FRANCHISE DISCLOSURE DOCUMENT

D1 SPORTS FRANCHISE, LLC
A Tennessee limited liability company
7115 S. Springs Drive
Franklin, Tennessee 37067
615-933-5653
http://www.d1franchise.com/

franchise@d1training.com

The franchise is for the right to own and operate a training facility offering athletic-based scholastic and adult group training, coaching and personal training, and related products and services under the "D1®" name and marks.

The total investment necessary to begin operation of a D1 training facility is estimated to be $480,557- $933,432. This includes an estimate of $190,242 - $229,310 that must be paid to us or our affiliate(s) prior to opening.

The total investment necessary to begin operation of two to four facilities is estimated to be $520,557- $1,038,432. This includes a development fee ranging between $99,500 for 2 facilities and $164,500 for 4 facilities, and your estimated initial investment to open the first facility.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 D1 Sports Franchise, LLC, 7115 S. Springs Drive, Franklin, Tennessee 37067, (615) 933-5653.

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

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

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

ISSUANCE DATE: April 18, 2025, as amended June 10, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or *Exhibit G*.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's discretion. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D include financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only D1 Sports business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchise have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a D1 Sports franchisee?	Item 20 or Exhibit G lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

Supplier restrictions. You may have to buy or lease items from the franchisor or to 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 state 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 may also 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 and area development agreement require you to resolve disputes with the franchisor by arbitration or litigation only within 50 miles of our then-current principal place of business (currently, Franklin, Tennessee). Out of state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate or litigate with the franchisor in Tennessee than in your home state.

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement, even if your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

3. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

4. **Mandatory Minimum Payments.** You must make minimum royalty payments regardless of your sales levels. Your inability or make the payments may result in the termination of your franchise agreement and loss of your investment.

5. **Unopened Franchisees.** The franchisor has had a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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.

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

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

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

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area after the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
525 West Ottawa
Williams Building, 1st Floor
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

Note: Despite subparagraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the Franchise Agreement and Area Development Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions. You acknowledge that we will seek to enforce this section as written.

TABLE OF CONTENTS

EXHIBITS

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

To simplify the language in this franchise disclosure document (this "Disclosure Document"), we use the terms "Franchisor" or "we" or "us" to refer to D1 Sports Franchise, LLC. "You" means the person or entity that buys the franchise. If you are a corporation, partnership, limited liability company or other entity, certain provisions of the Franchise Agreement (defined below) and related agreements will also apply to your owners.

Franchisor, Predecessors, Parent and Affiliates

We were formed as a limited liability company in the State of Tennessee on December 4, 2014. Our principal business address is 7115 S. Springs Drive, Franklin, Tennessee 37067, (615) 933-5653. We do business under our corporate name and as "D1". We do not do business under any other name. We were formed to offer, sell and service franchises for D1 Training Facilities. We do not currently operate, nor have we in the past operated, a D1 Training Facility or any other type of business. We have not granted franchises for any other concept.

We were previously owned by D1 Sports Parent, LLC ("Parent"), a Tennessee limited liability company formed on November 30, 2012. On October 29, 2021, D1 New HoldCo, LLC ("HoldCo") purchased us from D1 Sports Parent, LLC, and we are now wholly owned by HoldCo. HoldCo is a Delaware limited liability company formed on October 22, 2021. HoldCo shares our principal business address and our phone number. HoldCo has never operated a D1 Training Facility or any other business nor has it ever granted franchises for this or any other concept. HoldCo is owned D1 Aggregator LLC ("D1 Aggregator") and D1 PepHoldCo LLC ("D1 PepHoldCo". D1 Aggregator is a Delaware limited liability company formed on October 22, 2021. D1 PepHoldCo is a Delaware limited liability company formed on September 27, 2021.

Our affiliate, D1 Sports Corporate, LLC ("Corporate") is a Delaware limited liability company formed on June 2, 2023, that owns and operates our corporate-owned outlets. Corporate does not operate any other type of business nor has it ever granted franchises for this or any other concept.

Our affiliate, D1 GPS, LLC ("GPS") is a Delaware limited liability company formed on January 16, 2025, that owns and operates a gym operator software system which it acquired from one of our officer's companies on April 18, 2025. Franchisees are required to use GPS's software for automated communication, appointment scheduling, and customer retention tools but are not required to use GPS as a lead generator/ marketing provider at this time, though we reserve the right to require GPS's use for lead generation and marketing in the future. GPS does not operate any other type of business, nor has it ever granted franchises for this or any other concept.

Our affiliate, D1 Sports CPM, LLC ("CPM") is a Delaware limited liability company formed on September 10, 2024, that owns and operates a construction project management business which is a required vendor for franchisees. CPM does not operate any other type of business, nor has it ever granted franchises for this or any other concept.

Our affiliate, D1 Sports Equipment, LLC ("D1 Equipment") is a Delaware limited liability company formed on September 10, 2024, which supplies required equipment for D1 Training franchised facilities. D1 Equipment does not operate any other type of business, or has it ever granted franchises for this or any other concept.

Our affiliate, D1 Strive Training, LLC ("D1 Strive") is a Delaware limited liability company formed on September 23, 2024, that owns the D1 Strive Marks and operates personal training-only businesses. D1 Strive does not currently offer any other type of business, nor has it ever granted franchises for this or any other concept.

Our affiliate D1 Strive Franchise, LLC ("Strive Franchise") is a Delaware limited liability company formed on April 14, 2025, that we formed with the intent to franchise a personal training-only business under the D1 Strive Marks later this year. Strive Franchise does not currently offer any other type of business, or has it ever granted franchises for this or any other concept.

Our affiliate is Princeton Equity Group, LLC, a private equity firm based in Princeton, New Jersey with a business address at 47 Hulfish Street, Suite 305, Princeton, New Jersey 08542. Through common ownership under Princeton Equity Group, LLC, we have affiliates that offer franchises for the following businesses:

1. SB Oil Change Franchising, LLC, a Delaware limited liability company with a business address at 301 N. Main Street, Suite 2605, Winston Salem, North Carolina 27101. SB Oil Change Franchising, LLC offers franchises to operate Strickland Brothers businesses providing oil changes and related automotive services. SB Oil Change Franchising, LLC began offering franchises in 2019 and had 66 franchises open and operating as of December 31, 2024.

2. CMY Franchising, LLC, a Delaware limited liability company with a business address at 3917 Double Dome Road, Austin, Texas 78734. CMY Franchising, LLC offers franchises to operate Card My Yard businesses providing celebratory yard greeting products and services. CMY Franchising, LLC began offering franchises in 2017 and had 547 franchises open and operating as of December 31, 2024.

3. Five Star Bath, LLC, a Utah limited liability company with a business address at 761 W. Spring Creek Pl., Springville, Utah 84663. Five Star Bath, LLC offers franchises to operate Five Star Bath Solutions businesses offering bathroom renovation services. Five Star Bath, LLC began offering franchises in 2015 and had 261 franchises open and operating as of December 31, 2024.

4. Gotcha Covered Franchising, LLC is a Colorado limited liability company with a business address at 303 S. Broadway, Suite 200-153, Denver Colorado 80209. Gotcha Covered Franchising, LLC offers franchises to operate Gotcha Covered businesses offering window covering and treatment services. Gotcha Covered Franchising, LLC began offering franchises in 2009 and had 165 franchises open and operating as of December 31, 2024.

5. Ringside Development Company d/b/a as Bio-One Colorado, Inc., is a Colorado corporation with a business address at 761 W. Spring Creek Place, Springville, Utah 84663. Ringside Development Company offers franchises to operate Bio-One businesses offering

restoration services removing regulated and non-regulated bio-medical waste. Ringside Development Company began offering franchises in 2010 and had 131 franchises open and operating as of December 31, 2023.

6. 1800Packouts Franchise, LLC, a Georgia limited liability company with a business address at 761 W. Spring Creek Place, Springville, Utah 84663. 1800Packouts Franchise, LLC offers franchises to operate 1-800-Packouts businesses providing packing, storage, and restoration of residential, commercial, and industrial contents. 1800Packouts Franchise, LLC began offering franchises in July 2015 and had 54 franchises open and operating as of December 31, 2024.

7. Mosquito Shield Franchise, LLC, a Massachusetts limited liability company with a business address at 500 E. Washington St. #24, North Attleboro, Massachusetts 02760. Mosquito Shield Franchise, LLC offers franchises to operate Mosquito Shield businesses offering insect prevention and treatment services. Mosquito Shield Franchise, LLC began offering franchises in 2013 and had 383 franchises open and operating as of December 31, 2024.

8. Ellie Fam, LLC, a Minnesota limited liability company with a business address at 1370 Mendota Heights Road, Mendota Heights, Minnesota 55120. Ellie Fam, LLC offers franchises to operate Ellie Mental Health business offering outpatient counseling and therapy clinics. Ellie Fam, LLC began offering franchises in 2021 and had 240 franchises open and operating as of December 31, 2024.

9. BBC Holdings, LLC, a Delaware limited liability company with a business address at 2214 NW 1st Pl, Miami, Florida 33127. BBC Holdings, LLC offers franchises to operate Barry's Bootcamp studios. BBC Holdings, LLC began offering franchises in 2011 and has 24 franchised locations operating as of December 31, 2024.

10. Pirtek USA LLC, a Delaware limited liability company with a business address at 300 Gus Hipp Boulevard, Rockledge, Florida 32955. Pirtek USA LLC offers franchises to operate PIRTEK businesses servicing and replacing hydraulic and industrial hoses since 1996 and has 162 franchised locations since December 31, 2024.

11. Stretch Zone Franchising LLC, a Florida limited liability company with a business address at 6700 N. Andrews Avenue, Suite 210, Fort Lauderdale, Florida 33309. Stretch Zone Franchising LLC offers franchises that offer advanced certified practitioner-assisted stretching studios since 2016 and has 377 franchised locations since December 31, 2024.

Our affiliate, D1 Sports HQ, LLC, is a Tennessee limited liability company formed on April 15, 2016 ("D1 Sports HQ"). D1 Sports HQ shares our principal business address and our phone number. We use the services of certain individuals and employees associated or employed with D1 Sports HQ to perform our obligations under our Franchise Agreements. D1 Sports HQ has never operated a D1 Training Facility or any other business nor has it ever granted franchises for this or any other concept.

Except as set forth herein, we have no predecessors that are required to be disclosed in this Item.

Our Agents for Service of Process

We disclose our agents for service of process in Exhibit A.

Prior Experience

On May 14, 2015, we began offering franchises for D1 Training Facilities which were often larger than 10,000 square feet in size. Shortly after beginning to offer franchises, we refined our model to create a high efficiency footprint allowing for locations to now fall within 4,000 to 5,000 square feet with the average go-forward site being approximately 4,300 square feet, which, in every respect function substantially similar to larger footprint facilities.

The Franchises We Offer

We offer and grant franchises to operate D1 Training Facilities. D1 Training Facilities are training facilities offering athletic-based scholastic and adult group training, coaching and personal training, and related goods and services. D1 Training Facilities operate under the name "*D1*®" and other trademarks, service marks, logos, and commercial symbols we periodically authorize (the "Marks"). D1 Training Facilities operate using business formats, operating and marketing methods, procedures, designs, layouts, standards and specifications (including available authorized products and services), all of which we designate and which we and our affiliates may own, improve, further develop, or otherwise modify (together, the "Franchise System"). We call the D1 Training Facility that you will operate "your Business".

To develop and operate a D1 Training Facility, you must meet our standards for franchise owners and must enter into our standard form of Franchise Agreement (the "Franchise Agreement"), the current version of which is attached to this Disclosure Document as Exhibit B. Under the Franchise Agreement, you will receive the right to use the Marks and the Franchise System to operate your Business at a site selected by you and approved by us (the "Premises").

We may, in our discretion, offer to you the right to enter into an Area Development Agreement (the "Area Development Agreement"), under which you would agree to acquire, develop and operate a specified number of franchises according to a specified schedule (the "Development Schedule") within a specifically described geographic territory (the "Development Area"). Were we to make an Area Development Agreement available to you the form of the agreement you would sign is attached as Exhibit C to this disclosure document. For every franchise you develop under an Area Development Agreement, you must sign our then form Franchise Agreement, which may be different than the form we were using when you signed the Area Development Agreement.

Market and Competition

Your Business will be competing with all businesses that offer group and individual fitness and strength training, coaching, fitness classes, sports and work-out apparel, and related services and products. This includes nationally recognized trade names in the physical fitness industry, and other local and regional businesses offering similar services and products. With respect to your sale of products, you will also be competing with other retailers of sports apparel and related products, including those items that bear the D1 brand. Those retailers include department stores, sporting goods and other specialty stores, warehouse clubs, ecommerce, and national, regional and local retail stores, some of whom might be authorized to sell D1-branded products. The market for

fitness services and related products and services is highly competitive.

Regulations

You must comply with such laws and with all other laws that apply generally to all businesses. We are not aware of any specific federal regulations governing the personal training industry. However, the state or other locality in which you operate your D1 Training Facility may have codes, ordinances, statutes, or laws which license or regulate personal trainers, fitness centers, health clubs or businesses such as the one being offered in this Disclosure Document, and such regulations could affect the operations of your D1 Training Facility. These state and local laws may include such things as staffing, posting required statements concerning steroid and other drug use, requiring certain medical equipment in the D1 Training Facility (such as automated external defibrillators (AEDs)), limiting the supplements that health and fitness clubs can sell, requiring bonds if a health or fitness club sells memberships valid for more than a specified period of time, requiring club owners to deposit into escrow certain amounts collected from members before the club opens (so-called "presale" memberships), and imposing other restrictions on memberships that health or fitness clubs sell. Other regulations may apply to site location and building construction. You are responsible for obtaining any licenses or permits required for operating your D1 Training Facility and anyone providing services at your D1 Training Facility must obtain our then required certification.

ITEM 2
BUSINESS EXPERIENCE

Will Bartholomew – Chief Executive Officer

Mr. Bartholomew has been our Chief Executive Officer since our inception in November 2014. He is also the Chief Executive Officer of Strive Franchise since April 2025; GPS since January 2025; CPM, D1 Equipment, and D1 Strive since September 2024; and Corporate since October 2023. Mr. Bartholomew has also served as the President of Parent since its inception (November 2012). He has also been a member of 45 Sports Training in Franklin, Tennessee since January 2022. Mr. Bartholomew has been employed by D1 Sports HQ since January 2017.

Dan Murphy – Chief Operating Officer

Mr. Murphy has been our Chief Operating Officer since November 2016. Mr. Murphy is also the Chief Operating Officer of Strive Franchise since April 2025; GPS since January 2025; CPM, D1 Equipment, and D1 Strive since September 2024; and Corporate since October 2023. He previously served as our President from our inception in November 2014 to November 2016. Mr. Murphy has also served as Parent's Secretary since its inception (November 2012). Mr. Murphy has been employed by D1 Sports HQ since January 2017.

Elliot Capner – Chief Commercial Officer

Mr. Capner has been our Chief Commercial Officer since January 2025. He previously served as our independent consultant from November 2023 through December 2024. Mr. Capner was the Chief Commercial Officer for F45 Training in Austin, Texas between September 2019 and June 2023 and their Chief Operating Officer based in Sydney, Australia between August 2016 and September 2019. Mr. Capner has been employed by D1 Sports HQ since January 2025.

Austin Clark – Vice President of Operations

Mr. Clark has been our Vice President of Operations since December 2023 and is located in

Franklin, Tennessee. Mr. Clark is also the (i) President and Owner of 45 Sports Training in Franklin, Tennessee and has held this position since January 2022, and (ii) President and Owner of Gym Profit Solutions in Franklin, Tennessee and has held this position between February 2022 and April 2025, when Gym Profit Solutions was acquired by us through our affiliate, GPS. Mr. Clark was previously the (i) Business Consultant for Gym Launch in Carrollton, Texas from April 2019 to September 2019, (ii) President and Owner for Foolproof Fitness Solutions in California from July 2019 to June 2020, and (iii) General Manager of D1 Training Cool Springs from June 2020 to December 2021 in Franklin, Tennessee.

Julie Bauer – Vice President of Franchise Development

Ms. Bauer has been our Vice President of Franchise Development since January 2024 in Perry Hall, Maryland. Ms. Bauer previously served as our Franchise Development Director from January 2022 to January 2024 in Perry Hall, Maryland. Prior to that time, Ms. Bauer served as a Pharmacy Business Consultant for Cardinal Health in Dublin, Ohio from December 2019 to December 2021. Ms. Bauer also previously served as a Business Consultant for Gym Launch Secrets in Carrolton, Texas from August 2019 to December 2019. Additionally, Ms. Bauer also served as Sales Manager for WSA Fitness in Towson Maryland from April 2018 to August 2019 and as Assistant Property Manager for Harbor Group Management from August 2016 to March 2018 in Plainsboro, New Jersey.

