuant to a franchise from us.

P. Force Majeure. In the event of any failure of performance of this Agreement according to its terms by any party the same will not be deemed a breach of this Agreement if it arose from a cause beyond the reasonable control of and without the negligence of said party. Such causes include, but are not limited to, strikes, wars, weather, acts of god, riots and acts of government except as may be specifically provided for elsewhere in this Agreement.

Q. National Consumer Price Index. We may adjust the Royalty Fee each year, in proportion to any cumulative percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for all Items (1982 – 1984 = 100) (the “Index”), not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics. If the change is made to the Royalty Fee, the change will be based off of the base royalty fee as first established by us on January 1, 2013 (the “Base Royalty Fee”), and will include any change in the Index that has occurred since we last adjusted the Royalty Fee. If the Index is discontinued or revised during the term of this Agreement, such other governmental index or computation with which it is replaced must be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

R. Effective Date. We will designate the “Effective Date” of this Agreement in the space provided on the Data Sheet. If no Effective Date is designated on the Data Sheet, the Effective Date is the date when we sign this Agreement.

*[Signatures on following page.]*

**IN WITNESS WHEREOF**, the parties have executed this Franchise Agreement as of the dates written below.

**FRANCHISEE: (For an Entity)**

Date: \_\_\_\_\_

\_\_\_\_\_,  
a \_\_\_\_\_  
(Please type or print name and type of entity)

By: \_\_\_\_\_  
(Signature of person signing on behalf of entity)

\_\_\_\_\_  
(Please type or print name of person  
signing on behalf of entity)

Its: \_\_\_\_\_  
(Please type or print title of person  
signing on behalf of entity)

Witness: \_\_\_\_\_  
(Please type or print)

Signature: \_\_\_\_\_

**FRANCHISEE: (For an Individual)**

Date: \_\_\_\_\_

Name: \_\_\_\_\_  
(Please type or print)

Signature: \_\_\_\_\_

Witness: \_\_\_\_\_  
(Please type or print)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_  
(Please type or print)

Signature: \_\_\_\_\_

Witness: \_\_\_\_\_  
(Please type or print)

Signature: \_\_\_\_\_

**US: TIGER-ROCK MAI SYSTEMS, INC.**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Appendix A to the Franchise Agreement

**Data Sheet**

1. **Franchisee:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. **Authorized Location(s).** As referred to in Section 2.A of the Franchise Agreement, the Authorized Location(s) is: \_\_\_\_\_  
\_\_\_\_\_
3. **Initial Franchise Fee, Monthly Royalty Fee and Marketing Fee.** Your Initial Franchise Fee and monthly Royalty Fee and Marketing Fee will be as follows:
- Initial Franchise Fee:           \$\_\_\_\_\_,
- The Initial Franchise Fee is due and payable in full (check one):
- ☐ on the date you sign this Agreement; or
- ☐ no later than 240 days following the date you sign this Agreement.
- Royalty Fee:                         \$7.00 per Member per month
- Marketing Fee:                     \$1.00 per Member per month
4. **Designated Territory.** As referred to in Section 2.C of the Franchise Agreement, and subject to the terms and conditions of the Franchise Agreement, the Designated Territory under this Agreement is as follows: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. **Term.** As referred to in Section 4.A of the Franchise Agreement, the Term for this Agreement is \_\_\_\_\_ years.
6. **Effective Date:** \_\_\_\_\_

**YOU:** \_\_\_\_\_

**WE: TIGER-ROCK MAI SYSTEMS, INC.**

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

## Appendix B to the Franchise Agreement

### Trademarks

You have the right to use the Trademarks noted on this Appendix B, but only in accordance with the terms of the Franchise Agreement.

<b>Trademark</b>	<b>Registration Number</b>	<b>Registration Date</b>	<b>Register</b>
HO-AM TAEKWONDO	3175914	11/28/2006	Principal
BE YOUR REVOLUTION	4162011	06/19/2012	Principal
TIGER-ROCK MARTIAL ARTS INTERNATIONAL	4316153	04/09/2013	Principal
TIGER-ROCK MAI	4316152	04/09/2013	Principal
TIGER-ROCK MAI SYSTEMS	4316151	04/09/2013	Principal
TIGER-ROCK MARTIAL ARTS	4316150	04/09/2013	Principal
TIGER-ROCK GEAR TRG	4384493	08/13/2013	Principal
TIGER-ROCK GEAR	4384492	08/13/2013	Principal
TR TR TIGER-ROCK	4423719	10/29/2013	Principal
XP	4451215	12/17/2013	Principal
R15E	5053725	10/04/2016	Principal
R15E	5218359	06/06/2017	Principal
BE TRANSFORMED	5999603	03/03/2020	Principal
R15E	6122548	08/11/2020	Principal
COMPETE. DEFEND. ADVANCE.	90151712	09/1/2020	Principal

<b>Trademark</b>	<b>Application Number</b>	<b>Application Date</b>	<b>Register</b>
COMPETE. DEFEND. ADVANCE.	3175914	11/28/2006	Principal

We may amend this Appendix B from time to time in order to make available additional Trademarks or to delete those Trademarks that become unavailable. You agree to use only those Trademarks that are then currently authorized.

The Trademarks must be used only in the manner that we specify. No deviations will be permitted.