ITEM 3 LITIGATION

Pending Litigation/Arbitration:

D1 Sports Franchise, LLC v. Alex Nicholas, Chase Howard, Francesco Amati, Joel Wildman and D1 North Naples, LLC, Case No. 012500017990 (American Arbitration Association, filed April 10, 2025). We initiated arbitration against a former franchisee and its owners after they abandoned their Naples, Florida franchise and immediately began operating a competing business at the same location. We are seeking injunctive relief to enforce post-termination non-competition obligations, damages for breach of contract including early termination, and specific performance requiring the franchisee to sell the franchise assets to us as required under the franchise agreement. We also seek a declaration that fraud claims related to the franchise sale are barred by a release signed during the assignment of the franchise to D1 North Naples, LLC. The arbitration is pending.

Nicholas v. D1 Sports Franchise, LLC and Franchise Fastlane, LLC, Case No. 25CV-199 (Circuit Court for Williamson County, Tennessee, filed April 1, 2025). Plaintiff Alex Nicholas, a franchisee who purchased one territory in North Naples, Florida and a second territory in Pinecrest, Florida on March 24, 2021, alleges fraud, breach of contract, violation of the Tennessee Consumer Protection Act, negligent misrepresentation, constructive fraud, unjust enrichment, and civil conspiracy. The plaintiff alleges that we misrepresented the D1 franchise system, including making false claims about: (1) the profitability and viability of the franchise model; (2) that the franchise could be operated on a semi-absentee basis; (3) the ownership structure of existing locations, particularly claims about professional athlete ownership; (4) the qualification criteria for prospective franchisees; (5) financial performance; (6) the size requirements and operational similarities between different franchise locations; and (7) the legitimacy of our proprietary system and trade secrets. The plaintiff sought injunctive relief to prevent us from selling franchises, damages and attorneys' fees under the Tennessee Consumer Protection Act, contractual attorneys' fees, punitive damages, and other relief as the court deemed appropriate. Plaintiff filed a motion

to dismiss us from this lawsuit on May 28, 2025, in order to pursue his claims in the arbitration proceeding we initiated (*D1 Sports Franchise, LLC v. Alex Nicholas, Chase Howard, Francesco Amati, Joel Wildman and D1 North Naples, LLC)*. We intend to defend against these allegations vigorously in the aforementioned arbitration.

Ostrow, et al. v. Bauer, et al., Case No. 25CV-166 (Circuit Court for Williamson County, Tennessee, filed March 25, 2025). Plaintiffs Scott Ostrow, Courtney Ostrow, and SSR Holdings, LLC filed a lawsuit against Julie Bauer (our Vice President of Franchise Development), Collin Bauer, SSR Tallahassee, LLC, and Gym Profit Solutions, LLC, then owned by Austin Clark (our Vice President of Operations). The complaint alleges fraud, conversion, and violation of the Tennessee Consumer Protection Act related to a D1 Training franchise in Tallahassee, Florida. Plaintiffs claim they provided approximately $150,000 in funding for the operation of the studio, but defendants allegedly misrepresented their intentions by concealing they had already secured another buyer and improperly withdrew approximately $29,954 from plaintiffs' account. Plaintiffs seek declaratory relief, compensatory damages, treble damages, punitive damages, attorneys' fees, and injunctive relief. The defendants intend to defend against the allegations and have filed motions to dismiss on June 3, 2025 (SSR Tallahassee, LLC, Julie Bauer and Collin Bauer) and June 5, 2025 (Gym Profit Solutions, LLC). The case is in its initial stages.

William James Beckham III, et al. v. D1 Sports Franchise, LLC, Case No. 25CV-290 (Circuit Court for the Twenty-First Judicial District in Williamson County, Tennessee, filed May 19, 2025). Four current, and one former, franchisees filed a lawsuit alleging fraud, violation of the Tennessee Consumer Protection Act, breach of contract, breach of the duty of good faith and fair dealing, negligent misrepresentation, constructive fraud, and unjust enrichment. The plaintiffs allege that we misrepresented the D1 franchise system, including making false claims about: (1) the profitability and viability of the franchise business model; (2) that franchises could be operated on a "semi-absentee" basis; (3) the existence of a proven, tested business system; (4) financial performance and revenue projections based on data from larger, company-owned facilities rather than the smaller franchise model being sold; (5) the ownership structure of existing locations, particularly regarding professional athlete ownership; (6) territory designation criteria and exclusivity; (7) the level of support and training to be provided; and (8) build-out costs and operational requirements. Plaintiffs collectively claim damages exceeding $4 million, with individual franchisee losses ranging from approximately $500,000 to $1.7 million. Plaintiffs seek injunctive relief to prevent us from selling additional franchises, compensatory damages, treble damages and attorneys' fees under the Tennessee Consumer Protection Act, punitive damages, declaratory relief regarding certain franchise agreements, and other relief as the court deems appropriate. We categorically deny all material allegations and intend to defend against these claims vigorously.

Except as mentioned above, D1 Sports Franchise, LLC has no other litigation that is required to be disclosed in this Item and has no currently effective restrictive orders or decrees from any state.

The below litigation is from our affiliates, Ringside Development Company dba BIO-One Colorado Inc. that we are required to disclose due to common ownership with our affiliate, Princeton Equity Group, LLC.

On November 7, 2018, the State of California (through the Commissioner of the

Department of Business Oversight now the Department of Financial Protection and Innovation) and Ringside Development Company dba BIO-One Colorado Inc. entered into a "Consent Order" captioned: In the Matter of RINGSIDE DEVELOPMENT COMPANY dba BIO-ONE, INC., for which no case number or similar number was assigned. In the consent, Ringside Development Company dba BIO-One Colorado Inc. admitted that it sold a franchise in California without being properly registered. In settling the matter, they paid the state $2,500 and agreed to desist and refrain from the further offer or sale of franchises in California unless and until the offers have been duly registered with California under the California Franchise Investment Law (Corp. Code, §31000 et seq.).

On October 5, 2020, the State of Illinois (through the Attorney General's Office) and Ringside Development Company dba BIO-One Colorado Inc. entered into an "Assurance of Voluntary Compliance" (Assurance) captioned: In the Matter of RINGSIDE DEVELOPMENT COMPANY dba BIO-ONE, INC., for which no case number or similar number was assigned. In the Assurance, Ringside Development Company dba BIO-One Colorado Inc. admitted that it sold a franchise in Illinois in 2016 without being properly registered. In settling the matter, they paid the state $2,000 and agreed to desist and refrain from the further offer or sale of franchises in Illinois unless and until their disclosure document has been registered in Illinois.

On November 4, 2020, the State of Washington, through and with the Securities Division of the Washington Department of Financial Institutions) and Ringside Development Company dba BIO-One Colorado Inc. entered into a Consent Order (Order) captioned: In the Matter of Determining Whether There Has Been a Violation of the Franchise Investment Protections Act of Washington by: Ringside Development Company d/b/a Bio-One Colorado, Inc., and which document is assigned Order Number: S-20-3007-20-CO01. In the Order and though Ringside Development Company dba BIO-One Colorado Inc. (including its agents and employees) did not admit or deny the allegations contained in the Order, Ringside Development Company dba BIO-One Colorado Inc. (including our agents and employees) agreed to cease and desist from (i) offering or selling franchises in violation of the Franchise Investment Protection Act (FIPA); and (ii) any other violation of the FIPA. In addition, they agreed to pay Washington's investigative fee in the amount of $1000.00.

On May 27, 2021, the State of California (through the Commissioner of the Department of Financial Protection and Innovation) and Ringside Development Company dba BIO-One Colorado Inc. entered into a "Consent Order" captioned: In the Matter of RINGSIDE DEVELOPMENT COMPANY dba BIO-ONE, INC., for which no case number or similar number was assigned. In the Consent Order, the Commissioner found that they failed to state a material fact by omitting disclosure in their 2021 application for franchise registration that their former president and sole member of the board who served from January 1, 2021, to May 17, 2021, had three felony convictions in 2007. To avoid delay and costs of litigation, they settled the matter by agreeing to desist and refrain from violating Section 31200 of the California Franchise Investment Law.

Except as stated here, no other litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Franchise Fee: When you sign the Franchise Agreement, you will pay us an initial franchise fee of $59,500, payable in a lump sum. We offer a reduced franchise fee for those who wish to open and develop multiple D1 Training Facilities at the time of the original package signing date. If you meet the conditions to pursue this, we shall reduce the initial franchise fee as follows: (i) $40,000 for your second franchise agreement; (ii) $35,000 for your third franchise agreement; and (iii) $30,000 for your fourth franchise agreement. We will fully earn the initial franchise fee when you pay it, and it is not refundable.

Development Fee: Pursuant to the conditions above, if we elect to enter into an Area Development Agreement you would pay us a Development Fee according to the number of D1 Training Facilities you agree to develop equal to the following: ***(i) for two D1 Training Facilities, $99,500; (ii) for three D1 Training Facilities, $134,500; and (iii) for four D1 Training Facilities, $164,500. We fully earn the Development Fee when you pay it, it must be paid in one lump sum and it is not refundable.*** There is no additional initial franchisee fee payable in connection with each D1 Training Facility that you open pursuant to an Area Development Agreement, other than the Development Fee.

Opening Support Fee: Four months from the Effective Date of your Franchise Agreement, you will pay us an opening support fee of $29,500 (the "Opening Support Fee") in a lump sum. The Opening Support Fee covers the costs of the assistance we provide in your market leading up to your opening. This fee is uniform and non-refundable.

Real Estate Services Fee: Upon signing the Franchise Agreement, you must pay us, in a lump sum, $5,000 for real estate services. Our services include, without limitation: attending an initial kickoff call with your master broker representative and/or local broker, pre-screening of sites for conformity to our site criteria, reviewing market survey with you and broker team and monitoring the lease negotiation process. This fee is uniform and not refundable.

Construction Project Management: You must contract with and pay our affiliate, CPM, for construction project management services as a required vendor. CPM's fee is 6.5% of the total build-out cost. This would mean a range of $21,242 to $60,310 in construction project management costs based on 2024 build-out costs; see Item 7 for more information.

Equipment: You must purchase from our affiliate, D1 Equipment, the D1-branded strength/exercise equipment necessary to operate your Franchised Business. Our standard configuration is for seven squat racks with sets of barbells, benches, weights, and accessories for each "rack". The cost will be approximately $69,000 for the equipment and install, excluding taxes, tariffs, and duties, which are pass-through expenses which you will either pay directly or reimburse D1 Equipment for. You must pay 100% of the cost of the equipment plus estimated taxes, tariffs, etc. when you place your order before the opening of your Franchised Business. Equipment purchases are not refundable.

Initial Marketing Spend: You are obligated to spend between $10,000 - $20,000 on initial marketing for the Business. We reserve the right to collect this amount and spend it on your behalf.

GPS Software: At least 16 weeks prior to opening, if not earlier, you will pay our affiliate, GPS, $320 per month, subject to increase up to 10% per year, for automated communication,

appointment scheduling, and customer retention tools. Currently, you are not required to use GPS as a lead generator/ marketing provider, though we reserve the right to require GPS's use for lead generation and marketing in the future, which may result in an increase in excess of the estimated 10% increase per year for the services that are currently required through GPS.

Tech Shared Services Fee: At least 16 weeks prior to opening, if not earlier, you will pay us the Tech Shared Services Fee monthly. The Tech Shared Services Fee currently costs between $700 and $750 per month, which may change or increase as we add products and services to the System as well as increase annually in line with supplier costs. Our Tech Shared Services Fee currently includes the cost to license MindBody, Scorpion, ProfitKeeper, website and website support, intranet, and an allotment of D1 email accounts per D1 Training Facility. The costs exclude any taxes, including state-based sales taxes. Additional email accounts outside of the allotment are currently $6.93 per month, subject to increase as the email provider increases costs to us. We anticipate the launch of a proprietary D1 application later this year which will become part of the Tech Shared Services Fee and will include a customer relationship management system that will be fully branded with our Licensed Marks, incorporate features of MindBody technology, allow customers to schedule classes and complete transactions, and allow D1 Training Facilities to manage their instructor schedules, maintain financial recordkeeping and accounting functions, and incorporate communication features. We reserve the right to substitute any of the services provided through the Tech Shared Services Fee with other services at any time.

Veteran Program: We will discount the amount of 10% off of either your franchise fee or your total area Development Fee if you are a veteran of the United States armed forces and provide the necessary documentation to verify that you are a retired or honorably discharged veteran.

ITEM 6
OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS

Royalty	The greater of (i) seven percent (7%) of Gross Sales, or (ii) the Minimum Royalty Fee. The Minimum Royalty Fee starts 12 months after you sign your Franchise Agreement and is equal to (i) $1,950 per month during the first year, (ii) $2,450 per month during the second year, and (iii) $2,950 per month during the third year and each additional year under the initial term of the Franchise Agreement.	Monthly	"Gross Sales" is all revenue generated from operating your Business (whether or not in compliance with the Franchise Agreement), whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, including any revenue derived from the sublease of any portion of the Premises and sponsorship revenue received by or allocated to your Business, but excluding (1) all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority, (2) the amount of any documented refunds, and (3) the amount of any credits and discounts that we approve and that your Business in good faith gives to customers and your employees. Gift certificate, gift card or similar program payments are included in Gross Sales at the time of redemption. Gross Sales also include all insurance proceeds you receive to replace revenue that you lose from the interruption of your Business due to a casualty or similar event.
Brand Fund	The greater of (i) $250 per month, or (ii) 2% of monthly Gross Sales.	Monthly	The Brand Fund is used to promote the Marks, patronage of D1 Training Facilities, and the D1 brand generally. We have broad discretion with respect to how we spend the contributions.
Local Marketing Requirement	Our then-current requirement; currently, $100 per day, subject to increase in direct response to marketing cost per mille which can be 10-20% increases per year	Daily	We reserve the right to approve or disapprove any marketing materials used. We may require you to provide us with monthly reports detailing your local advertising expenditures.
GPS Software	Currently, $320 per month, subject to increase up to 10% per year; projected increase does not include lead generation and marketing additions	Monthly	You will pay our affiliate, GPS, $320 per month, subject to increase up to 10% per year, for automated communication, appointment scheduling, and customer retention tools. Currently, you are not required to use GPS as a lead generator/ marketing provider, though we reserve the right to require GPS's use for lead generation and marketing in the future, which may result in an increase in excess of the estimated 10% increase per year for the services that are currently required through GPS.

Tech Shared Services Fee	Our then-current fee, currently, $700-$750 per month, subject to change or increase monthly as we add products and services to the System as well as increase up to 10% annually in line with supplier costs; excludes any taxes, includes state-based sales taxes	Monthly	Our Tech Shared Services Fee currently includes the cost to license MindBody, Scorpion, ProfitKeeper, website and website support, intranet, and an allotment of D1 email accounts per D1 Training Facility. Additional email accounts outside of the allotment are currently $6.93 per month, subject to increase as the email provider increases costs to us. We anticipate the launch of a proprietary D1 application later this year which will become part of the Tech Shared Services Fee and will include a customer relationship management system that will be fully branded with our Licensed Marks, incorporate features of MindBody technology, allow customers to schedule classes and complete transactions, and allow D1 Training Facilities to manage their instructor schedules, maintain financial recordkeeping and accounting functions, and incorporate communication features. We reserve the right to substitute any of the services provided through the Tech Shared Services Fee with other services at any time.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Local Advertising Cooperative	Not to exceed 1.5% of Gross Sales without approval of the local advertising cooperative	Monthly	If a local advertising cooperative is formed in your geographic region, your contribution may increase if the members of the local advertising cooperative approve a higher percentage according to the bylaws adopted by the local advertising cooperative. We reserve the right to collect your local advertising cooperative contributions on behalf of the local advertising cooperative. As of the Issue Date of this Disclosure Document, we have not yet formed any cooperatives. In the event we do so, D1 Training Facilities that we or our affiliates own (except for those that were already under a management agreement with us or an affiliate as of May 14, 2015) and that are located within the area covered by the local advertising cooperative will contribute to the cooperative on the same basis on which you contribute.
Inventory Replenishment	Will vary based on amount of inventory purchased	As incurred	You will purchase from us or our affiliates replenishment of your resale inventory of D1-branded apparel, and such other inventory items as we periodically may require you to purchase from us.
Interest on Late Payment	The lower of 18% per annum or the maximum rate allowed by law	As incurred	Owed only on amounts not paid by their due dates
Site Selection Area or Designated Territory Change	$1,000	As incurred	If you request and we approve a change to your Site Selection Area or Designated Territory, then you must pay us $1,000 in connection with such change.
Bad Payment Fee	$100 per occurrence	As incurred	Owed only if checks returned or ACH requests declined due to insufficient funds or returned for other reasons.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Non-Compliance Fee	$1,000 for the third infraction, $5,000 for the fourth infraction and every infraction thereafter	As incurred	Payable in the same manner as your Royalty. Please be advised that we do not currently impose a fee for your first or second infractions.
Transfer Fee – Franchise Agreement	$7,500	As incurred	Payable as a condition of our approval of a transfer
Transfer Fee – Area Development Agreement	$7,500 per territory	As incurred	Payable as a condition of our approval of a transfer
Transfer Review Fee – Area Development Agreement	Will vary under circumstances	As incurred	For our expenses incurred with a transfer, whether or not such transfer occurs
Renewal/Successor Fee	$15,000	When you exercise the option	Paid in lieu of the initial franchise fee then in effect when you sign the Successor Franchise Agreement
Inspection and Audit Fee	Estimated to be between $15,000 to $20,000	Within 15 days of receipt of report	Reimbursement of costs of audit or inspection of your records, but only if audit or inspection was triggered by your failure to provide required reports or if we discover underreporting of Gross Sales by more than 3%.
Management Fee	3% of Gross Sales plus costs and expenses	As incurred	Payable only if we may assume management of your Business due to your death, disability, abandonment or failure to cure defaults of the Franchise Agreement within the specified cure period.
Additional training	Currently, $1,000 per week for up to 7 hours of virtual training and/or $500 per day for training at your Premises, subject to increase up to 10% per year	As incurred	Payable only if you request and we agree to provide training or assistance beyond the initial training program. Actual costs will be our then-current per diem, which may be more than our current per diem. If we provide the training at your Premises, you will also pay our travel expenses.
Annual Conference Fee	Estimated to be $1,000	At time of registration	This covers the registration fee for attendance at the annual conference for 2 people.
Remodel Fee	Estimated to be $3,000	As incurred	You must reimburse the expenses we incur for our review of your proposed remodel design and final walk-through of the premises once the remodel is complete.

Relocation Fee	$10,000	As incurred	You are not granted the right to relocate your Business; however, if you request our approval of a relocation, we will charge you a fee for our review and approval of your request. The amount shown is the current fee we expect to charge, but it is subject to change.
Vendor or Equipment Testing Fees	Estimated to be $1,500 to $2,000	As incurred	If you ask us to approve, and we agree to evaluate, a specific vendor or non-compliant or non-sanctioned equipment, we may require you to reimburse us the costs we incur in evaluating that vendor or equipment.
Insurance	Our actual costs in obtaining or reinstating insurance, estimated to be $2,500 to $12,000	As incurred	Payable to us only if you fail to obtain and maintain required insurance, and we, at our option, obtain or reinstate the insurance for you. You reimburse us for the cost of the insurance. We reserve the right to charge a reasonable fee for our services and our out-of-pocket expenses.
Indemnification	Will vary under circumstances	As incurred	Under the Franchise Agreement and Area Development Agreement, payable only if an indemnifiable claim is asserted against us and certain related parties arising out of your Business's operations.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable only if you do not comply with the Franchise Agreement and we are the prevailing party in any relevant litigation or arbitration.
Liquidated Damages	Will vary under circumstances	As incurred	Payable only if we terminate the Franchise Agreement for your default or if you abandon your Business. Amount equals the greater of (i) $72,000.00 or (ii) the net present value of the Royalty, Brand Fund contributions and Local Advertising Cooperative contributions that would have been due had the Franchise Agreement not been terminated, through the 2 years following termination. Calculations based on Gross Sales of your Business for the 12 months preceding termination (subject also to minimum Royalty requirements), or if your Business has not been in operation for at least 12 months, the average monthly gross sales of all D1 Training Facilities during our fiscal year immediately preceding termination.

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

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

CHART A - FRANCHISE AGREEMENT

TYPE OF EXPENDITURE[1]	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee[2]	$59,500	Lump Sum	On signing Franchise Agreement	Us
Opening Support Fee[3]	$29,500	Lump Sum	4 months from Effective Date of Franchise Agreement	Us
Initial Marketing Spend[4]	$12,000 - $20,000	As Arranged	Before Opening	Suppliers and Us
Leasehold Improvements[5]	$233,765 - $561,156	As Arranged	As Invoiced	Suppliers
Real Estate Services[6]	$5,000	Lump Sum	Before Opening	Us
Furniture and Fixtures	$1,500 - $3,000	Lump Sum	As Invoiced	Suppliers
Equipment[7]	$69,000	Lump Sum	As Invoiced	Our Affiliate
Cardio Equipment[8]	$0 - $16,341	Lump Sum	As Invoiced	Suppliers
Opening Inventory and Supplies[9]	$4,250 - $5,000	Lump Sum	As Invoiced	Suppliers
Computer Equipment and Software[10]	$5,000 - $8,000	As Arranged	As Invoiced	Suppliers
Training Expenses[11]	$500 - $3,000	As Arranged	As Incurred	Suppliers
Security Deposit[12]	$5,714 - $26,453	As Arranged	As Incurred	Landlord
Three Month's Rent[13]	$9,828 - $54,482	As Arranged	As Incurred	Landlord
Professional Fees, Permits and Licenses[14]	$4,000 - $6,000	As Invoiced	As Incurred	Suppliers
Insurance Premium[15]	$6,000 - $12,000	As Invoiced	As Invoiced	Supplier
Additional Funds (3 months)[16]	$35,000 - $55,000	As Invoiced	As Incurred	Suppliers and Employees
TOTAL ESTIMATED INITIAL INVESTMENT[17]	**$480,557- $933,432**			

NOTES

1. All fees payable to us or our affiliates are not refundable. Whether any of the other payments are refundable will depend on the arrangement between you and the supplier.

2. If, when you sign the Franchise Agreement, you are already a D1 franchisee under other franchise agreements with us, we will reduce the initial franchise fee as described in detail in Item 5.

3. The opening services we provide are described in detail in Items 5 and 11.

4. You must conduct an initial marketing campaign that we approve, with a minimum cost between $10,000 and $20,000 as determined by us. We reserve the right to collect this amount and expend it on your behalf (See Item 11). Last year, on average, a D1 Training Facility spent $16,000 on initial marketing spend.

5. We anticipate that a franchised D1 Training Facility will typically be located in commercially zoned retail areas and be between approximately 4,000 and 5,000 square feet, with the prototype location size being approximately 4,300 square feet with an average estimated initial investment of $701,143. The typical size of a D1 Training Facility must accommodate a minimum of 7 racks. Item 7 contemplates a 4,300 square foot premises, in the event that you obtain a smaller or larger location your costs may decrease or increase as well. The average cost per square foot this past year is $113.81 with a range of $74.28 to $195.29, this does not include any tenant improvement allowance. The average tenant improvement allowance was $22.19 per square foot this past year, in some instances our franchisees have received no tenant allowance and as high as $50 per square foot. The leasehold improvements reflected above are inclusive of tenant improvement allowance. Moreover, the total high-end amount contemplates the project management fee of 6.5% of the total build-out cost paid to CPM, our affiliate and exclusive construction project manager. The low end of the leasehold improvements reflects our affiliates and some franchisees' negotiation of tenant improvement allowances from landlords. Leasehold improvements encompass flooring, signage, project management, building construction, and architecture. A landlord's willingness to provide tenant improvement allowance varies and may be based on factors such as condition of premises, the financial being of the tenant and the term of the contemplated lease. To avoid excessive construction costs, we recommend that you pick contractors carefully by obtaining several competitive bids beforehand. This leasehold improvement figure includes interior and exterior signage.

In our affiliates' and franchisees' experience, Landlords may require a security deposit or personal guaranty for the premises. See Item 7, Note 11 regarding security deposits.

6. Upon signing the Franchise Agreement, you must pay us, in a lump sum, $5,000 for real estate services. Our services include, without limitation: attending an initial kickoff call with your master broker representative and/or local broker, pre-screening of sites for conformity to our site criteria, reviewing market survey with you and broker team and monitoring the lease negotiation process. This fee is uniform and not refundable. Our standard configuration is for seven squat racks with sets of barbells, benches, weights, and accessories for each "rack". The cost will be approximately $69,000 for the equipment and install, excluding taxes, tariffs, duties, and shipping, which varies and which may be based on several factors such as the location of your facility, all of which are pass-through expenses which you will either pay directly or reimburse our affiliate, D1 Equipment, for. You must pay 100% of the cost of the equipment plus estimated taxes, tariffs, etc. when you place your order before the opening of your Franchised Business. Equipment purchases are not refundable.

7. If you finance the cardio equipment, your payment may be $0.00 prior to opening. If you purchase the required cardio equipment directly from third party suppliers, we estimate that the cost is $16,341. We have not reflected within this range the cost of taxes, tariffs, and duties which may vary and may be based on several factors such as the location of your facility. Shipping of required cardio equipment is free.

8. For D1-branded apparel for resale to members.

9. This includes the computer equipment and software, and the required televisions.

10. You will need to arrange transportation and pay any other expenses, wages and benefits incurred by or owed to any of your designees attending the training program. The amount expended will depend on a variety of factors, including the distance those persons must travel.

11. Landlords may require a Security Deposit equal to, at a minimum, the first month's rent. Some landlords require a Security Deposit equal to your first and last month of rent. The average Security Deposit was $11,414.

12. Your monthly rent expense may vary from our estimate based on numerous factors such as the location of the Premises, the visibility of the Premises, access to major streets, the age and type of structure in which the Premises are located, any lease arrangements negotiated with your landlord, real estate taxes, common area maintenance charges and the like. In some cases, our affiliates have been able to negotiate a lease without a security deposit or personal guarantee.

13. You may incur professional fees depending on the scope of work performed, which may include, legal and accounting fees to review franchise documents and costs of forming a separate legal entity and/or obtaining licenses/permits. You must obtain state and local licenses and business licenses. You may have to post bonds in order to obtain certain governmental permits. This list is not exhaustive. This amount will vary greatly depending on your specific needs and location. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this disclosure document and the Franchise Agreement. It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as part of starting your D1 Training Franchised Business.

14. You must, at your own expense, keep in force insurance policies for your D1 Training Facility. You will likely have to prepay for a portion of the first year's premiums for insurance. See Item 8 for a detailed description of our current insurance requirements. Your individual insurance carrier and state may require you obtain additional insurance coverage.

15. Our estimates of the amounts needed to cover your Business's expenses for the start-up phase (i.e., 3 months from the date your Business opens for business) include: replenishing your inventory, initial advertising and promotional expenditures, payroll for managers and other employees, uniforms, utilities and other variable costs. These amounts do not include any estimates for debt service on loans that you obtain to finance your Business. The estimated initial investment figures shown above for setting-up and opening each D1 Training Facility are based primarily on the costs incurred by or projected to be incurred by franchisees.

16. The initial investment low to high range presented in this table is for the development of a D1 Training Facility with approximately 4,300 square feet. The average estimated initial investment for the development of a D1 Training Facility with approximately 4,300 square fee is $701,143. If you elect to develop a larger D1 Training Facility with more square footage, the total investment range would increase.

The estimated initial investment figures shown above for setting-up and opening each D1 Training Facility are based primarily on the costs incurred by or projected to be incurred by franchisees. Neither we nor any of our affiliates offer direct or indirect financing for any part of the initial investment.

YOUR ESTIMATED INITIAL INVESTMENT

CHART B - AREA DEVELOPMENT AGREEMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Development Fee[2] (For 2 – 4 Franchised Businesses)	$99,500 - $164,500	Lump Sum	Upon Execution of the Development Agreement	Franchisor
Initial Investment for Your Initial Franchised Business[3]	$421,057 - $873,932	See Chart 7(A) above.	Before opening the Business	Various parties
TOTAL ESTIMATED INITIAL INVESTMENT[2]	**$521,557 - $1,038,432**			

NOTES

1. **Generally.** The estimates set forth in this Chart 7(B) assume that you will be entering into a Development Agreement for the right to open and operate between two (2) and four (4) Franchised Businesses within a Development Area. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee.

2. **Development Fee.** The Development Fee will vary based on the number of Franchised Businesses we grant you the right to develop as described more fully in Item 5 of this Disclosure Document.

3. **Initial Investment for Your Initial Franchised Business.** This figure represents the total estimated initial investment required to open your initial Franchised Business from low to high under the Franchise Agreement you must enter into with us contemporaneously with the execution of your Development Agreement. This range includes all the estimated fees set forth in Chart 7(A), except for the Initial Franchise Fee, because you will not be required to pay an Initial Franchise Fee under any Franchise Agreement you enter into in connection with your Development Agreement.

4. **Total**. This total estimate set forth in Chart 7(B) above encompasses the investment you might incur in connection with signing a Development Agreement to open between two (2) and four (4) Franchised Businesses, as well as the total investment to open and commence operations of your initial Franchised Business within your Development Area. It does not include any of the costs you will incur in opening any additional Franchised Businesses that you will be required to open and operate within the Development Area because these costs will not likely be incurred during the first three (3) months of operating your initial Franchised Business.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

You must offer and sell all, and you are permitted to offer and sell only, those products and services that we have specifically approved in writing. You may not deviate from our approved products and services without prior written approval from us. Currently, you must purchase (i) the apparel inventory; (ii) certain workout equipment; (iii) background checks, (iv) your Grand Opening Kit; (v) sales and marketing software; (vi) the real estate review services; (vii) construction project management services; and (viii) the field turf from designated suppliers or other suppliers approved by us in writing.

You must use only those types of equipment, training equipment, field turf, Computer System (as defined below), furniture, fixtures, signs, and inventory ("Operating Assets") that we have approved according to our specifications and standards for appearance, function and performance. If you want to purchase or use any item which has not been specifically approved by us in writing, you must first notify us in writing and submit to us sufficient specifications, photographs, drawings and other information or samples for us to determine whether the proposed Operating Assets comply with our specifications and standards, and the supplier meets our approved supplier criteria, which determination will be made and communicated in writing to you within a reasonable time, typically within 30 days after receipt of the information from you or from the proposed supplier.

To maintain the quality and uniformity of all services, products, supplies, inventory, and equipment utilized by D1 Training Facilities, we may issue and revise mandatory and recommended specifications, standards, operating procedures and rules for D1 Training Facilities and for our approved or designated products, services, and suppliers (the "System Standards"). The appearance of and operating processes used by D1 Training Facilities may evolve over time, so we reserve the right to change the System Standards to reflect that evolution. You must strictly comply with the mandatory System Standards as we might supplement or amend them. We may modify the Operations Manual (defined in Item 11) to reflect changes in System Standards.

You must conduct a pre-sales opening advertising program for your D1 Training Facility on the dates we designate, and in compliance with all of our requirements, which may include using a minimum amount that we require you to spend on such program. Currently, we do not designate a minimum amount that must be spent on pre-sales opening advertising. You must use the media, materials, programs and strategies we develop or approve for your pre-sales opening advertising program.

You must maintain the minimum insurance coverage required by applicable law or required by us for your D1 Training Facility. You will purchase all insurance policies at your own expense. Our current requirements include: general and professional liability, including abuse coverage (with limits of at least $1,000,000 per occurrence/$2,000,000 aggregate), accident and health (with limits of at least $25,000), cyber liability coverage (with limits of at least $500,000), business income (with limits of at least $400,000), hired and non-owned automobile coverage (with limits of at least $1,000,000), employment practices liability (with limits of at least $1,000,000), and contents/tenant improvement, buildout, and/or betterment (with limits of at least $250,000). You are also required to maintain workers' compensation and other coverages as required by applicable state law. You must name us and our designated affiliates and our and their

respective principals, officers, directors, managers, owners, employees, agents, representatives and independent contractors as additional insureds for all liability coverage policies. You must also provide us with a certificate of insurance for, as well as 30 days prior written notice of material changes to or cancellation of, all insurance policies. We reserve the right to change types and amounts of coverage.

We develop the specifications and standards, but we will not issue to you or to our approved suppliers (except as we deem necessary for purposes of production) the specifications and standards for proprietary Operating Assets. We will communicate the approved Operating Assets to you in the Operations Manual and otherwise in writing.

Required and Approved Suppliers

Currently, we have a designated, approved suppliers for apparel inventory, website and website services. We require you to purchase real estate review services, site review services, design and architectural services, construction management services, marketing materials, inventory, and field turf from designated suppliers, according to the terms and in the manner we have approved. Our affiliate, CPM, is the sole designated supplier of construction management services. Our affiliate, D1 Equipment, is the sole designated supplier of strength equipment. Our affiliate, GPS, is the sole required supplier for sales and marketing software. We and our affiliates may become approved suppliers of other items. We may at any time require that you purchase products or services only from certain approved suppliers, and we may at any time designate a single supplier for any product or service, which may be us or an affiliate. We may, but are not required to, provide a list of approved suppliers in the Operations Manual or otherwise in writing. None of our officers owns an interest in any other approved supplier.

Approval of Alternative Suppliers

If you request our approval of a new supplier and we choose to evaluate your proposed supplier, we may require you to reimburse us the costs we incur in making this evaluation, which we estimate to range from $1,500 to $2,000. We will advise you of our decision on your request within a reasonable time (typically within 30 days) after our receipt of the information we request from you or from the proposed supplier regarding the supplier's qualifications. We may impose limits on the number of approved suppliers. We may elect to withhold approval of a supplier or revoke approval of any supplier, if at any time the supplier fails to meet any of our criteria. Our supplier approval criteria is not available to you.