Appendix C to the Franchise Agreement

**Electronic Transfer of Funds Authorization**

Franchisee: \_\_\_\_\_ Location: \_\_\_\_\_ Date: \_\_\_\_\_

The undersigned hereby authorizes Tiger-Rock MAI Systems, Inc. or any affiliated entity (collectively, "Franchisor") to initiate monthly ACH or credit card debit entries against the account of the undersigned with you in payment of amounts for Royalty Fees, Marketing Fees, and Company Event fees or other amounts that become payable by the undersigned to Franchisor. The dollar amount to be debited per payment will vary. Credit card debits will incur a **5%** credit card fee.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH or credit card debit entry initiated by Franchisor.

This authorization is binding and will remain in full force and effect until 90 days prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit entries pursuant to this letter of authorization.

Please honor ACH debit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit entries.

\*\*\* We also need a VOIDED Check \*\*\*

Account Name: \_\_\_\_\_ Account Holder Name: \_\_\_\_\_

Account Holder Full Address: \_\_\_\_\_

Bank Name: \_\_\_\_\_ Bank Address: \_\_\_\_\_

Bank Telephone: \_\_\_\_\_

Account Number: \_\_\_\_\_ Routing Number: \_\_\_\_\_

**Recurring Credit Card Authorization Form**

**Type of card:** ☐ Visa ☐ MasterCard ☐ Amex Credit

**Card #:** \_\_\_\_\_ **Expiration Date:** \_\_\_\_ / \_\_\_\_

**CVC Code:** \_\_\_\_ (code back of the card)

**Credit Card Billing Address**

**Full Name:** \_\_\_\_\_ **Street:** \_\_\_\_\_

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip Code:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_ **Email:** \_\_\_\_\_

**Cardholder Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND  
PERSONALLY BY THE TERMS AND CONDITIONS  
OF THE FRANCHISE AGREEMENT

In consideration of the execution of the Franchise Agreement by Tiger-Rock MAI Systems, Inc. ("Franchisor"), and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the full and timely payment of all amounts and the full and timely performance of the covenants, terms and conditions in the Franchise Agreement, to be paid, kept and performed by the franchisee, including without limitation the arbitration and other dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including but not limited to Section 9.D (Non-compete Covenants), Section 11.D (Attorneys' Fees), Section 14.B (Waiver and Integration), Section 14.E (Authority), Section 14.H (Applicable Law), Section 14.I (Venue), and Section 14.J (Jury Waiver), and agree that this Personal Guarantee will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of this Franchise Agreement.

The undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the franchisee or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against the franchisee or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement, or the amendment or extension of the Franchise Agreement with or without notice to the undersigned.

*[Signature Page Follows.]*



It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee will inure to the benefit of the Franchisor's successors and assigns.

**FRANCHISEE:** \_\_\_\_\_

**PERSONAL GUARANTORS:**

_____		
Individually		
_____		
Print Name		
_____		
Address		
_____	_____	_____
City	State	Zip Code
_____		
Telephone		

_____		
Individually		
_____		
Print Name		
_____		
Address		
_____	_____	_____
City	State	Zip Code
_____		
Telephone		

_____		
Individually		
_____		
Print Name		
_____		
Address		
_____	_____	_____
City	State	Zip Code
_____		
Telephone		

_____		
Individually		
_____		
Print Name		
_____		
Address		
_____	_____	_____
City	State	Zip Code
_____		
Telephone		

**ACKNOWLEDGMENT ADDENDUM TO  
TIGER-ROCK MAI SYSTEMS, INC. FRANCHISE AGREEMENT**

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

**Acknowledgments and Representations.**

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least fourteen calendar days before signing the Franchise Agreement? Check one: ☐ Yes ☐ No. If no, please comment: \_\_\_\_\_  
\_\_\_\_\_
2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? Check one: ☐ Yes ☐ No. If no, please comment: \_\_\_\_\_  
\_\_\_\_\_
3. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement? Check one ☐ Yes ☐ No. If no, please comment: \_\_\_\_\_  
\_\_\_\_\_
4. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document? Check one: ☐ No ☐ Yes. If yes, please state in detail the oral, written or visual claim or representation: \_\_\_\_\_  
\_\_\_\_\_
5. Did any employee or other person speaking on behalf of Tiger-Rock MAI Systems, Inc. make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any TIGER-ROCK MARTIAL ARTS location or business, or the likelihood of success at your franchised location? Check one: ☐ No ☐ Yes. If yes, please state in detail the oral, written or visual claim or representation: \_\_\_\_\_  
\_\_\_\_\_
6. Did any employee or other person speaking on behalf of Tiger-Rock MAI Systems, Inc. make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document? Check one: ☐ Yes ☐ No. If yes, please comment: \_\_\_\_\_  
\_\_\_\_\_

7. Except as stated in Item 19, did any employee or other person speaking on behalf of Tiger-Rock MAI Systems, Inc. make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any TIGER-ROCK MARTIAL ARTS location or business, or the likelihood of success at your franchised location? Check one: ☐ Yes ☐ No. If yes, please state in detail the oral, written or visual claim or representation: \_\_\_\_\_
8. Do you understand that that the franchise granted is for the right to operate a Franchised Location at the Authorized Location only and that we and our affiliates have the right to issue franchises or operate competing businesses for or at locations, as we determine, outside your Designated Territory? Check one: ☐ Yes ☐ No. If no, please comment: \_\_\_\_\_
9. Do you understand that the Franchise Agreement and Disclosure Document contain the entire agreement between you and us concerning the franchise for the Franchised Location, meaning that any prior oral or written statements which are not set out in the Franchise Agreement or Disclosure Document will not be binding? Check one: ☐ Yes ☐ No. If no, please comment: \_\_\_\_\_
10. Do you understand that the success or failure of your Franchised Location will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the Trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Franchised Location may change? Check one ☐ Yes ☐ No. If no, please comment: \_\_\_\_\_
11. Do you understand that this franchise business may be impacted by other risks, including those outside your or our control such as economic, political or social disruption, including COVID-19? In addition, do you understand that the COVID-19 outbreak and any preventative or protective actions that federal, state, and local governments may take in response to this pandemic may result in a period of business disruption, reduced customer demand, and reduced operations for TIGER-ROCK MARTIAL ARTS businesses? Finally, do you understand that the extent to which the coronavirus impacts the TIGER-ROCK MARTIAL ARTS system will depend on future developments which are highly uncertain and which we cannot predict? Check one ☐ Yes ☐ No. If no, please comment: \_\_\_\_\_

12. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Section 9.D of the Franchise Agreement and that an injunction is an appropriate remedy to protect the interest of the franchise system if you violate the covenant(s)? Further, do you understand that the term “you” for purposes of the non-compete covenants is defined broadly in Section 9.D, such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? Check one (\_\_\_) Yes (\_\_\_) No. If no, please comment: \_\_\_\_\_

13. On the receipt pages of your Disclosure Document you identified \_\_\_\_\_  
\_\_\_\_\_ as the franchise sellers involved in this franchise sales process. Are the franchise sellers identified above the only franchise sellers involved with this transaction? Check one (\_\_\_) Yes (\_\_\_) No. If no, please identify any additional franchise sellers involved with this transaction:

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

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

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date:\_\_\_\_\_

**APPROVED ON BEHALF OF  
TIGER-ROCK MAI SYSTEMS, INC.**

Signed \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\*Such representations are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law.

## **EXHIBIT D**

### Manual Table of Contents

# Tiger-Rock Brand System

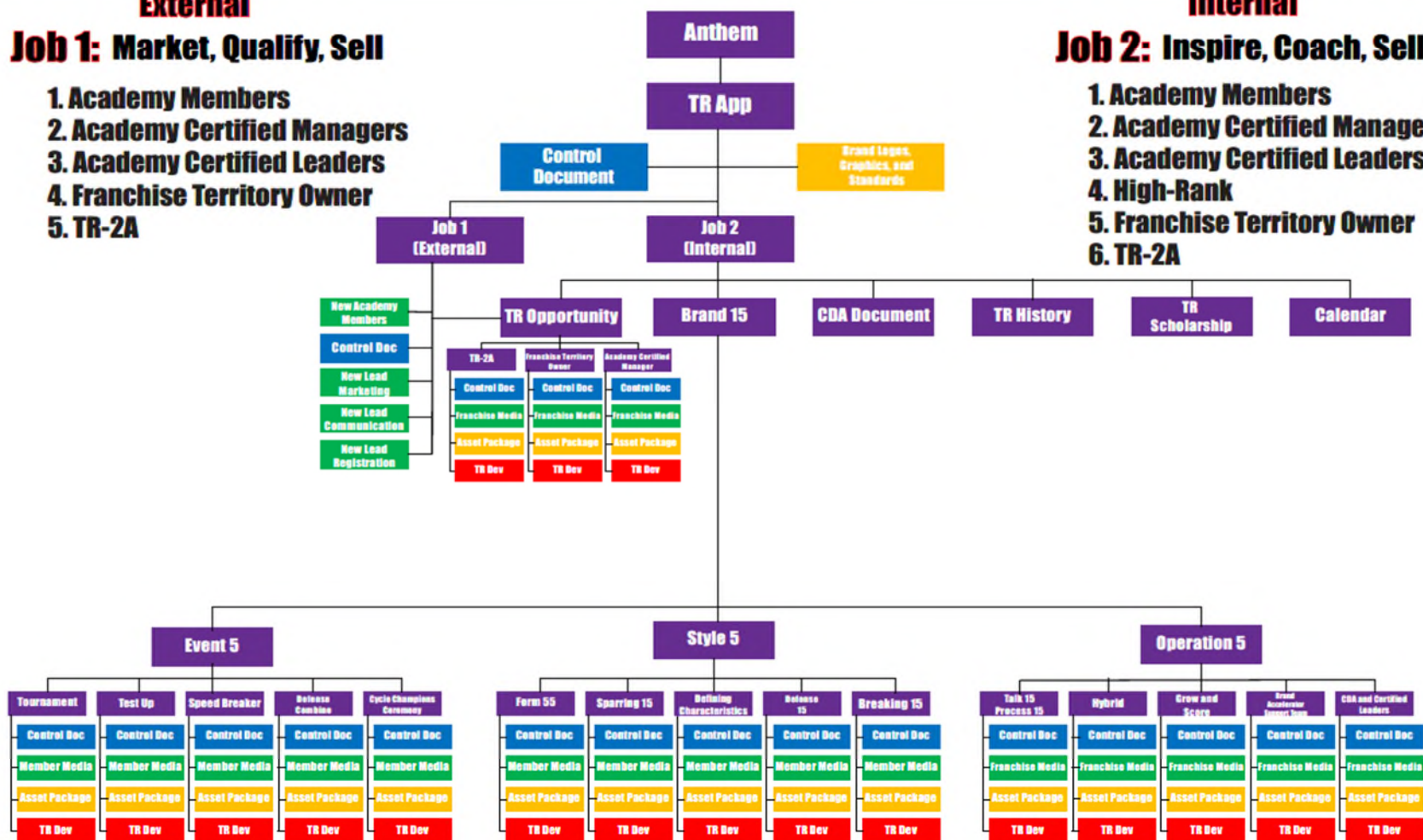
## The Academy

### External Job 1: Market, Qualify, Sell

1. Academy Members
2. Academy Certified Managers
3. Academy Certified Leaders
4. Franchise Territory Owner
5. TR-2A

### Internal Job 2: Inspire, Coach, Sell

1. Academy Members
2. Academy Certified Managers
3. Academy Certified Leaders
4. High-Rank
5. Franchise Territory Owner
6. TR-2A