Revenue from Franchisee Purchases

We and our affiliates may derive revenue or other material consideration from purchases made by you and other D1 Training Facility owners from us, our affiliates, and approved vendors. Consideration may be in the form of rebates and other consideration paid by third-party approved suppliers and mark-ups on purchases you make from us or our affiliates. We currently receive a rebate ranging between 5% and 10% from franchisee purchases of apparel, branded marketing products, including tents; construction management; flooring; and training equipment, including dumbbells, kettlebells, racks, and plates. We currently receive a rebate ranging between 5% and 47% for franchisee use of designated recruiting vendors, bookkeeping vendors, background check providers, and required sales and CRM software. Unless provided in the agreement with the approved supplier, neither we nor our affiliates will be obligated to spend funds received from approved suppliers nor are we or they bound to spend these funds in any particular manner or for any particular purpose.

We reserve the right to arrange with designated vendors to collect (or have our affiliates collect) fees and expenses associated with the products and services they provide to you. If we pay the vendor on your behalf for products and services they provide to you, we will ACH your bank account for your Business's respective cost.

During our 2024 fiscal year, we received $796,050 from approved vendors for required purchases or leases by franchisees. This represents approximately 8.27% of our total revenue of $9,630,239 for our 2024 fiscal year. Other than the foregoing, neither we nor our affiliates received revenues from approved vendors for required purchases or leases by franchisees.

We estimate that 25% to 50% of your initial investment and 90% to 100% of your ongoing expenditures will be restricted by our specifications in some manner.

Cooperatives

As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives for any of the items described above.

Negotiated Prices

We or our affiliates may negotiate purchase arrangements, including prices and terms, with designated and approved suppliers for D1 Training Facilities.

Material Benefits

Except as disclosed above, we and our affiliates do not currently provide any material benefits to franchisees based on their use of designated or approved suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
A. Site selection and acquisition/lease	Sections 3.A and 3.B; Sections 2.A and 2.B in Area Development Agreement	Items 8 and 11
B. Pre-opening purchases/leases	Sections 3.C and 3.D in Franchise Agreement	Items 5, 7, 8, and 11
C. Site development and other pre-opening requirements	Section 3 in Franchise Agreement; Section 2 in Area Development Agreement	Items 7, 8, and 11
D. Initial and ongoing training	Sections 5.A and 5.B in Franchise Agreement	Item 11
E. Opening	Section 3.F in Franchise Agreement	Item 11

F. Fees	Section 4 in Franchise Agreement; Section 3 in Area Development Agreement	Items 5, 6 and 7
G. Compliance with standards and policies / Operations Manual	Sections 5.B, 5.C and 9 in Franchise Agreement	Items 8, 11 and 14
H. Trademarks and proprietary information	Sections 6 and 7 in Franchise Agreement; Section 4 in Area Development Agreement	Items 13 and 14
I. Restriction on products/services offered	Sections 9.B and 9.C in Franchise Agreement	Items 8 and 16
J. Warranty and customer service requirements	Section 9.E in Franchise Agreement; Section 10.B in Area Development Agreement	Not applicable
K. Territorial development and sales quotas	Sections 2.C and 2.D in Area Development Agreement	Item 12
L. Ongoing product/service purchases	Sections 9.B and 9.C in Franchise Agreement	Item 8
M. Maintenance, appearance and remodeling requirements	Sections 9.A and 9.I in Franchise Agreement	Item 11
N. Insurance	Section 9.G in Franchise Agreement	Items 7 and 8
O. Advertising	Section 10 in Franchise Agreement	Items 5, 6, 7, 8 and 11
P. Indemnification	Section 17.C in Franchise Agreement; Section 8.B in Area Development Agreement	Item 6
Q. Owner's participation, management, and staffing	Section 9.D in Franchise Agreement; Section 1.D in Area Development Agreement	Items 11 and 15
R. Records/reports	Section 11 in Franchise Agreement; Section 2.E in Area Development Agreement	Items 6 and 11
S. Inspections/audits	Section 12 in Franchise Agreement	Items 6 and 11

T. Transfer	Section 13 in Franchise Agreement; Section 6 in Area Development Agreement	Items 6 and 17
U. Renewal	Section 14 in Franchise Agreement; Section 1.F in Area Development Agreement	Item 17
V. Post-termination obligations	Section 16 in Franchise Agreement; Section 7.B in Area Development Agreement	Item 17
W. Non-competition covenants	Sections 8.A and 16.B in Franchise Agreement; Sections 5.A and 7.C in Area Development Agreement	Item 17
X. Dispute resolution	Section 19 in Franchise Agreement; Section 9 in Area Development Agreement	Item 17

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your promissory notes, mortgages, 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.

Our Pre-opening Obligations – Franchise Agreement.

Before you open your Business, we or our affiliates will provide you the following assistance:

1) Consultation on and approval of sites. (Franchise Agreement – Sections 3.A and 4.F)
2) Review and approval of the lease. (Franchise Agreement – Sections 3.B and 4.F)
3) We will provide initial training for you and your General Manager (as defined in Item 15) at our headquarters or another location designated by us. This training will last for approximately 1 week. (Franchise Agreement – Section 5.A)
4) We will provide on-site assistance with your grand opening. (Franchise Agreement – Section 5.A)
5) We will grant you access to our online Operations Manuals and training modules (defined in Item 11). (Franchise Agreement – Section 5.C)
6) We will provide information and specifications (for non-proprietary Operating Assets) with respect to required equipment (including the Computer System), field turf, and other required inventory, furniture, fixtures and signs, marketing materials and

supplies, and lists of approved suppliers or vendors. (Franchise Agreement – Sections 3.D, 4.C, 5.B, 9.C and 9.I)

7) We will approve media, materials, programs, and strategies for use in your pre-sales opening advertising campaign. (Franchise Agreement – Section 10.A)

8) We may provide assistance and guidance in establishing prices for products and services, including suggested minimum and maximum prices (subject to restrictions imposed under applicable law). (Franchise Agreement – Section 9.H).

Our Pre-opening Obligations – Area Development Agreement

After you sign an Area Development Agreement, we or our affiliates will provide you the following assistance:

1. Approve sites as set forth in your Franchise Agreement. (Area Development Agreement – Section 2.A).

Opening of Your Business

We must approve your proposed site for the Premises. It is your responsibility to locate and submit proposed sites for your Business for our approval. Once you submit a proposed site to us, we will consult with you on the proposed site, which we will approve or disapprove based on factors such as business count, traffic count, accessibility, parking, visibility, competition and license availability.

When you have given us all the necessary information on the site you have selected, we generally will approve or disapprove the site within 30 days. If you do not locate and obtain our approval for an acceptable site within 150 days of signing the Franchise Agreement, we may terminate your Franchise Agreement.

Before your Business enters into any lease, sublease or other document for possession of the Premises, we must approve the applicable lease, sublease or other documents for possession of the Premises. We will assist you by reviewing the documents and making recommendations regarding terms in the documents, but we recommend that you retain an attorney to assist you. You will lease the Premises from a third party, and you must arrange for the execution of the Lease Rider in the form that is attached as Appendix A to the Franchise Agreement in Exhibit B of this Disclosure Document. If you do not obtain our written approval of the documents within 180 days of signing the Franchise Agreement, we may terminate your Franchise Agreement.

Our approval of a site for the Premises or a document for the possession of the Premises is not a guarantee of the success or profitability of the site.

We estimate that you will begin operating your Business within 365 days of signing the Franchise Agreement. Factors that affect this time include obtaining a satisfactory site, financing arrangements, lease negotiations, local ordinances, and licenses, permit and design approvals, delivery and installation of equipment, renovation of the Premises in accordance with our standards, and you (or your Designated Representative) and your General Manager completing training to our satisfaction. We may terminate your Franchise Agreement if you fail to commence operating your Business within 365 days after you sign the Franchise Agreement.

Our Obligations During the Operation of Your Business.

During the operation of your Business, we or our affiliates will provide you the following assistance under the Franchise Agreement:

1) We will provide you with an e-mail account for use in the operation of your Business. (Franchise Agreement – Section 3.D)
2) We will periodically provide you additional and refresher training. (Franchise Agreement – Section 5.A)
3) We will provide general guidance, which may include assistance in resolving operating problems (Franchise Agreement – Section 5.B)
4) We will advise you periodically with respect to the specifications (for non-proprietary Operating Assets) and operating procedures and methods that D1 Training Facilities use. (Franchise Agreement – Section 5.B and Section 9.I)
5) We will advise you of what purchasing is required and what authorized Operating Assets and other products and services are required. (Franchise Agreement – Section 5.B and Section 9.I)
6) We will provide you with a list of authorized vendors and suppliers for the products, goods, merchandise, supplies, equipment, tools and services. (Franchise Agreement – Section 9.C)
7) We will establish and operate a Brand Fund (defined in Item 11). (Franchise Agreement – Section 10.B)
8) We will review and approve any advertising and marketing materials and programs that you develop or desire to implement for your Business that we have not previously approved or provided to you. (Franchise Agreement – Section 10.C)
9) We will maintain a website for the promotion of D1 Training Facilities. (Franchise Agreement – Section 10.D)
10) We will provide you with access to our template class workout programming (Franchise Agreement – Section 5.B)
11) If you refer us a new owner and that new owner purchases a franchise from us, we may pay such owner a referral fee (currently, we pay a $5,000 referral fee) (Franchise Agreement – Section 14).

We are not obligated to provide any assistance to your Business once in operations under the Area Development Agreement.

Advertising and Promotion Programs.

A. **Brand Fund**.

We have established a brand fund to promote the Marks, patronage of D1 Training Facilities, and the D1 brand generally (the "Brand Fund"). We currently require you to contribute the greater of (i) $250 per month, or (ii) 2% of monthly Gross Sales to the Brand Fund. Contributions to the Brand Fund will be payable in the same manner as the Royalty unless we specify otherwise.

We or our designees will direct all programs and activities of the Brand Fund, with sole control over the creative concepts, materials, and endorsements used and their geographic,

market, and media placement and allocation. The Brand Fund may pay for preparing and producing photography, video, audio, and written materials and electronic media; developing, implementing, and maintaining a Franchise System website and related strategies; administering regional and multi-regional marketing and advertising programs, including purchasing print and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; developing and maintaining application software designed to run on computers and similar devices, including tablets, smartphones and other mobile devices, as well as any evolutions or next generations of any such devices; administering search engine, social media and other online marketing campaigns; designing sportswear; developing sales tools; supporting public relations, market research, event marketing, and other advertising, promotion, and marketing activities; providing customer service support; coordinating and managing athlete events, appearances, content procurement and other public relations activities; and hosting and sponsoring brand development events. The Brand Fund will give you samples of advertising, marketing, and promotional formats and materials at no cost.

We will account for the Brand Fund separately from our or our affiliates' other funds. We may reimburse ourselves or pay our affiliates or other designees from the Brand Fund for the reasonable salaries and benefits of personnel who manage and administer the Brand Fund, the Brand Fund's other administrative costs, travel expenses of personnel while they are on Brand Fund business, meeting costs, general business overhead, and other expenses that we incur in activities reasonably related to administering or directing the Brand Fund and its programs, including conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for contributions to the Brand Fund.

Neither we nor our affiliates owe any fiduciary obligation to you for administering the Brand Fund or any other reason. The Brand Fund may spend in any fiscal year more or less than the total contributions to the Brand Fund in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. All interest earned on the contributions to the Brand Fund will be used to pay costs before using the Brand Fund's other assets. We will provide unaudited financial statements of the Brand Fund upon reasonable request. We may incorporate the Brand Fund or operate it through separate entities whenever we deem appropriate.

We intend for the Brand Fund to promote recognition of the applicable Marks and patronage of D1 Training Facilities generally. Although we will try to use and cause the Brand Fund to host and sponsor brand development events, and develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all D1 Training Facilities contributing to the Brand Fund, we need not ensure that the Brand Fund's expenditures in or affecting any geographic area are proportionate or equivalent to Brand Fund's contributions by D1 Training Facilities operating in that geographic area or that any D1 Training Facility benefits directly or in proportion to its contribution from hosting and sponsoring of brand development events, the development of advertising and marketing materials or the placement of advertising and marketing. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect contributions to the Brand Fund at the Brand Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you for collecting amounts due to,

maintaining, directing, or administering the Brand Fund.

We may at any time defer or reduce contributions of a D1 Training Facility franchise owner and, upon 30 days' prior notice to you, reduce or suspend contributions to the Brand Fund and the Brand Fund's operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will spend all remaining monies in the Brand Fund in our sole discretion.

D1 Training Facilities that we or our affiliates own (except for those that were already under a management agreement with us or an affiliate as of May 14, 2015) will contribute to the Brand Fund on the same basis on which you contribute to those funds. Depending on the year a franchisee executes their franchise agreement, they may contribute a different amount than you.

We did not use any of the Brand Fund to solicit new franchise sales. The total expenditures of the Brand Fund during our 2024 fiscal year were in the following categories:

Type of Expenditure	Percentage
Administrative	6.6%
PR	2.5%
Software & Equipment	6.3%
Strategic Partnerships	19.9%
Content, Advertising & Marketing	64.6%

B. **Local Advertising**

You must advertise your Business as set forth in the Operations Manual. We may require you to participate in and to pay your share of a collective advertisement with other D1 Training Facilities in your area. You also must meet the minimum monthly spending requirement we impose (currently, $100 per day, subject to increase in direct response to marketing cost per mille which can increase 10-20% per year) to advertise and promote your Business (this may include costs of approved directory listings, strategic social media campaigns, and local internet advertising). Within 30 days after the end of each calendar quarter, you must send to us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding quarter. Your local advertising and promotion must follow our guidelines.

C. **Local Advertising Cooperative**

We reserve the right to establish and require you to participate in a local advertising cooperative if there are 2 or more D1 Training Facilities in a geographical area. Generally, a geographic area for a cooperative will be defined as an area in which multiple franchisees operate and which, in our determination, has some overlap in media coverage. If your D1 Training Facility falls within the area covered by a local advertising cooperative, you must contribute your share to the cooperative which will not exceed 1.5% of your Gross Sales, unless the members of the cooperative approve a higher percentage according to the bylaws adopted by the cooperative. We reserve the right to collect your contribution on behalf of the cooperative, in which case your contribution will be payable in the same manner as the Royalty. Fees remitted to the cooperative usually will be used at the discretion of the cooperative to promote the products and services provided by D1 Training Facilities that are members of the

cooperative. We have the right to approve all of the cooperative's marketing programs, advertising materials and media selections. We will account for cooperative fees separately from our other funds. We will not use cooperative fees to solicit the sale of franchises. A cooperative will provide us with an annual financial statement, which will be reviewed by one of our officers.

We may use collection agents and bring legal proceedings to collect amounts owed to any local advertising cooperative, and may forgive, waive, settle and compromise claims by or against a cooperative. We have no liability or obligation to you for the maintenance, direction or administration of a cooperative. Each cooperative will be organized and governed in a form and manner and begin operating on a date that we determine in advance. We may change, dissolve or merge any cooperative. As of the Issue Date of this Disclosure Document, we have not yet formed any advertising cooperatives. In the event we do so, and if we form any governing documents regarding the administration of such cooperatives, we will make such documents available to you upon your reasonable written request.

D1 Training Facilities that we or our affiliates own (except for those that were already under a management agreement with us or an affiliate as of May 14, 2015) and that are located within the area covered by the local advertising cooperative will contribute to the cooperative on the same basis on which you contribute.

D. **Pre-Sales Opening Advertising**

In addition to your other advertising obligations, you must conduct an approved pre-sales opening advertising program for your Business to take place on the dates we designate before and after your Business opens. You agree to conduct your pre-sales opening advertising program in compliance with all our requirements, which may include a minimum amount that we require you to spend on such program. You must use only our approved media, materials, programs and strategies for the pre-sales opening advertising program. Four months after signing your Franchise Agreement, you will pay us the $29,500 Opening Support Fee, which covers our cost to assist you in the opening of your Business, including, without limitation, set-up of your Business' D1 branded website, assistance with hiring and certifying your initial staff with D1 Training Certifications, our third-party public relations firm providing PR support (including assistance drafting press releases), advisement on initial General Manager hiring. You must also conduct an initial marketing campaign that we approve, with a minimum cost between $10,000 and $20,000 as determined by us, however, you will be solely responsible for all your costs and expenses incurred in conducting such advertising, for example the cost of purchasing direct mail advertisements and banners. We reserve the right to collect this amount and spend it on your behalf.

E. **Other Advertising Obligations**

You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved. Your advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe periodically. At least 30 days before you use them, you must send to us for approval samples of all advertising, promotional, and marketing materials which we have not prepared or previously approved. If you do not receive written approval within 15 days after we receive the materials, they are deemed to be disapproved. Once we approve the materials, you are permitted to use them unless and until, at our discretion, we withdraw our approval.

We will provide you with a webpage on the Franchise System website that references your Business. You must: (i) provide us the information and materials we request to develop, update, and modify your webpage; and (ii) notify us whenever any information on your webpage is not accurate. We have final approval rights over all information on the Franchise System website (including your webpage). You may also develop and maintain social media accounts that we approve under our then-current social media policy, which we may modify periodically.

Franchise Advisory Council and Training Panel

We have formed a franchise advisory council composed of 9 franchisees from that serves in an advisory capacity with regard to regional feedback on system-wide initiatives. Members are nominated by franchisees and each of the three franchisee regions receives three seats on the council. Franchisees vote in their region's council members. The training panel provides advisory guidance regarding training improvements to best serve D1 Training members. Training panel members are selected to ensure diversity with regard to size, length of time in the franchise system, a geographical mix, and differing points of view. We reserve the right to change or dissolve the council or the training panel at any time.

Computer Hardware and Software

You must obtain and use in the operation of your Business the integrated computer hardware and software system, including tablets or other portable electronic devices, that we designate or approve from time to time to ensure compliance with the standards we specify periodically in the Operations Manual (the "Computer System"). We estimate that the cost to purchase the Computer System is approximately $5,000. The Computer System currently consists of: 2 iPads (or more recent version), 1 laptop or desktop computer, 2 flat screen TVs (minimum of 50"), MindBody point-of-sale software, Gym Profit Solutions software, ProfitKeeper, Scorpion, D1 email accounts, website and website support, accounting and reporting system, music subscription and music licensing, email addresses, WIFI or other hotspot connections and firewall. Currently, the cost to license Gym Profit Solutions is $320.00 per month, FitRadio is at least $44.99 per month (add-on music licensing package for ASCAP, BMI, and SESAC is $120.01 per month; note that music licensing is required though you may use an alternative vendor for licensing. The Tech Shared Services Fee currently costs between $700 and $750 per month, which may change or increase as we add products and services to the System as well as increase annually in line with supplier costs. Our Tech Shared Services Fee currently includes the cost to license MindBody, Scorpion, ProfitKeeper, website and website support, intranet, and an allotment of D1 email accounts per D1 Training Facility. The costs exclude any taxes, including state-based sales taxes. Additional email accounts outside of the allotment are currently $6.93 per month, subject to increase as the email provider increases costs to us. We anticipate the launch of a proprietary D1 application later this year which will become part of the Tech Shared Services Fee and will include a customer relationship management system that will be fully branded with our Licensed Marks, incorporate features of MindBody technology, allow customers to schedule classes and complete transactions, and allow D1 Training Facilities to manage their instructor schedules, maintain financial recordkeeping and accounting functions, and incorporate communication features. We reserve the right to substitute any of the services provided through the Tech Shared Services Fee with other services at any time.

Note, we may change the Computer System requirements at any time to meet our standards and specifications. Although the Computer System must meet our standards and specifications, you have the sole responsibility to ensure that the Computer System functions properly. We bear

no liability for any failure of the Computer System's hardware or software, programming interfaces, internet connectivity or security measures. We may modify specifications for, and components of, the Computer System.

Currently, you may purchase the hardware components and license the software components from any supplier that sells or licenses components that meet our specifications; however, we reserve the right to require you to purchase or license the required components only from approved or designated suppliers. We are not obligated to provide any ongoing updates, upgrades, maintenance, or repairs. Your Computer System will enable you to collect information about client information and usage, staff scheduling and payroll management, financial information, membership growth, billing, and class schedules. We will not have the ability to access your computer and that information but reserve the right to do so. There are no contractual limitations on our and our affiliates' right to access this information and data.

You must upgrade your hardware and software when we decide it to be necessary and at your own cost. We reserve our right to update the requirements for the Computer System periodically and there are no limitations on these rights.

Operations Manual

We provide guidance through manuals and bulletins, including the operations manual (the "Operations Manual"), which may include one or more separate manuals as well as audiotapes, videotapes, compact discs, computer software, information available on an Internet site, other electronic media, or written materials. The Operations Manual is currently entirely online and comprised of 10 courses of 78 lessons, with a total of approximately 10.5 hours duration. The current table of contents to the current Operations Manual is attached as Exhibit E.

Training Program

The initial training program involves approximately 1 week of training in Nashville, TN, or at another location we designate and, if we elect, at our own cost, on-site assistance prior to opening. We may change the location of the initial training program to another location we designate. We may lengthen, shorten or restructure the contents of this program. Training materials include the Operations Manuals.

The initial training program is mandatory for you and your General Manager. You and your General Manager must complete the initial training program to our satisfaction before you open your Business. Failure to timely complete training and open your Business may be cause for termination of your Franchise Agreement. Training classes are not held on a regular schedule, and we do not require that training be completed within a certain period of time after signing the Franchise Agreement. We do require completion of the initial training program at least three months before opening your Business. Any subsequent General Managers hired after opening must attend training at the next available training date at our discretion. We will schedule the program based on your and our availability and the projected opening date for your Business.

The initial training program is designed to cover all phases of the operation of a D1 Training Facility. Any individual attending the training who has not signed the form of Guaranty and Assumption of Obligations attached to the Franchise Agreement must execute a confidentiality agreement in the form provided by us.

You may request additional training at the end of the initial program if you do not feel that you or your General Manager have been sufficiently trained. If we agree to provide the additional training you request, you must pay our then-current daily fee (currently, $500 per day).

We may require you and your General Manager and previously trained and experienced employees to attend and satisfactorily complete various training courses that we periodically choose to provide at times and locations that we designate. We will not require attendance at more than 2 of these courses, or for more than a total of 6 full business days, during any calendar year. Besides attending these courses, you agree to attend an annual meeting of all D1 Training Facility franchise owners at a location we designate. Attendance at an annual meeting will not be required for more than 3 full days during any calendar year. You and your General Manager must satisfactorily complete initial training at least 3 months prior to opening your Business.

The initial training program is provided for up to 2 people, including you (or your Designated Representative) and your General Manager, at no additional charge to you. You will be solely responsible for the accommodation, compensation, travel, and other living expenses you and your General Manager and other personnel incur while attending our initial training program or any refresher or additional training course.

As of the date of this Disclosure Document, we provide the following initial training:

TRAINING PROGRAM

Subject	**Hours of Classroom or Online Training**	**Hours of On-The-Job Training**	**Location**
Introduction to D1	3.5 hours	0 hours	Nashville, TN or Online
New Prospect Introduction	4 hours	4 hours	Nashville, TN and Online
Sales Training	6 hours	4 hours	Nashville, TN and Online
Marketing and Market Entrance Strategy	4 hours	4 hours	Nashville, TN and Online
Operations	6 hours	4 hours	Nashville, TN or Online
Position Specific Training	0 hours	7 hours	Nashville, TN
Level 1 Product Certification	6 hours	4 hours	Nashville, TN
Attend D1 Classes and/or Product Sessions	0 hours	8 hours	Nashville, TN
Accounting	2 hours	3 hours	Nashville, TN
Vendor Support Functions	6 hours	0 hours	Nashville, TN
TOTAL	**37.5 hours**	**38 hours**	

The hours devoted to each subject are estimates and may vary based on how quickly trainees learn the material, their prior experience with the subject, and scheduling.

We do not have a designated training staff, however, the pool of staff may include: (i) Myles Baker (Director of Field Support) who has 20 years of experience in the fitness industry; (ii) Casey Belovsky (Director of Pre-Sales), who has 18 years of experience in the fitness industry; (iii) Austin Miele (Director of Education), who has 10 years of experience in the fitness industry; (iv) Chip Pelasky (Director of Training Camp) who has 25 years of experience in the fitness industry; (v) Jake Van Der Stad (Regional Business Coach), who has 23 years of experience in the fitness industry; (vi) Heath Stegall (Regional Business Coach), who has 7 years of experience in the fitness industry; and (vii) Brooke Burch (Regional Business Coach), who has 5 years of experience in the fitness industry. Any member of our corporate staff may participate in or conduct one or all your training programs. The instructors have 1 to 25 years of experience in the subjects taught and up to 7 years of experience with us and our affiliates.

ITEM 12
TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from D1 Training Facilities that we or our affiliates own or from other channels of distribution or competitive brands that we control.

The Franchise Agreement gives you the right to open a single D1 Training Facility at a specific location. If you do not have a Premises as of the date you sign your Franchise Agreement, then a mutually agreed-upon non-exclusive site selection area wherein you will secure a Premises (the "Site Selection Area") will be set forth in Exhibit A of the Franchise Agreement. This Site Selection Area will generally encompass several zips codes encompassing approximately 7,500 to 20,000 households.

After you have a Premises that is approved by us selected, an amendment will be made to your Franchise Agreement. Under your amended Franchise Agreement, you will receive a designated Territory defined by a radius around your D1 Training Facility or geographic boundaries ("Designated Territory"). Your Designated Territory will vary from a .20 mile to a 3-mile radius from your Premises based on the number of qualifying households that surround your Premises. If you are located in a rural or suburban area that is not densely populated, we expect that your Designated Territory will typically be comprised of a Radius around the Approved Location containing approximately 7,500 households and/or 10,000 people aged 5 to 24. If you live in an urban, metropolitan area that is densely populated, then we expect that your Designated Territory will be comprised of a smaller geographical area that is described as a certain number of blocks or certain radius around your Premises. Your Designated Territory will likely vary from other System franchisees based on the population density and demographics of the Site Selection Area in which you are looking to open and/or develop your D1 Training Facility(s).

Once you receive your Designated Territory, your rights within the applicable Site Selection Area will go away. Since some portions of designated Territories granted in connection with D1 Training Facilities may overlap, we will not approve any proposed premises for your D1 Training Facility that is located within another System franchisee's Designated Territory.

Subject to your compliance with your Franchise Agreement, we will not open or locate, or license any third party the right to open or locate, any D1 Training Facility at a permanent physical

Premises utilizing the Proprietary Marks and System within your Designated Territory. While we will not open, locate, or license any third party the right to open or locate a D1 Training Facility at a permanent physical Premises in your Designated Territory, your Site Selection Area and Designated Territory may overlap with the Site Selection Area or Designated Territory of another franchisee. You understand that the Designated Territory is non-exclusive and may, therefore, be shared with other Businesses. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control.

You may, subject to the terms of the Operations Manual and except for exclusive territories provided to some franchisees per earlier forms of agreement, serve any customer base without restriction including customers from outside your designated Territory. You may not sell products or services outside of your Business, including through channels of distribution such as the internet, catalog sales, telemarketing or other direct marketing, without our consent.

We and our affiliates also have the right to operate, and grant franchises or licenses to others to locate, fitness centers and other businesses offering similar services in your Territory under trademarks other than the Proprietary Marks.

You must operate your Business only at the approved location and within the Designated Territory (e.g. on site at a recreational space, an event, or a local school/university, etc.) and may not relocate your Business without first obtaining our written consent, which we may withhold for any reason. If you wish to relocate, you must identify a new location for the Business that meets our approval, in accordance with our then-current site selection procedures, within 90 days and pay the then-current Relocation Fee. If you do not identify a site within this time period, we or you may terminate the Franchise Agreement. While you are closed for relocation, you must continue to pay us a minimum Royalty and Brand Fund contribution equal to the average paid during the four (4) calendar quarters immediately preceding the loss of your premises. You must obtain our prior written consent prior to operating the Business outside of your Designated Territory. You may not develop or operate another D1 Training Facility unless we allow you to enter into a separate Franchise Agreement for that D1 Training Facility.

Under the Franchise Agreement, we retain the right, without compensation to you, to: (1) own, locate and operate, and allow others to own, locate and operate, D1 Training Facilities using the Marks and the Franchise System, wherever located (outside of your Designated Territory) and on the terms and conditions we deem appropriate; (2) establish and operate, and allow others to establish and operate businesses that may offer products and services which are identical or similar to products and services offered by your Business, franchised or not, under trademarks and commercial symbols that are different than the Marks; (3) use and authorize others to use the Marks and the Franchise System anywhere in the world (other than to locate a physical D1 Training Facility in your Designated Territory), including in connection with the sale of products and services (whether or not identified by the D1 brand), including through other channels of distribution such as chain, warehouse, club and other stores, the internet (e-commerce), electronic media, and/or any other means of distribution; (4) acquire or be acquired by other businesses, including Competitive Businesses (defined below), and if we are the acquirer, franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; (5) allow others to operate a D1 Training Facility at non-traditional locations (recreational space, school/university, etc.) within your Designated Territory; (6) establish, operate, and allow others to establish and operate any concept or business focusing exclusively or primarily on personal

training services or products, whether under the Marks, a derivative of the Marks, or entirely different branding, at any location including within your Designated Territory, without restriction or limitation; (7) develop, market, and franchise specialized or limited-service versions of the D1 Training concept, including but not limited to concepts focusing exclusively on personal training services, which may operate under the Marks or variations thereof; and (8) engage in all other activities not expressly prohibited by the Franchise Agreement.

Nothing in this Agreement or your territorial rights shall limit or restrict our ability to develop, operate, franchise, license, or otherwise exploit personal training-focused businesses or concepts, regardless of the similarity to your D1 Training Facility, and regardless of proximity to your Designated Territory.

The Franchise Agreement does not give you any options, rights of first refusal, or similar rights to acquire additional franchises.

Area Development Agreement

You will not receive an exclusive territory under the Area Development Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Because we reserve certain rights regarding our business activities in your Development Area (as described below), your Development Area is not considered an "exclusive territory." You are not required to achieve certain sales volume, market penetration or other contingencies in order to maintain your Development Area, but your failure to comply with the Development Schedule will be a material breach of the Development Agreement, which may result in our terminating the Development Agreement.

The Area Development Agreement grants you the right to acquire franchises to develop, own and operate D1 Training Facilities within the designated Development Area. The boundaries of the Development Area will be described by city boundaries or distance from a fixed point or other boundaries when appropriate, or by an area encompassed within a circle having a radius of a specific length. We will determine the Development Area we will offer to you before you sign the Area Development Agreement. We determine the size of the Development Area based on multiple factors, including demographics, traffic patterns, competition, your capacity to recruit and provide services in the Development Area, and site availability among other economic and market factors. The Area Development Agreement expires on the earlier of the date on which the last D1 Training Facility which is required to be opened in order to satisfy the Development Schedule opens for regular business or is required under the Development Schedule to be open. When the Area Development Agreement expires or is terminated, the grant of Area Development rights terminates. When you sign a Franchise Agreement for a territory set forth in your Development Area, your territory will then be revised pursuant to the current Franchise Agreement. Your right to use the Franchise System will be limited to those D1 Training Facilities operating under Franchise Agreements you (or an Approved Affiliate) may have entered into before the expiration or termination of the Area Development Agreement.

We and our affiliates retain the right, without compensation to you, to: (1) establish, operate and allow others to establish and operate, D1 Training Facilities using the Marks and the Franchise System, at any location inside or outside the Development Area on the terms and conditions we deem appropriate; (2) establish, operate and allow others to establish and operate any other kind of training, fitness or sports facility or business, franchised or not, anywhere in the world, that may offer products and services that may be identical or similar to products and services offered by D1

Training Facilities, but under trade names, trademarks, service marks and commercial symbols other than the Marks; (3) allow others to operate a D1 Training Facility at non-traditional locations (recreational space, school/university, etc.) within your Development Area; (4) establish, operate and allow others to establish and operate other businesses and distribution channels (including the Internet), wherever located or operating and regardless of the nature or location of the customers with whom these other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from D1 Training Facilities, and that sell products or services that are identical or similar to, or competitive with, those that D1 Training Facilities customarily sell; and (5) establish, operate, and allow others to establish and operate any concept or business focusing exclusively or primarily on personal training services or products, whether under the Marks, a derivative of the Marks, or entirely different branding, at any location including within your Development Area, without restriction or limitation. In addition, we specifically retain the right under the Area Development Agreement to (1) acquire the assets or ownership interests of one or more businesses including Competitive Businesses (as defined in Item 17), and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Development Area); (2) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any Competitive Business, even if this business operates, franchises or licenses these businesses in the Development Area; (3) operate or grant a third party the right to operate any D1 Training Facility or personal training-focused business that we or our designees acquire as a result of an exercise of a right of first refusal or purchase right under a Franchise Agreement; (4) develop, market, and franchise specialized or limited-service versions of the D1 Training concept, including but not limited to concepts focusing exclusively on personal training services, which may operate under the Marks or variations thereof; and (5) engage in all other activities not expressly prohibited by the Area Development Agreement.

Nothing in this Agreement or your territorial rights shall limit or restrict our ability to develop, operate, franchise, license, or otherwise exploit personal training-focused businesses or concepts, regardless of the similarity to your D1 Training Facility, and regardless of proximity to your Development Area.

As of the date of this Disclosure Document, and aside from the foregoing reserved rights, we, through our affiliates, operate and plan to operate or franchise businesses under a different trademark that will sell goods or services that are the same as or similar to those the franchisee will sell.