**Purple = File Folder, Blue = Control Doc, Green = Retail, Yellow = Assets, Red = TR Developmental Folder**

## EXHIBIT E

### LIST OF FRANCHISEES AS OF DECEMBER 31, 2022

	Academy Address	Academy City	Academy State	Academy Zip	Academy Phone#	Franchisee(s)	Franchisee
#470 Tiger-Rock Martial Arts of Alabaster	136 Market Center Dr	Alabaster	AL	35007	(205) 624-4418	Kollars, Craig	
#259 Tiger-Rock Martial Arts of Birmingham	5426 Hwy 280 Ste 10	Birmingham	AL	35242	(205) 981-7777	Kollars, Craig	
#230 Tiger-Rock Martial Arts of Enterprise	1032 Boll Weevil Circle Ste I&J	Enterprise	AL	36330	(334) 393-3939	Austin, Doris	Austin, Richard
#357 Tiger-Rock Martial Arts of Fairhope	925 Nichols Ave	Fairhope	AL	36532	(402) 483-1011	Dousharm, Jeff	Reed, Jason
#413 Tiger-Rock Martial Arts of Gardendale	1030 Main Street	Gardendale	AL	35071	(205) 631-0020	McKinney, Charles	
#218 Tiger-Rock Martial Arts of Hoover	1923 Hoover Court	Hoover	AL	35226	(205) 823-1999	Williams, Danny	
#092 Tiger-Rock Martial Arts of Madison	12060-D County Line Rd.	Madison	AL	35756	256-262-4545	Goff, Greg	
#021 Tiger-Rock Martial Arts of Northport	#1 Resource Ln	Northport	AL	35473	(205) 339-7071	Holt, Michael	
#013 Tiger-Rock Martial Arts of Pelham	2748 Pelham Pkwy	Pelham	AL	35124	(205) 663-0091	Kollars, Brock	
#302 Tiger-Rock Martial Arts of Prattville	2144 Cobbs Ford Rd	Prattville	AL	36066	(334) 290-1127	Crutchfield, Kevin	Crutchfield, Emily
#454 Tiger-Rock Martial Arts of Huntsville	2124 Cecil Ashburn Drive #190	South Huntsville	AL	35802	(256) 489-2929	Blackburn, Luke	
#008 Tiger-Rock Martial Arts of Tuscaloosa	1000 13Th St E	Tuscaloosa	AL	35404	(205) 759-4711	Bailey, Brett	
#264 Tiger-Rock Martial Arts of Tuscaloosa	500 Patriot Pkwy Ste A	Tuscaloosa	AL	35405	(205) 343-6449	Bailey, Tyler	
#448 Tiger-Rock Martial Arts of South Huntsville	7185 Hwy 72 West Ste H	West Huntsville	AL	35758	(256) 830-5454	Simmons, Jake	
#255 Tiger-Rock Martial Arts of Glendale	5820 W Greenway Rd Ste 131	Glendale	AZ	85306	(602) 993-7500	Rigdon, Micah	
#477 Tiger-Rock Martial Arts of Gilbert	2530 S Val Vista Dr Ste 101	Gilbert	AZ	85295	(480) 207-1000	Rigdon, Micah	
#335 Tiger-Rock Martial Arts of Colorado Springs	7615 N. Union Blvd	Colorado Springs	CO	80920	(719) 302 -4797	Tuck, Aaron	
#464 Tiger-Rock Martial Arts of Colorado Springs	2840 N Powers Blvd	Colorado Springs	CO	80922	(719) 302-6165	Shepherd, Dan	
#407 Tiger-Rock Martial Arts of Fountain	6861 Mesa Ridge Pkwy	Fountain	CO	80817	(719) 302-3015	Tuck, Aaron	
#435 Tiger-Rock Martial Arts of Lone Tree	7600 E Park Meadows #900	Lone Tree	CO	80124	(720) 891-9497	Johnson, Christopher	
#330 Tiger-Rock Martial Arts of Crawfordville	27 Azalea Dr Ste A-B	Crawfordville	FL	32327	(850) 926-3777	Adams, Jason	
#151 Tiger-Rock Martial Arts of Gulf Breeze	3235 Gulf Breeze Pkwy	Gulf Breeze	FL	32563	(850) 932-2248	Sexton, Gary	
#157 Tiger-Rock Martial Arts of Naples	1575 Pine Ridge Rd #12	Naples	FL	34109	(239) 596-2501	Frost, Jonathan	
#001 Tiger-Rock Martial Arts of Pensacola	1151 Office Woods Dr Ste E	Pensacola	FL	32504	(850) 484-2644	Reeve, John	Toth, Edward
#051 Tiger-Rock Martial Arts of Pensacola	9409 W Highway 98 Unit 80	Pensacola	FL	32506	(850) 453-8400	Abercrombie, Jeff	
#344 Tiger-Rock Martial Arts of Spring Hill	11039 Hearth Rd	Spring Hill	FL	34608	(352) 683-9328	Mackenzie, James	Mackenzie, Lauren
#164 Tiger-Rock Martial Arts of Tallahassee	2785 Capital Circle Ne	Tallahassee	FL	32308	(850) 878-3900	Fantle, Bradley	
#349 Tiger-Rock Martial Arts of Oldsmar	13863 W Hillsborough Ave	Tampa	FL	33635	(813) 818-4649	Finney, Nikki	
#479 Tiger-Rock Martial Arts of Pace	3981 US-90	Pace	FL	32571		(850) 994-8610	Reeve, John
#312 Tiger-Rock Martial Arts of Canton	2228 Holly Springs Pkwy #200	Canton	GA	30115	(770) 704-7902	Church, Kyle	
#295 Tiger-Rock Martial Arts of Dallas	8651 Hiram-Acworth Hwy	Dallas	GA	30157	(678) 331-1300	Dickson, Robert	
#260 Tiger-Rock Martial Arts of Lawrenceville	1404 Lawrenceville-Suwanee Rd Ste 104	Lawrenceville	GA	30043	(770) 962-7333	Mostiler, Cliff	
#208 Tiger-Rock Martial Arts of Marietta	1811 Roswell Rd	Marietta	GA	30062	(678) 633-4502	Groce, Jerry	
#433 Tiger-Rock Martial Arts of Thomasville	15060 Us Hwy 19 S Ste 6	Thomasville	GA	31757	(229) 226-2299	Maddox, Kathy	
#020 Tiger-Rock Martial Arts of Woodstock	1025 Rose Creek Dr Ste 540	Woodstock	GA	30189	(770) 516-4883	Bowen, Lili	