You are not granted under the Area Development Agreement any options, rights of first refusal, or similar rights to acquire additional development rights or to expand your Development Area.

ITEM 13
TRADEMARKS

Under the Franchise Agreement, we grant you the non-exclusive right and obligation to use the Marks solely for the purpose of developing and operating your Business.

The following trademarks are currently owned by us and registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

MARK	REGISTRATION NUMBER	REGISTRATION DATE
D1	2877559	August 24, 2004
The Place for The Athlete	3653697	July 14, 2009
	4051175	November 8, 2011
D1	4051176	November 8, 2011
The Home of Athletic-Based Training	4685373	February 10, 2015
	4722521	April 21, 2015
D1	4722520	April 21, 2015
	4943882	April 26, 2016
	4949523	May 3, 2016

We have filed all required renewals and affidavits for the Marks listed above.

We do not know of any superior rights or infringing uses that could materially affect your use of the Marks in any state where your Business might be located.

There are no agreements currently in effect which significantly limit our rights to use or license the use of any trademarks, service marks, trade names, logo-types or other commercial symbols in a manner material to the franchise. There is presently no effective determination of the USPTO, the US Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, nor any pending infringement, opposition or cancellation proceeding or any pending material litigation involving our principal trademarks, service marks, trade names, logo-types or other commercial symbols.

You must use the Marks as we require and may use only the Marks we designate in connection with the operation of your Business. You may not use the Marks in any advertising for the transfer, sale or other disposition of your Business or any interest in the franchise. You are not allowed to use a Mark as part of a corporate name or with modifying words, designs or symbols except with our consent which we may withhold in our absolute discretion. You may not use our Marks in the sale of an unauthorized product or service or in any manner we do not authorize in writing. You may not use the Marks as part of any username, screen name or profile in connection with any social networking sites or blogs, or as part of any domain name, homepage, electronic address, or otherwise in connection with a website.

You may not contest, directly or indirectly, our ownership of the Marks, trade secrets, methods and procedures that are a part of the Franchise System. You must not register, seek to register or contest our sole right to register, use and license others to use the Marks, names,

information and symbols. Any goodwill associated with Marks, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our and our affiliates' benefit.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which you become aware. You may not communicate with any person other than us and our counsel regarding any infringement, challenge or claim. We may take any and all actions we deem appropriate and we have the right to exclusively control any litigation, PTO proceeding or other administrative proceeding related to any Mark. You must execute all documents, render assistance and do these things as we deem or our counsel deems advisable to protect and maintain our interests. We are not otherwise required to indemnify you with respect to claims arising from your use of the Marks.

We may require you to use new Marks that we deploy in the operation of D1 Training Facilities, and we may modify or discontinue use of any Mark. You must comply with our instructions in this regard, at your costs, within a reasonable time after notice by us.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any rights to any patent that is material to the franchise. We do not have any pending patent applications that are material to the franchisee.

Although neither we nor any of our affiliates have registered our copyrights, we or our affiliates claim copyright protection for the Operations Manual, specification book and for any other written materials we may develop to assist you in the development and operation of your Business. There are no determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials which are relevant to their use by our franchisees. No agreements limit our right to use or license the use of our copyrighted materials. We are not obligated to protect or defend our copyrights, although we currently intend to do so. We do not know of any infringing uses of or superior rights in our copyrighted materials.

We and our affiliates possess and may continue to develop certain proprietary and confidential information, including trade secrets, used in the operation of D1 Training Facilities. This proprietary and confidential information includes know-how and other information regarding business development and operating processes and tools; training and operations materials and manuals, including, the Operations Manual, and any passwords and other digital or other identification used to access these materials; the standards and other methods, formats, specifications, standards, systems, procedures, techniques, sales and marketing techniques, knowledge, and experience used in developing, promoting and operating D1 Training Facilities; market research, promotional, marketing and advertising programs for D1 Training Facilities; knowledge of specifications for pricing and suppliers of Operating Assets and other products and supplies; any computer software or similar technology which is proprietary to us, our affiliates, or the System, including, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; knowledge of the operating results and financial performance of D1 Training Facilities; and customer lists, information, and data; and other information that is valuable and treated by us as confidential information.

You and your owners will not acquire any interest in the confidential information other than the right to use it in operating your Business. You must maintain the absolute confidentiality of the confidential information during and after the expiration or termination of the Franchise Agreement. You and your owners can divulge this confidential information only to individuals or entities specifically authorized by us in advance, or to your employees or contractors who must have access to it to operate your Business, however, these individuals or entities must be under a duty of confidentiality no less restrictive than your obligations to us under the Franchise Agreement. We may require you to have your employees and contractors execute individual undertakings and shall have the right to regulate the form of and be a party to or third-party beneficiary under any of these agreements. Neither you nor your owners are permitted to make unauthorized copies, record or otherwise reproduce the materials or information or make them available to any unauthorized person.

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

Franchise Agreement

You are not required to supervise the management and operation of your Business but we recommend that you do so. If you are a legal entity, you must designate an individual who we approve to devote a reasonable amount of time to the operation and supervision of your Business and have the authority to deal with us on your behalf in respect of all matters whatsoever which may arise in respect of the Franchise Agreement (your "Designated Representative"). Your Designated Representative must maintain at least 5% ownership of the Franchised Business and have decision-making authority about the Franchised Business. We must approve your Designated Representative, and you must designate a qualified replacement from among your owners if your Designated Representative can no longer fulfill its responsibilities under the Franchise Agreement. Additionally, each of your owners must sign a guaranty of the franchise entity's obligations under the Franchise Agreement (the form is attached as an exhibit to the Franchise Agreement). Each person signing a guaranty assumes and agrees to discharge all of your obligations under the Franchise Agreement. Your spouse, and if you are not an individual the spouses of each of your owners, must consent in writing to your execution of the guaranty and must acknowledge that the marital assets are at risk. Each person signing the guaranty agrees to be bound to provisions of the agreement applicable to this person.

You must appoint a person, subject to our approval, to supervise the management and day-to-day operations of your Business (your "General Manager"). The General Manager must assume responsibilities on a full-time basis and may not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitment, or otherwise may conflict with his or her obligations to operate and manage your Business. The General Manager is not required to have an equity interest in you. We may require your General Manager to personally undertake the same obligations with respect to confidentiality that you are subject to under the Franchise Agreement.

Your Business must always be under the supervision of one or more persons who have successfully completed our training program. If you fail to comply with this obligation, we may, at our option, immediately appoint a manager to manage the operation of your Business on your behalf. Our appointment of a manager of your Business will not relieve you of your obligations

under the Franchise Agreement or constitute a waiver of our right to terminate the franchise. We are not liable for any debts, losses, costs or expenses you incur in the operation of your Business while it is managed by our appointed manager. If we appoint a manager for your Business, you must pay us 3% of Gross Sales, plus costs and expenses, and we may cease to provide these management services at any time.

Area Development Agreement

You must devote an amount of your business time and efforts to the operation, promotion and enhancement of your Business under the Area Development Agreement which is reasonable given your undertakings in the Franchise Agreement(s) and in light of your Business that the Area Development Agreement contemplates. If you are at any time a corporation, a limited liability company, a general, limited or limited liability partnership, or another form of business entity, you will designate an individual (the "Designated Representative") who we approve and who: (a) must own at least 25% of the ownership interests in you, (b) devote a reasonable amount of his or her time and efforts to the operation, promotion and enhancement of your Business under the Area Development Agreement, and (c) have the authority to deal with us on your behalf in respect of all matters whatsoever which may arise in respect of the Franchise Agreement. You or the Designated Representative must supervise the development and operations of D1 Training Facilities franchised under the Area Development Agreement

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale all of the products and services we require, in the manner and style we require. You may offer and sell only those products and services that we approve and expressly authorize in the Operations Manual or otherwise in writing. You must not deviate from the mandatory System Standards without first obtaining our written consent. You must discontinue selling and offering for sale any unapproved products or services. We have the right to change the authorized products and services and their respective standards, specifications and requirements. There is no limit on our right to make these changes. We may periodically set the maximum and minimum price that you may charge for services and products. You must promptly comply with these changes. We do not restrict the customers to whom you may sell approved products and services.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE AGREEMENT / DEVELOPMENT AGREEMENT	SUMMARY
a. Length of the franchise term	Section 2.A in Franchise Agreement Section 1.B in Area Development Agreement	10 years. Term in Area Development Agreement ends on the earlier of the date on which the last D1 Training Facility which is required to be opened in order to satisfy the Development Schedule opens for regular business or is required under the Development Schedule to be open.
b. Renewal or extension of the term	Section 14 in Franchise Agreement Section 1.F in Area Development Agreement	One successive term of 10 years. If you have been in compliance with the Development Schedule and your other obligations under the Area Development Agreement, you will be allowed to extend the term, subject, in each case, to, among other things, our agreeing on a new Development Schedule for the renewal term and your paying a new Development Fee. The length of the extension term will depend on the number of D1 Training Facilities that you and we agree will be opened during the extension term.
c. Requirements for franchisee to renew or extend	Section 14 in Franchise Agreement Section 1.F in Area Development Agreement	Notice of your election given 180-270 days before the Franchise Agreement expires. No violation of the Franchise Agreement during its expiring term. In full compliance with the Franchise Agreement and all mandatory System Standards at time of election and renewal. You maintain possession of the Premises, or secure substitute premises that we approve and develop those premises according to mandatory System Standards then applicable for D1 Training Facilities. We must then be granting franchises for D1 Training Facilities. Payment of $15,000 successor franchise fee. Sign our then- current Franchise Agreement which may contain terms and conditions materially different from those in your previous Franchise Agreement (including, for example, different fees). You and your owners sign a general release, in a form approved by us, releasing all claims against us and our affiliates. You must have complied with the Development Schedule and complied with all other obligations; you must give us written notice by the start of the last Development Period; you and we must agree on a new Development Schedule; you must pay a new Development Fee; and you and your owners must sign a general release

d. Termination by franchisee	Section 15.A in Franchise Agreement Not applicable in Area Development Agreement	Only if we materially breach the agreement and do not cure default after notice from you.
e. Termination by franchisor without cause	Not applicable	We may not terminate the Franchise Agreement or Area Development Agreement without cause.
f. Termination by franchisor with cause	Section 15.B in Franchise Agreement AND Section 7.A in Area Development Agreement	Only if you or your owners commit one of several violations. Please be advised that defaults or violations of your Development Agreement, or any other agreement with us, may be grounds for termination of your Franchise Agreement, as further described in (g)-(h) below. Only if you or your owners commit one of several violations. Please be advised that defaults or violations of your Franchise Agreement, or any other agreement with us, may be grounds for termination of your Development Agreement, as further described in (g)-(h) below.
g. "Cause" defined – curable defaults	Section 15.B in Franchise Agreement Section 7.A in Area Development Agreement	Violations of law (72 hours to cure only if no health or safety risks); failure to pay amounts owed to us or our affiliates (10 days to cure); 1st failure to generate the required minimum amount of annual royalties; failure to pay amounts owed to third parties or to cure defaults under other agreements with us or our affiliates, in either case, within applicable cure periods under those agreements; assignment for the benefit of creditors or appointment of a trustee or receiver (30 days to cure); failed quality assurance audits (15 days to cure); operational defaults and other defaults not listed in (h) below (30 days to cure). Under the Area Development Agreement, you have 5 days to cure monetary defaults; 10 days to cure failure to furnish reports, financial statements, tax returns or any other documentation required; and 7 days to cure any failure to observe, perform or comply with any other of the terms of conditions of the Area Development Agreement; and applicable cure period for defaults under Franchise Agreement.
h. "Cause" defined – non-curable defaults	Section 15.B in Franchise Agreement	Material misrepresentations or omissions; failure to locate an acceptable site for the Premises within 150 days of the effective date of the Franchise Agreement; failure to sign a Lease or purchase document for the Premises within 180 days of the effective date of the Franchise Agreement; failure to open your Business by applicable deadline; failure of required persons to complete training; abandonment; 2nd and subsequent failure to generate the required minimum amount of annual royalties; conviction of a felony or conduct adversely affecting the goodwill of Marks or reputation of your Business; violation of transfer,

	Section 7.A in Area Development Agreement	non-competition, non-solicitation or confidentiality restrictions; loss of right to occupy Premises; failure to pay taxes; repeated defaults (even if cured); and failure to comply with any provision of any other agreement (including any other franchise agreement) with us or our affiliate and does not correct such failure within the applicable cure period, if any. Non-curable defaults under the Area Development Agreement include ceasing or threatening to cease to carry on your Business; liquidation of your assets; failure to pay any debts or other amounts incurred by you in operating your Business when these debts or amounts are due and payable; failure to comply with the development schedule (unless caused by a Casualty Event); an assignment for the benefit of creditors; appointment of a trustee or receiver; 3 or more repeated violations during any 12-month period; 2 or more repeated violations during any 6 month period; in the event you are an entity, liquidation or dissolution or amalgamation; or if you lose your charter by expiration, forfeiture or otherwise; material misrepresentations or omissions; conviction of a felony; dishonest or unethical conduct; unapproved transfers of the Area Development Agreement or an ownership interest in you; failure to comply with any provision of any Franchise Agreement or any other agreement with us or our affiliates and do not cure such failures within the applicable cure period, if any; failure to pay any amount payable under this Agreement or any Franchise Agreement you or your Approved Affiliates execute with us when and as same becomes due and payable, and such default continues for a period of 5 days after written notice thereof has been given by us to you.
i. Franchisee's obligations on termination/non-renewal	Sections 16.A and 16.E in Franchise Agreement Sections 7.B, 7.C and 7.D in Area Development Agreement	Pay all amounts due within 15 days; cease using the Marks and Franchise System and cease identifying yourself as a D1 Training Facility; cancel all fictitious or assumed name registrations related to the Marks; return all signs and materials containing the Marks and/or allow us to remove these items from your Business; deliver to us all D1-branded apparel within 15 days; cease using any confidential information and return written confidential information; make the alterations we specify to distinguish your Business and Premises from a D1 Training Facility; notify telephone company of termination of rights to use telephone number and transfer number to our designee; comply with post- term non-compete and non-solicitation obligations; comply with all other obligations in the Franchise Agreement that survive termination or expiration; and, give us evidence within 30 days of compliance. Under the Area Development Agreement, you must: cease the exercise of development rights and cease identifying yourself as a developer of D1 Training Facilities; completely de-identify your Business; return the software and other proprietary materials; pay all amounts due to us; comply with post-term non- compete and non-solicitation obligations; and comply with all other obligations in the Area Development Agreement that survive termination or expiration.