	Academy Address	Academy City	Academy State	Academy Zip	Academy Phone#	Franchisee(s)	Franchisee
#223 Tiger-Rock Martial Arts of Sioux City	5776 Sunnybrook Dr	Sioux City	IA	51106 (712) 266-0688		Kollars, Bert	
#465 Tiger-Rock Martial Arts of Waukee	739 Alice's Rd	Waukee	IA	50263 (515) 978-8070		Tiger-Rock	
#365 Tiger-Rock Martial Arts of Olathe	14024 W 119Th St	Olathe	KS	66062 (913) 829-8818		Leopard, Drew	
#445 Tiger-Rock Martial Arts of Overland Park	8645 West 135Th St	Overland Park	KS	66223 (913) 851-5050		Hubbard, Justin	
#034 Tiger-Rock Martial Arts of Baton Rouge	14160 Coursey Blvd	Baton Rouge	LA	70817 (225) 753-0913		Neely, Joel	
#444 Tiger-Rock Martial Arts of Destrehan	124 Longview Dr. Suite 6B	Destrehan	LA	70047 (985) 764-9775		Cothren, William	
#466 Tiger-Rock Martial Arts of Gretna	113 Lapalco Blvd Ste 206	Gretna	LA	70056 (504) 394-0008		Williams, Stephen	
#457 Tiger-Rock Martial Arts of Houma	5953 West Park Avenue Ste 3005	Houma	LA	70364 (985) 851-7772		Lee, Richard	
#282 Tiger-Rock Martial Arts of Mandeville	330 Dalwill Rd	Mandeville	LA	70471 (985) 624-3455		Monroe, Art	
#340 Tiger-Rock Martial Arts of Metairie	1813 A Veterans Blvd	Metairie	LA	70005 (504) 831-1110		Monroe, Art	Jordan, Basjons
#348 Tiger-Rock Martial Arts of Metairie	3828 Veterans Blvd., Suite E	Metairie	LA	70002 (504) 455-9699		Lee, Patrick	
#286 Tiger-Rock Martial Arts of Monroe	1104 Oliver Rd	Monroe	LA	71201 (318) 325-4754		Wegener, Jason	
#062 Tiger-Rock Martial Arts of Opelousas	618 Country Ridge Rd #63	Opelousas	LA	70570 (337) 948-3433		Soileau, Gary	
#421 Tiger-Rock Martial Arts of Rayville	1906 Julia St	Rayville	LA	71269 (318) 537-1793		Stephenson, Eric	
#456 Tiger-Rock Martial Arts of Shreveport	1409 East 70th Street #112	Shreveport	LA	71105 (318) 946-8292		Wegener, Jason	
#447 Tiger-Rock Martial Arts of Thibodaux	809 Saint Mary St	Thibodaux	LA	70301 (985) 449-5425		Miller, Daniel	
#462 Tiger-Rock Martial Arts of Hagerstown	12814-I, Shank Farm Way	Hagerstown	MD	21742 (256) 658-3712		DeSmet, Paul	DeSmet, Stacey
#341 Tiger-Rock Martial Arts of Brandon	103 Christian Dr Ste D	Brandon	MS	39042 (601) 824-0058		Dear, David	
#005 Tiger-Rock Martial Arts of Gulfport	1842 E Pass Rd	Gulfport	MS	39507 (228) 861-1659		Calhoun, Joe	
#029 Tiger-Rock Martial Arts of Gulfport	11382 Three Rivers Rd	Gulfport	MS	39503 (228) 832-4418		Hensley, Jr	
#127 Tiger-Rock Martial Arts of Hattiesburg	28 Market Court Ste 40	Hattiesburg	MS	39402 (601) 268-3515		Reeve, John	
#233 Tiger-Rock Martial Arts of Ridgeland	125 Dyess Rd	Ridgeland	MS	39157 (601) 977-9000		Griffin, Jason	
#425 Tiger-Rock Martial Arts of Highpoint	3755 Admiral Dr Ste 104	Highpoint	NC	27265 (336) 869-8399		Snyder, Steve	
#432 Tiger-Rock Martial Arts of Holly Springs	5273 Sunset Lake Rd	Holly Springs	NC	27540 (919) 629-7129		Jenkins, Gretchen	
#408 Tiger-Rock Martial Arts of Sanford	85 Amarillo Lane	Sanford	NC	27332 (919) 498-6467		Prevette, Jon	
#247 Tiger-Rock Martial Arts of Lincoln	5900 S 85Th St Ste 100	Lincoln	NE	68526 (402) 483-1011		Dousharm, Jeff	Reed, Jason
#314 Tiger-Rock Martial Arts of Lincoln	8444 Executive Wood Dr Ste B	Lincoln	NE	68512 (402) 483-1011		Dousharm, Jeff	Reed, Jason
#294 Tiger-Rock Martial Arts of Omaha	2410 S 179Th St Ste 6	Omaha	NE	68130 (402) 334-5425		Dousharm, Jeff	
#257 Tiger-Rock Martial Arts of Alamogordo	1600 E 10Th St Ste B	Alamogordo	NM	88310 (575) 439-5425		Overstreet, David	
#436 Tiger-Rock Martial Arts of Camp Hill	3300 Hartzdale Dr #111	Camp Hill	PA	17011 (717) 763-8775		George, Rachel	
#228 Tiger-Rock Martial Arts of Columbia	9557 Two Notch Rd Po Box 292244	Columbia	SC	29229 (803) 865-9603		Martin, Michael	
#336 Tiger-Rock Martial Arts of Sioux Falls	5109 S Cliff Ave	Sioux Falls	SD	57108 (605) 271-4646		Donnell, Shannon	
#473 Tiger-Rock Martial Arts of Franklin	3046 Columbia Ave Ste 205	Franklin	TN	37064 (615) 977-7625		Dooley, Brandon	
#422 Tiger-Rock Martial Arts of Knoxville	9111 B Executive Park Drive	Knoxville	TN	37923 (865) 247-4437		Hazelp, Josh	
#251 Tiger-Rock Martial Arts of Austin	12233 RR 620 Ste 109	Austin	TX	78750 (512) 918-8025		Aherne, Martin	
#461 Tiger-Rock Martial Arts of Oak Hill	5501 W US 290 Ste C	Austin	TX	78735 (512) 731-5425		Maddox, Frank	

	Academy Address	Academy City	Academy State	Academy Zip	Academy Phone#	Franchisee(s)	Franchisee
#025 Tiger-Rock Martial Arts of Beaumont	3803 Calder Ave	Beaumont	TX	77706	(409) 838-6667	Howells, David	
#416 Tiger-Rock Martial Arts of Bridge City	1955 Miller Drive	Bridge City	TX	77611	(409) 920-1462	Thibodeaux, Elyse	
#419 Tiger-Rock Martial Arts of Frisco	4060 Legacy Dr Ste 301	Frisco	TX	75034	(214) 618-5020	Dallas, Robert	
#449 Tiger-Rock Martial Arts of Frisco	2575 Main St	Frisco	TX	75034	(469) 353-8041	Dallas, Robert	
#317 Tiger-Rock Martial Arts of Ft Worth	1601 Lipsomb	Ft Worth	TX	76110	(817) 624-6644	Leitch, Kirk	
#067 Tiger-Rock Martial Arts of Houston	7303 Antoine Dr. Suite A	Houston	TX	77088	(281) 999-9078	Brewer, Sidney	
#243 Tiger-Rock Martial Arts of Humble	7040 Fm 1960 E	Humble	TX	77346	(281) 852-9002	Hirons, Alvin	
#360 Tiger-Rock Martial Arts of Hutto	503 W Front St	Hutto	TX	78634	(512) 846-1112	Hatchett, Mark	Hatchett, Karen
#172 Tiger-Rock Martial Arts of Katy	625 5 Mason Rd	Katy	TX	77450	(281) 829-9300	Pollard, Angus	
#450 Tiger-Rock Martial Arts of Katy	5755 Katy Gaston Rd	Katy	TX	77494	(281) 202-3713	Conway, Mary	Pollard, Angus
#459 Tiger-Rock Martial Arts of Keller	750 S Main St #112	Keller	TX	76248	(817) 581-6075	Allen, Jason	
#192 Tiger-Rock Martial Arts of Kingwood	1313 Kingwood Dr	Kingwood	TX	77339	(281) 358-0018	Jordan, Sandy	
#353 Tiger-Rock Martial Arts of Leander	2403 S 183 #104	Leander	TX	78641	(512) 809-7689	Looney, Brendan	Looney, Amanda
#219 Tiger-Rock Martial Arts of Lumberton	927 South Main St	Lumberton	TX	77657	(409) 755-7666	Snider, Walter	Core, Robert
#429 Tiger-Rock Martial Arts of Mckinney	7250 Virginia Pkwy Ste 150	Mckinney	TX	75071	(214) 585-0555	Conway, Mary	
#203 Tiger-Rock Martial Arts of Nederland	1427 S Hwy 69	Nederland	TX	77627	(409) 724-6668	Mathews, Wayne	Mathews, Elizabeth
#372 Tiger-Rock Martial Arts of New Braunfels	1551 N Walnut Ave #48	New Braunfels	TX	78130	(830) 481-0589	Bragg, Sean	
#214 Tiger-Rock Martial Arts of Orange	2318 Lutch Dr	Orange	TX	77632	(409) 504-1768	Howells, David	
#142 Tiger-Rock Martial Arts of Portland	1500 Wildcat Drive Ste C	Portland	TX	78374	(361) 643-7853	Aheme, Martin	
#114 Tiger-Rock Martial Arts of Sugarland	3163 Highway 6 S	Sugarland	TX	77478	(281) 491-4949	Conway, Mary	
#235 Tiger-Rock Martial Arts of The Woodlands	127-C Sawdust	The Woodlands	TX	77380	(281) 367-8835	Hoffman, Brad	
#351 Tiger-Rock Martial Arts of The Woodlands	9420 College Park Drive Ste 185	The Woodlands	TX	77384	(936) 273-2268	Hoffman, Brad	
#463 Tiger-Rock Martial Arts of Tomball	26131 Kuyekendahl Rd Suite C-1	Tomball	TX	77375	(832) 434-6688	Hoffman, Brad	
#070 Tiger-Rock Martial Arts of Tyler	4027 5 Broadway	Tyler	TX	75701	(903) 509-8782	buffer, Amy	
#332 Tiger-Rock Martial Arts of Vidor	2795 Hwy 12	Vidor	TX	77662	(409) 838-6667	Howells, David	
#194 Tiger-Rock Martial Arts of Winnie	2028 State Hwy 124	Winnie	TX	77665	(409) 724-6668	Mathews, Wayne	Mathews, Elizabeth
#455 Tiger-Rock Martial Arts of Sandy	2067 East 9400 South	Sandy	UT	84093	(801) 889-0123	Cantwell, Christopher	Cantwell, Janis