j. Assignment of contract by franchisor	Section 13.A in Franchise Agreement AND Section 10.F in Area Development Agreement	No restriction on our right to assign
k. "Transfer" by franchisee-definition	Section 13.B in Franchise Agreement AND Section 6.A in Area Development Agreement	Includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition of any interest in you, including: any transfer of ownership interests that requires the purchaser be provided a disclosure document, or is a result of divorce, death, insolvency, or by operation of law; merger, consolidation or issuance of additional ownership interests; sale of security convertible to ownership interest; grant of mortgage, pledge, collateral assignment or otherwise creating a lien or encumbrance; and, any other transfer, surrender or loss of possession or control in your Business.
l. Franchisor's approval of transfer by franchisee	Sections 13.B and 13.C in Franchise Agreement AND Section 6.A in Area Development Agreement	All transfers require our prior written approval, which we will not unreasonably withhold or delay; transfers on death or disability require our consent which we will not unreasonably withhold or delay as long as at least one existing owner continues as Designated Representative.
m. Conditions for Franchisor approval of transfer	Section 13.C in Franchise Agreement Section 6.A in Area Development Agreement	You submit written request for consent and provide all requested documents and information about transferee and its owners; all monetary obligations paid and required reports and statements submitted; no default of any provisions of the Franchise Agreement, lease for the Premises or any other agreement with us or our affiliates; your Business is in compliance with the System Standards and Operating Assets are in place and in good working order; we determine that transferee is able to comply with obligations under Franchise Agreement; transferee and its General Manager complete training; landlord transfers lease to the Premises; transferee upgrades Business to current specifications within 90 days; transferee signs our then-current Franchise Agreement; you pay us a transfer fee equal to $7,500 per territory; you (and your owners) and transferee (and its owners) sign general releases (unless prohibited by law); and, you provide all executed versions of documents effecting the transfer and all other information we request about the transfer, and we determine that the financial terms of the transfer will not burden your Business or jeopardize our rights. Transferee must meet qualifications; if transfer is of controlling interest in you or a transfer by the Designated Representative, transferee must satisfactorily complete training and pay required deposit (which will be applied by us against the non-refundable transfer fee, if the transfer is approved); have no financial or other interest in Competitive Business; enter into all then-current forms of agreement required by us; you must have fulfilled all your obligations (financial or otherwise); must execute general release; pay expenses and applicable fees; and pay us a non-

		refundable transfer fee.
n. Franchisor's right of first refusal to acquire franchisee's Franchised Business	Section 13.F in Franchise Agreement Section 6.B in Area Development Agreement	In connection with any proposed transfer (except to a wholly-owned entity). We must match the price and terms contained in the proposed transferee's written offer you intend to accept. We must notify you of the exercise our right within 30 days of our receipt of notice of your intention to transfer and all other information we request. We reserve the right to assign our right of first refusal with respect to these transfers to an unaffiliated third-party. If you receive an offer to sell or transfer an interest, direct or indirect, in the Area Development Agreement, your Business operated under the Area Development Agreement or an ownership interest in you, we have a right of first refusal to purchase interest offered for the price and on the terms and conditions contained in the offer with certain provisions; if this right is not exercised within 30 days of our receipt of notice of intention to sell or transfer, then you may sell or transfer as described in k through m of this Table.
o. Franchisor's option to purchase franchisee's business	Section 16.C in Franchise Agreement Not applicable in Area Development Agreement	On expiration or termination of the Franchise Agreement or successor franchise. We must notify you of our election within 30 days after the termination or expiration. Price is the net realizable value in accordance with the liquidation basis of accounting (not the value of your Business as a going concern).
p. Death or disability	Section 13.C in Franchise Agreement AND Section 6.A in Area Development Agreement	Death or incapacity is a transfer requiring our consent, which we will not unreasonably withhold or delay if at least one owner continues to qualify as a Designated Representative. If the transfer is proposed to be made to the spouse of the transferor, and if we do not approve the transfer, the trustee or administrator of the estate will have 9 months after our refusal within which to transfer the transferor's interests to another party whom we approve.
q. Non-competition covenants during the term of the franchise	Section 8 in Franchise Agreement AND Section 5 in Area Development Agreement	Franchisee, its owners their spouse, domestic partners, and children may not: (a) have any involvement, directly or indirectly, in a "Competitive Business;" (b) divert or attempt to divert any actual or potential business or customer to a Competitive Business; or (c) directly or indirectly, appropriate, use or duplicate the Franchise System or System Standards for use in any other business. "Competitive Business" means (i) any business that offers or sells goods or services that are generally the same as or similar to the goods or services being offered by D1 Training Facilities, including, without limitation, athletic-based scholastic and adult group training, coaching and personal training, and related goods and services, or (ii) any business that grants franchises or licenses to others to operate or provides services to the types of businesses specified in subparagraph (i) (other than a D1 Training Facility operated under a franchise

		agreement with us).
r. Non-competition covenants after the franchise is terminated or expires	Section 16.B in Franchise Agreement Section 7.C in Area Development Agreement	For two years following termination or expiration of the Franchise Agreement, neither you nor any of your owners (or their spouses, domestic partners, or children) may have any involvement, directly or indirectly, in a Competitive Business within a 10-mile radius of the Premises, or within a 10- mile radius of any other D1 Training Facility in operation on the later of the effective date of the termination or expiration of the Franchise Agreement or the date on which all restricted persons begin to comply with the non-compete covenant. You may not have any involvement, directly or indirectly, in a Competitive Business for two years in developer's Development Area, or within a 5-mile radius of any D1 Training Facility in existence or under development at time of termination or expiration of Area Development Agreement.
s. Modification of the agreement	Section 20.A in Franchise Agreement AND Section 10.H in Area Development Agreement	No modifications except in writing and signed by both you and us.
t. Integration/ merger clause	Section 20.C in Franchise Agreement AND Section 10.H in Area Development Agreement	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside the Disclosure Document and Franchise Agreement may not be enforceable. Only the terms of the Area Development Agreement are binding (subject to state law). Any representations or promises outside the Disclosure Document and Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 19.F, 19.G, 19.H and 19.J in Franchise Agreement AND Sections 9.A, 9.B, 9.C, and 9.D in Area Development Agreement	We and you must first attempt to resolve through our internal dispute resolution process. At our sole discretion, after internal dispute resolution processes, we may submit any such dispute to mediation within 50 miles of our then-current principal place of business (currently, Franklin, Tennessee) (subject to state law). We and you must arbitrate all disputes not resolved through internal dispute resolution or mediation at a location within 50 miles of our then-current principal place of business (currently, Franklin, Tennessee) (subject to state law). You waive your right to a trial by jury.
v. Choice of forum	Section 19.J in Franchise Agreement AND Section 9.D in Area Development Agreement	You must sue us in a court in or nearest to Franklin, Tennessee (subject to state law).

w. Choice of law	Section 19.J in Franchise Agreement AND Section 10.D in Area Development Agreement	Tennessee (subject to state law)

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit H.

ITEM 18
PUBLIC FIGURES

The following public figures own interests in D1 Aggregator and are sometimes seen in advertising materials we provide to prospective franchisees: Marques Colston, Chris Paul, Peyton Manning, Tim Tebow, Philip Rivers, Michael Oher, Roy Hibbert, Rudy Gay, Von Miller, Joe Nathan, Chipper Jones, and Jeff Green. Additionally, the following public figures appear in advertising materials we provide to prospective franchisees: Randall Cobb, Barry Cofield, Jacob Hester, Jeff Teague, Josh Hill, Sammy Watkins, Tre Boston, and Jaylen Watkins. We do not currently compensate any public figure or provide them with any other benefit for appearing in those materials.

None of these public figures have any management or other control of us.

[The remainder of this page is intentionally left blank.]

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.

BACKGROUND

This Item sets forth certain historical data, from January 1, 2024, through December 31, 2024 (the "Measurement Period"), for Businesses open and operating for the full Measurement Period. This Item sets forth the gross revenues of each Business as well as certain expenses incurred by the Businesses for the respective Measurement Periods. There were 73 franchised Businesses open and operating during the full Measurement Period, and 42 franchised Businesses submitted their financials to us.

Consistent with NASAA's Franchise Commentary on Financial Performance Representations, the definition of a corporate outlet in this Item 19 is an outlet owned either directly or indirectly by a franchisor, by an affiliate of the franchisor, or by any person required to be identified in Item 2 of the franchisor's Franchise Disclosure Document, which operates a substantially similar business under the same brand as the business the franchisor offers to franchisees. It also includes any such outlet that: (i) is operated as a joint venture owned in part by a franchisor, by an affiliate of the franchisor, or by a person required to be identified in Item 2; and (ii) is managed by the franchisor, an affiliate of the franchisor, or by a person required to be identified in Item 2. Per the Item 19 definition of a corporate outlet, we had two corporate facilities open and operating during the full Measurement Period. D1 Cool Springs, which is owned by our affiliate, Corporate, and D1 Arlington, which is owned by a franchisee, 45 Sports Training, LLC. 45 Sports Training, LLC is owned by two of our officers.

Table I below presents the: (i) Gross Revenues[1]; (ii) Royalty[2]; (iii) Marketing Expenditures[3]; and (iv) Labor[4] for D1 Cool Springs over the Measurement Period, the only corporate outlet in which there was a General Manager in place the entire year, had a full staff, and completed quarterly scorecard data, three of our criteria areas as defined more fully below.

Table II(A) below presents the: (i) Gross Revenues[1]; (ii) Royalty[2]; (iii) Marketing Expenditures[3]; and (iv) Labor[4] for 31 substantially similar franchised locations that were open and operating for at least one year as of December 31, 2024, and for which we have full financial data.

Table II(B) below presents the results of 11 franchised Businesses that had more than 2 deficiencies out of six possible criteria areas: insufficient marketing expenditure data; Business not using an approved lead gen provider; no General Manager, General Manager for a partial year, or hired a General Manager outside of approval process within the system; not using standard programs or pricing; operating more than a quarter of the year without a full staff (full staff is defined as a General Manager, at least one coach, and a recruiter); and incomplete quarterly scorecard data, and thus are not substantially similar to franchises offered in this FDD.

TABLE I

Corporate Store				
2024 Gross Revenue	**Royalty**	**Marketing**	**Labor**	**Revenue less Disclosed Expenses**
1,744,855	122,140	84,344	520,670	1,052,598

TABLE II(A)

Franchised Businesses that were Open (as of 12/31/2024)				
	High Business	Average Business	Median Business	Low Business
2024 Gross Revenue	**1,555,472**	**679,601**	**626,384**	**261,075**
Royalty (7%)	108,883	47,572	43,847	18,275
Marketing	56,044	45,767	42,760	60,151
Labor	636,435	319,015	290,992	294,529
Revenue less disclosed expenses	789,542	275,965	256,531	(111,658)

TABLE II(B)

Franchised Businesses that were Open (as of 12/31/2024)				
	High Business	Average Business	Median Business	Low Business
2024 Gross Revenue	**783,303**	**374,399**	**326,849**	**135,217**
Royalty (7%)	54,831	26,208	22,879	9,465
Marketing	3,942	39,471	37,805	37,805
Labor	406,924	197,744	210,730	228,025
Revenue less disclosed expenses	322,854	112,757	55,412	(139,850)

Table III below sets forth the base rent costs for 58 of our Franchised Businesses that executed leases in 2024.

TABLE III

Base Rent Costs (2024 Leases Executed)				
	High	**Average**	**Median**	**Low**
Gross Rent (Annual)	217,929.78	125,296.78	123,523.60	39,312.00
Triple Net Rent (Annual)	152,000.00	95,737.76	95,887.00	10,712.00

TABLE IV

AVERAGE, MEDIAN, HIGH, AND LOW TOTAL SALES AND AUTOPAY NUMBERS GENERATED DURING PRESALES FOR THE FRANCHISED FACILITIES THAT OPENED IN 2024

	Total Sales	**Autopay**
High	164,482	63,769
Average	45,069	24,771
Median	38,133	23,660
Low	13,774	5,887
Number & Percentage that Met or Exceeded the Average	19/44 (43.18%)	19/44 (43.18%)

NOTES TO ITEM 19

1. Gross Revenues means the total revenue derived from the operation of the Business and is inclusive of sales tax. Gross sales for royalty purposes excludes sales tax. 12/31 (38.7%) franchised Businesses achieved Gross Revenues higher than the average presented.

2. Royalty means the royalty paid to us per the terms of the current franchise agreement. The royalty rate in our current franchise agreement is 7% and is reflected in Tables I, II(A), and II(B). Some facilities are operating on earlier versions of the franchise agreement that may have a different royalty structure. 12/31 (38.7%) Franchised Businesses paid more in Royalty than the average presented.

3. Marketing Expenditures means the monies paid by the Business to the Brand Fund per the terms of the franchise agreement as well as monies spent locally advertising the Business. 15/31 (48.39%) franchised Businesses expended more in Marketing Expenditures than the average presented.

4. Labor means the total payroll expenses as reported to us by each franchisee. 10/31 (32.26%) franchised Businesses expended more in Labor than the average presented.

5. Revenue Less Disclosed Expenses means Gross Revenues less 7% Royalty,

Marketing Expenditures and Labor. 16/31 (51.61%) Franchised Businesses achieved Revenue Less Disclosed Expenses higher than the average presented.

6. The median figure is the figures in which one half of the Businesses presented in each part had achieved a higher result for that metric and one half of the Business achieved a lower result for that metric.

7. For Table III regarding Base Rent Costs, 28/58 (48.28%) franchised Businesses had higher NNN than the average presented and 29/58 (50%) had higher Gross Rent than the average presented.

8. "Presales" is defined as the required preopening serves that takes place typically 90 days before opening and 30 days after opening. Presales may vary based on General Manager recruiting and hiring; permitting delays, construction delays; extended construction timelines based on the Premises site; or staffing.

9. **Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.**

10. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representations, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing D1 Training Facility, however, we may provide you with the actual records of that Facility. 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 Dan Murphy, D1 Sports Franchise, LLC, 7115 S. Springs Drive, Franklin, Tennessee 37067, (615) 933.5653, the Federal Trade Commission, and the appropriate state regulatory agencies.

[The remainder of this page is intentionally blank.]

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2022 to 2024[1]

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	63	79	+16
	2023	79	90	+11
	2024	90	127	+37
Company-Owned	2022	0	0	0
	2023	0	1	+1
	2024	1	2	+1
Total	**2022**	**63**	**79**	**+16**
	2023	**79**	**91**	**+12**
	2024	**91**	**129**	**+38**

[1]The numbers in this table and in Tables 2 through 4 are for the 12-month periods ending each December 31. References in these tables to "company-owned" includes affiliate-owned.

[The remainder of this page is intentionally blank.]

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE) FOR YEARS 2022 to 2024

State	Year	Number of Transfers
Alabama	2022	0
	2023	1
	2024	1
Arkansas	2022	0
	2023	1
	2024	0
Colorado	2022	0
	2023	0
	2024	1
Florida	2022	0
	2023	0
	2024	2*
Georgia	2022	0
	2023	1
	2024	1
Illinois	2022	0
	2023	1
	2024	0
Michigan	2022	0
	2023	1
	2024	0
Minnesota	2022	0
	2023	1
	2024	0
Nevada	2022	0
	2023	0
	2024	1
North Carolina	2022	0
	2023	0
	2024	1
South Carolina	2022	0
	2023	0
	2024	1
	2022	1

Tennessee	2023	0
	2024	1
Texas	2022	0
	2023	1
	2024	1
Wisconsin	2022	1
	2023	0
	2024	0
Total	**2022**	**2**
	2023	**7**
	2024	**10**

*****One of the transferred Florida facilities is relocating and was not operating for all of 2024.

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
Alabama	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Arizona	2022	2	0	0	0	0	0	2
	2023	2	3	0	0	0	0	5
	2024	5	3	0	0	0	0	8
Arkansas	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
California	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	6	0	0	0	0	8
Colorado	2022	1	3	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Connecticut	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	4	6	0	0	0	0	10
	2023	10	1	0	0	0	1	10
	2024	10	7	0	0	0	1*	16
	2022	4	1	0	0	0	0	5

Georgia	2023	5	0	0	0	0	0	5
	2024	5	2	0	0	0	1	6
Idaho	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Illinois	2022	1	1	0	0	0	0	2
	2023	2	2	0	0	0	0	4
	2024	4	1	0	0	0	0	5
Indiana	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	1	2
	2024	2	1	0	0	1	1	1
Iowa	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Kansas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Kentucky	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Louisiana	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	2	0	0	0	1	4
Massachusetts	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Michigan	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	2	0	0	0	0	3
Minnesota	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	1	0
Missouri	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Mississippi	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
Montana	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Nebraska	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nevada	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	1	2
New Jersey	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3

New York	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	2	0	0	0	0	3
North Carolina	2022	1	2	0	0	0	0	3
	2023	3	1	0	0	0	1	3
	2024	3	0	0	0	0	0	3
Ohio	2022	3	1	1	0	0	0	3
	2023	3	0	1	0	0	0	2
	2024	2	1	0	0	0	1	2
Oregon	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Pennsylvania	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	1	2
	2024	2	1	0	0	0	0	3
South Carolina	2022	2	1	1	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Tennessee	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	1	0	5
	2024	5	4	0	0	0	0	9
Texas	2022	12	2	1	0	0	1	12
	2023	12	4	1	0	0	0	15
	2024	15	10	0	0	0	2	23
Utah	2022	0	1	0	0	0	0	1
	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
Virginia	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Wisconsin	2022	3	0	1	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	1	1
Totals	**2022**	**63**	**21**	**4**	**0**	**0**	**1**	**79**
	2023	**79**	**20**	**3**	**0**	**1**	**5**	**90**
	2024	**90**	**48**	**0**	**0**	**1**	**10**	**127**

*****A transfer occurred in Florida, but the facility is relocating and was not operating for all of 2024.

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TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2022 to 2024

State	Year	Company-Owned Outlets at Start of Year	Company-Owned Outlets Opened	Company-Owned Outlets Reacquired from Franchisee	Company-Owned Outlets Closed	Company-Owned Outlets Sold to Franchisee	Company-Owned Outlets at End of Year
IN	**2022**	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
TN	**2022**	0	0	0	0	0	0
	2023	0	0	1	0	0	1
	2024	1	0	0	0	0	1
Totals	**2022**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**1**	**0**	**0**	**1**
	2024	**1**	**0**	**1**	**0**	**0**	**2**

TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2024

State	Franchise Agreements Signed But Franchised Business Not Opened	Projected New Franchised Businesses in the Next Fiscal Year	Projected New Affiliate-Owned Franchised Businesses in the Next Fiscal Year
Alabama	4	3	0
Arizona	2	0	0
Arkansas	3	1	0
California	8	1	0
Colorado	2	2	0
Connecticut	1	0	0
Florida	15	7	0
Georgia	6	3	0
Idaho	2	0	0
Illinois	4	3	0
Indiana	2	2	0
Iowa	2	2	0

Kansas	1	1	0
Kentucky	1	1	0
Louisiana	1	0	0
Maryland	2	1	0
Massachusetts	1	0	0
Michigan	3	2	0
Minnesota	2	1	0
Mississippi	1	1	0
Missouri	2	1	0
Montana	1	0	0
Nebraska	1	0	0
Nevada	1	0	0
New Jersey	1	1	0
New York	4	1	0
North Carolina	5	2	0
Ohio	3	1	0
Oklahoma	2	1	0
Oregon	0	1	0
Pennsylvania	3	0	0
South Carolina	2	1	0
Tennessee	5	0	0
Texas	22	12	0
Utah	2	0	0
Virginia	10	2	0
West Virginia	1	0	0
Total	**128**	**54**	**0**

Exhibit G contains a list of the names, addresses and telephone numbers of our franchisees as of December 31, 2024, as well as those who had a franchise agreement terminated, cancelled, or not renewed, or who otherwise voluntarily ceased to do business with us in 2024 and in the 10-weeks before we issued this disclosure document. If you buy this franchise, your contact information may be disclosed to buyers when you leave the franchise system.