\*There were no area developers as of December 31, 2022.

## LIST OF FRANCHISEES SIGNED BUT NOT OPEN AS OF DECEMBER 31, 2022

Name	State	Franchisee	Franchisee
#474 Tiger-Rock Martial Arts of Augusta	GA	Nistler, Gary	
#467 Tiger-Rock Martial Arts of Prairie Village	KS	Galas, Scott	Leopard, Drew
#478 Tiger-Rock Martial Arts	LA	Miller, Daniel	
#472 Tiger-Rock Martial Arts of Springfield	MO	Tucker, William	
#469 Tiger-Rock Martial Arts	NC	Jenkins, Gretchen	
#475 Tiger-Rock Martial Arts of Pennsylvania	PA	Keeton, Brandon	
#476 Tiger-Rock Martial Arts of Chattanooga	TN	Kollars, Craig	
#451 Tiger-Rock Martial Arts	TX	Negrete, Axel	
#458 Tiger-Rock Martial Arts	TX	Bush, Jeremy	
#468 Tiger-Rock Martial Arts of Pearland	TX	Kirkpatrick, Tom	

### FRANCHISEES WHO LEFT THE SYSTEM IN 2022

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

#### **Transfers:**

#013 Tiger-Rock Martial Arts of Pelham  
Pelham, AL  
(205) 663-0091  
Danny Williams

#413 Tiger-Rock Martial Arts of Gardendale  
Gardendale, AL  
(205) 631-0020  
Joe Williams and Dustin Wiley

#435 Tiger-Rock Martial Arts of Lone Tree  
Lone Tree, CO  
(720) 891-9497  
Clint Asay

#### **Ceased Operations:**

#091 Tiger-Rock Martial Arts of Martinez  
Martinez, GA  
(706) 868-6366  
Terry Newton

#179 Tiger-Rock Martial Arts of Irmo  
Irmo, SC

(803) 240-0183  
Craig Hulings

**Terminations:**

#460 Tiger-Rock Martial Arts of Montgomery  
Montgomery, AL  
(334) 244-1465  
Brandon Johnson

## **EXHIBIT F**

### State Addenda

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

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

Item 5, Additional Disclosures:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Item 17, Additional Disclosures:

Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

You may bring a lawsuit in Maryland for claims arising 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.

The general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability 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.

**ADDENDUM TO THE FRANCHISE AGREEMENT  
REQUIRED FOR MARYLAND FRANCHISEES**

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

The general release required as a condition or renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

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.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**ATTEST:**

**FRANCHISOR:**  
**TIGER-ROCK MAI SYSTEMS, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTEST/WITNESS:**

**FRANCHISEE:**

\_\_\_\_\_

\_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## **SOUTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

To the extent the South Dakota Franchise Investment Act, S.D. Codified Laws §§37-5B-53 – 37-5B-53 applies, the terms of this Addendum apply.

### **Item 5, Additional Disclosure:**

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

## SOUTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the South Dakota Franchise Investment Act, S.D. Codified Laws §§37-5B-53 – 37-5B-53 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**ATTEST:**

**FRANCHISOR:  
TIGER-ROCK MAI SYSTEMS, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTEST/WITNESS:**

**FRANCHISEE:**

\_\_\_\_\_

\_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT G**

Sample Release

**RELEASE OF CLAIMS**  
**THIS FORM IS SUBJECT TO CHANGE OVER TIME**

For and in consideration of the agreements and covenants described below, Tiger-Rock MAI Systems, Inc. ("Franchisor") and \_\_\_\_\_ ("Franchisee") enter into this Release of Claims ("Agreement").

**RECITALS**

A. Franchisor and Franchisee entered into a Tiger-Rock MAI Systems, Inc. Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_.

B. [NOTE: Describe the circumstances relating to the release.]

C. Subject to and as addressed with greater specificity in the terms and conditions noted below, Franchisor and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

**AGREEMENTS**

1. **Consideration.** [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release of Claims by Franchisor.** In consideration of, and only upon full payment of \$\_\_\_\_\_ to Franchisor, and the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisor, for itself and for each of its affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of its past and present directors, officers, employees, attorneys, agents, assigns and representatives does hereby release and forever discharge Franchisee and each of his heirs, executors, successors, and assigns of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney's fees), complaints, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, disclosed or undisclosed, related to the Franchise Agreement. This release does not release Franchisee from any obligations he may have under this Agreement.

5. **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 Franchisor 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.

6. **Reservation of Claims Against Non-Settling Parties.** Franchisor and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

7. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter outlined above, 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.

8. **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.

9. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the laws of the state of \_\_\_\_\_.

10. **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.

Dated: \_\_\_\_\_, 20\_\_\_\_\_

**TIGER-ROCK MAI SYSTEMS, INC.**

By \_\_\_\_\_

Its \_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_\_\_\_

**FRANCHISEE:** \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

## **EXHIBIT H**

### State Effective Dates & Receipts

### **State Effective Dates**

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
Maryland	Pending
South Dakota	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

## 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 Tiger-Rock MAI Systems, Inc. offers you a franchise, it must provide this Disclosure Document to you 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.

Iowa and New York require that Tiger-Rock MAI Systems, Inc. gives you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that Tiger-Rock MAI Systems, Inc. gives you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Tiger-Rock MAI Systems, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the state agency listed on Exhibit A.

The franchisor is Tiger-Rock MAI Systems, Inc., located at 8781 Penrose Lane, Lenexa, Kansas 66219. Its telephone number is (913) 725-0777.

Issuance Date: August 29, 2023

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

- |  |                |
|--|----------------|
| <input type="checkbox"/> Bert Kollars, 8781 Penrose Lane, Lenexa, Kansas 66219     | (913) 725-0777 |
| <input type="checkbox"/> Kyler Masilionis, 8781 Penrose Lane, Lenexa, Kansas 66219 | (913) 725-0777 |
| <input type="checkbox"/> Chris Jackson, 8781 Penrose Lane, Lenexa, Kansas 66219    | (913) 725-0777 |
| <input type="checkbox"/> Brooke Rolling, 8781 Penrose Lane, Lenexa, Kansas 66219   | (913) 725-0777 |
| <input type="checkbox"/> Jeff Dousharm, 8781 Penrose Lane, Lenexa, Kansas 66219    | (913) 725-0777 |

Tiger-Rock MAI Systems, Inc. authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I received a Franchise Disclosure Document dated August 29, 2023, which included the following Exhibits: A) List of State Agencies and Agents for Service of Process; B) Financial Statements; C) Franchise Agreement; D) Manual Table of Contents; E) List of Franchisees; F) State Addenda; G) Sample Release; and H) State Effective Dates & Receipts.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State \_\_\_\_\_

Phone ( ) \_\_\_\_\_ Zip \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State \_\_\_\_\_

Phone ( ) \_\_\_\_\_ Zip \_\_\_\_\_

### Prospective 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 Tiger-Rock MAI Systems, Inc. offers you a franchise, it must provide this Disclosure Document to you 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.

Iowa and New York require that Tiger-Rock MAI Systems, Inc. gives you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that Tiger-Rock MAI Systems, Inc. gives you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Tiger-Rock MAI Systems, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the state agency listed on Exhibit A.

The franchisor is Tiger-Rock MAI Systems, Inc., located at 8781 Penrose Lane, Lenexa, Kansas 66219. Its telephone number is (913) 725-0777.

Issuance Date: August 29, 2023

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

<input type="checkbox"/> Bert Kollars, 8781 Penrose Lane, Lenexa, Kansas 66219	(913) 725-0777
<input type="checkbox"/> Kyler Masilionis, 8781 Penrose Lane, Lenexa, Kansas 66219	(913) 725-0777
<input type="checkbox"/> Chris Jackson, 8781 Penrose Lane, Lenexa, Kansas 66219	(913) 725-0777
<input type="checkbox"/> Brooke Rollings, 8781 Penrose Lane, Lenexa, Kansas 66219	(913) 725-0777
<input type="checkbox"/> Jeff Dousharm, 8781 Penrose Lane, Lenexa, Kansas 66219	(913) 725-0777

Tiger-Rock MAI Systems, Inc. authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I received a Franchise Disclosure Document dated August 29, 2023, which included the following Exhibits: A) List of State Agencies and Agents for Service of Process; B) Financial Statements; C) Franchise Agreement; D) Manual Table of Contents; E) List of Franchisees; F) State Addenda; G) Sample Release; and H) State Effective Dates & Receipts.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State \_\_\_\_\_

Phone ( ) \_\_\_\_\_ Zip \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State \_\_\_\_\_

Phone ( ) \_\_\_\_\_ Zip \_\_\_\_\_

**Franchisor's Copy**