During the last three fiscal years, in some instances franchisees have signed confidentiality agreements restricting their ability to speak openly about their experience with our franchise system. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you. We are not aware of any trademark-specific

franchisee organizations associated with our franchise system.

ITEM 21
FINANCIAL STATEMENTS

Exhibit D contains the Company's audited financial statements for the years ended December 31, 2024, December 31, 2023, and December 31, 2022. Exhibit D also contains a copy of our unaudited balance sheet and unaudited profit and loss statement as of April 30, 2025. Our fiscal year end is December 31.

ITEM 22
CONTRACTS

The following contracts are attached as exhibits to this Disclosure Document:

Exhibit B – Franchise Agreement

Exhibit C – Area Development Agreement

Exhibit F – Sample General Release

Exhibit H – State Addenda and Agreement Riders

ITEM 23
RECEIPTS

Exhibit J contains detachable documents acknowledging your receipt of this Disclosure Document.

EXHIBIT A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

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

California
Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013
1-866-275-2677
www.dfpi.ca.gov
Ask.DFPI@dfpi.ca.gov

Hawaii
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois
Attorney General of the State of Illinois
500 South Second Street
Springfield, Illinois 62706

Indiana
Secretary of State
302 West Washington, Room E-111
Indianapolis, Indiana 46204

Kentucky
Commonwealth of Kentucky
Office of the Attorney General
Consumer Protection Division
1024 Capital Center Drive
P.O. Box 2000
Frankfort, Kentucky 40602

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

Michigan
Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913

Minnesota
Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

Nebraska
Nebraska Department of Banking and Finance
Bureau of Securities
1526 K Street, Suite 300
PO Box 95006
Lincoln, Nebraska 68508

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

North Dakota
Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island
Division of Securities
Department of Business Regulation
John O. Pastore Center, Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920

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

Texas
Statutory Documents Section
Secretary of State
P.O. Box 13550
Austin, Texas 78711

Virginia
Clerk of the State Corporation Commission
1st Floor
1300 East Main Street
Richmond, Virginia 23219

Washington

Service of Process:

Department of Financial Institutions
Securities Division
150 Israel Road SW

Tumwater, Washington 98501

State Administrator:
Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, WA 98504-1200

Wisconsin
Administrator
Division of Securities
Department of Financial Institutions
201 W. Washington Avenue, Suite 300
Madison, Wisconsin 53703

EXHIBIT B

FRANCHISE AGREEMENT

D1 SPORTS FRANCHISE, LLC
FRANCHISE AGREEMENT

Franchisee:

Date of Agreement:

Franchise Address:

Site Selection Area/Territory:

Check One:

☐ **This Franchise Agreement is being signed for an Initial Term.**

☐ **This Franchise Agreement is being signed for a Successor Term.**

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SCHEDULES, ATTACHMENTS, & APPENDICES

D1 SPORTS FRANCHISE, LLC FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "**Agreement**") is entered into as of the date set out in **Item 1** of Schedule A's **Commercial Addendum** (the "Effective Date") between **D1 SPORTS FRANCHISE, LLC**, a Tennessee limited liability company whose address it 7115 S. Springs Drive, Franklin, Tennessee 37067 ("**we**", "**us**", or "**Franchisor**"), and the party or parties named in **Item 4** of the Commercial Addendum ("**you**" or "**Franchisee**").

1. PREAMBLES.

We grant franchises to own and operate training facilities identified primarily by the name and service mark *D1*® that offer athletic-based scholastic and adult group training, coaching and personal training, and related goods and services (each a "**D1 Training Facility**"). D1 Training Facilities are developed and operated using methods, procedures, specifications, layouts, standards, and techniques to which we and our affiliates claim ownership and which we and our affiliates protect as confidential and proprietary (the "**System**").

You have applied for a franchise to own and operate a D1 Training Facility, and, in reliance on the information you have provided, we are willing to grant you the franchise on the terms and conditions contained in this Agreement.

2. GRANT OF FRANCHISE.

a. Grant and Term of Franchise.

We grant to you the non-exclusive right and license (the "**Franchise**"), during the Term, to develop, own, and operate one D1 Training Facility at, and only at, the Premises (defined below) identified in Schedule A or as selected pursuant to Article 3 (your "**Business**"). With our prior written approval, you may operate the Business at other locations within your Territory and the territories of others, under our current policies. You accept the right and license and agree to use them strictly in accordance with this Agreement and for no other purpose. The "**Term**" begins on the Effective Date and ends on the close of business on the 10th anniversary of the Effective Date.

We and our affiliates claim ownership of the name and service mark "D1" and certain other trademarks, service marks, names and commercial symbols that we authorize owners of D1 Training Facilities to use in the operation of their businesses (collectively, the "**Marks**"). The Franchise includes, and we hereby grant you, the right to use the Marks solely in connection with the operation of your Business as described in this Agreement. Your right to use the Marks is derived only from this Agreement and is conditioned on your operating the Business in strict accordance with this Agreement and all the standards we prescribe from time to time.

b. Exclusivity and Reservation of Rights.

Except as otherwise permitted in this Agreement, we will not, nor will we authorize any other person or entity to, locate a D1 Training Facility at a physical location within the geographic area identified on Schedule A (the "**Territory**").

Note, after you have an approved business premises, your revised area in the amended Franchise Agreement will be your Territory. Your Territory may overlap with territory of another D1 franchisee, but subject to the terms of this Agreement, no other physical D1 Sports Training Facility will be located within your amended Territory. We shall set forth the Business Premises and Territory in Schedule A and shall provide you a copy. Schedule A, as completed by us, shall be incorporated herein and made a part hereof. You shall notify us within seven (7) days of any error or rejection of Schedule A; otherwise, the Schedule A we provide you shall be deemed final.

We grant rights to use the Marks and System only through written agreement and only as expressly provided in those written agreements. We do not extend rights by implication, inference or innuendo. Therefore, you are not granted any rights unless those rights are expressly granted to you under this Agreement or any other agreement signed by us and you. Similarly, unless we expressly state in this Agreement that we will refrain from doing so, we and our affiliates are not precluded from engaging in any act or enterprise whatsoever, even if it is competitive with your Business. For example, we and our affiliates may, without restriction and without compensation to you, do any of the following:

i. own, locate and operate, and authorize others to own, locate and operate, D1 Training Facilities outside your Territory;

ii. establish and operate, and allow others to establish and operate businesses that may offer products and services which are identical or similar to products and services offered by your Business, under trademarks and commercial symbols that are different than the Marks;

iii. use and authorize others to use the Marks and the System anywhere in the world (other than to locate a D1 Training Facility at a physical premises in your Territory), including in connection with the sale of products and services (whether or not identified by the D1 brand) through other channels of distribution such as chain, warehouse, club and other stores, the internet (e-commerce), electronic media, and/or any other means of distribution;

iv. allow others to operate a D1 Training Facility at non-traditional locations (recreational space, school/university, etc.) within your Territory;

v. acquire or be acquired by other businesses, including Competitive Businesses (defined in Section 8.A), and if we are the acquirer, franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating;

vi. establish, operate, and allow others to establish and operate any concept or business focusing exclusively or primarily on personal

training services or products, whether under the Marks, a derivative of the Marks, or entirely different branding, at any location including within your Territory, without restriction or limitation;

vii. develop, market, and franchise specialized or limited-service versions of the D1 Training concept, including but not limited to concepts focusing exclusively on personal training services, which may operate under the Marks or variations thereof; and

viii. engage in all other activities not expressly prohibited by this Agreement.

Nothing in this Agreement or your territorial rights shall limit or restrict our ability to develop, operate, franchise, license, or otherwise exploit personal training-focused businesses or concepts, regardless of the similarity to your D1 Training Facility, and regardless of proximity to your Territory. You further agree that, despite the rights granted to you under this Section, we and our affiliates may acquire or be acquired by competitive and other businesses (even if located within your Territory), and convert such businesses to D1 Training Facilities to be owned and operated by us, our affiliates or our or our affiliates' licensees.

c. Legal Entities; Personal Guarantees of Owners.

If you are at any time a corporation, limited liability company, or partnership (each, an "**Entity**"), you agree and represent that:

(1) You will, throughout the Term, remain validly existing and in good standing under the laws of the state of your formation and qualified to do business in the state in which your Business is located;

(2) Schedule A to this Agreement describes all of your owners and their interests in you as of the Effective Date;

(3) You will cause each of your direct and indirect owners and such other persons we designate, and their spouses, to execute a guaranty ("**Guaranty**") in the form we prescribe undertaking to guaranty your performance and to personally be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Our current form of Guaranty is attached as Schedule C;

(4) You will identify one of your owners, subject to our written approval, to be your designated representative (the "**Designated Representative**") for dealings between us and you. You will not change or permit a change of the Designated Representative without our prior written consent. The Designated Representative will be authorized, on your behalf, to deal with us in all matters regarding your Business whatsoever. Any decision made by the Designated Representative will be final and binding on you, and we will be entitled to rely solely upon the decision and authority of the Designated Representative in any such

dealings without the necessity of any discussions with any other person. We will not be responsible to you for any actions taken based upon any decision or actions of the Designated Representative. If you name more than one Designated Representative, we are entitled to rely on the decision of any one of them, acting alone. You will ensure that the Designated Representative has all authority to interact with us as described in this paragraph.

3. DEVELOPMENT AND OPENING OF YOUR BUSINESS.

a. Site Selection.

We must approve the location for the operation of your Business (the "**Premises**"). If we have not identified the Premises on Schedule A when this Agreement is executed, then you agree to locate and obtain our approval of a proposed site for your Business within 150 days after the Effective Date. You must provide all information we require regarding your proposed site and obtain our written approval of the proposed site before signing any lease, sublease, or other document for the site (in each case, the "**Lease**"). We may base our approval or disapproval of a site on criteria which may change from time to time in our discretion.

No information or recommendation you receive from us during the site selection and approval process is a representation or warranty of any kind, express or implied, of the site's suitability for your Business or any other purpose. Our approval of your proposed site indicates only that we believe that the site meets criteria that we have established for our own purposes and are not intended to be relied on by you as an indicator of likely success. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for your site, and demographic or other factors included in or excluded from our criteria could change, even after our approval of the Premises or the development of your Business, altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site and premises we recommend fail to meet your expectations. Your acceptance of the Franchise and selection of the Premises are based on your own independent investigation of the suitability of the Premises.

If you would like to change your site selection area or your Territory and such request is granted, you must pay us $1,000.

b. Lease of Premises.

You are not authorized to sign a Lease until we have approved it, in writing. You must obtain our approval and sign the lease within 180 days of the Effective Date of the Franchise Agreement. Our approval of your proposed Lease requires the entrance of you and lessor into our Lease Rider in the form of Appendix A, unless we agree to waive that requirement in writing. Additionally, our approval may be conditioned on, among other things, the lessor's agreement to include certain provisions we require from time to time to protect the D1 brand and to ensure our ability to facilitate the continued operation of a D1 Training Facility at the Premises despite your default of the lease or the expiration or

termination of this Agreement and the exercise of our rights under this Agreement. We may, from time to time, set out a specific form of lease rider in the Manuals (defined below).

Our involvement in any lease negotiations, and our review and approval of your Lease are for our sole benefit and the benefit of the System. You may not rely on our lease negotiations or on our review or approval of the Lease for any purpose. We do not guarantee that the terms of the Lease we approve, including rent, will represent the most favorable terms available in that market. You have been advised to obtain the advice of your own professional advisors before you sign the Lease.

c. Development of Your Business.

You are responsible, at your expense, to do everything necessary to develop and prepare your Business for opening in accordance with the requirements of the System, including: (a) obtain and submit to us for approval detailed construction plans and specifications and space plans for your Business that comply with any design specifications provided by us and all applicable ordinances, building codes, permit requirements, and lease requirements and restrictions; (b) obtain all required zoning changes, planning consents, building, utility, sign and business permits and licenses and any other consents, permits and licenses necessary to lawfully open and operate your Business; (c) construct all required improvements in compliance with construction plans and specifications approved by us; (d) decorate your Business in compliance with plans and specifications approved by us; (e) purchase and install (as applicable) the required computer system, field turf, equipment, and other required inventory, furniture, fixtures and signs (collectively the "**Operating Assets**"); and (f) obtain all customary contractors' sworn statements and lien waivers.

At our request, you will provide to us written evidence to establish that you have the unencumbered funds necessary to develop your Business and the sources of those funds. You authorize us to contact any funding sources directly to discuss all financial aspects of the construction or remodeling of the Premises.

You will provide us with any progress reports we request during the course of any design, construction, and remodeling work. We are permitted to visit and inspect the Premises at any time during the design, construction, and remodeling process.

You may use in developing and operating your Business only those Operating Assets we approve as meeting our specifications and standards for quality, design, appearance, function, and performance. You agree to place or display at the Premises (interior and exterior) only the signs, emblems, lettering, logos, and display materials we approve from time to time. You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us or our affiliates).

d. Computer System.

You agree to obtain and use in the operation of your Business the integrated computer hardware and software system, including an integrated point-

of-sale system that we designate from time to time and to sublease electronic devices from us, if we so require (collectively, the "**Computer System**"). Although the Computer System must meet our standards and specifications, you have the sole responsibility to ensure that the Computer System functions properly. We bear no liability for any failure of the Computer System's hardware or software, programming interfaces, internet connectivity or security measures. We may modify specifications for, and components of, the Computer System. Our modification of specifications for the Computer System, and other technological developments or events, might require you to purchase, lease, or license new or modified computer hardware or software and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. We have no obligation to reimburse you for any Computer System costs. Within 30 days after we advise you of changes to the Computer System, you agree to implement such changes, and if necessary, procure any additional equipment, components, hardware, or software we designate. You must at all times during the term of this Agreement ensure that your Computer System, as modified, meets our System Standards and functions properly.

You must use the e-mail account provided by us or, if we do not provide an e-mail account, maintain a functioning e-mail address and all specified points of high-speed internet connection.

We may require from time to time that you use certain software and technology which is owned or which has been licensed or leased by us or our affiliates. We or our affiliates may condition your use of such software or technology on your signing a software license agreement, sublease agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. We and our affiliates may charge you a monthly or other fee for any proprietary software or technology that we or our affiliates license or sublease to you and for other maintenance and support services that we or our affiliates provide.

e. Financing; Maximum Borrowing Limits; Liquidity.

You must, at all times, maintain sufficient working capital as necessary and appropriate to comply with your obligations under this Agreement. On our request, you will provide us with evidence of working capital availability. We reserve the right, from time to time, to establish certain levels of working capital reserves, and you will comply with such requirements. We may from time to time designate the maximum amount of debt that D1 Training Facilities may service, and you will ensure that you will comply with such limits. Any debt financing used to fund the development of your Business is subject to our prior written approval. While we may allow the Operating Assets to be used as collateral to secure third-party financing, we are not required to, and will not, allow the franchise and license rights to be used as collateral.

f. Business Opening.

You must comply with all of your pre-opening obligations under this Agreement and be ready to open your Business by no later than the first anniversary of the Effective Date. However, you may not open your Business for regular business until we notify you in writing that your Business meets our standards and specifications and is approved for opening. You must open the Business for regular operations within five days of our notice that it is approved for opening. Once you have commenced operation of your Business, you must actively and continuously operate the Business during normal business hours (as we may periodically prescribe in the Operations Manual) for the entire duration of the Term.

g. No Relocation.

Your rights to operate your Business shall be limited to the Premises set forth in Schedule A, and no other. You shall not relocate the Business at any time without our written approval, which approval shall be granted only in our sole and complete discretion, and if permitted, shall be at your sole expense, and subject to the following:

i. You shall construct and develop the new premises to conform to our then-current specifications for design, appearance, and leasehold improvements for new Businesses;

ii. You shall remove any signs or other property from the original Business Premises which identified the original Business Premises as part of the System;

iii. You agree that, during the build-out, decorating and furnishing of the new Premises, and at our sole and absolute discretion: (i) the term of this Agreement shall not be abated, and (ii) you shall remain liable to pay a minimum Royalty Fee and Brand Fund Contribution that is equal to the average amount you paid during the four (4) calendar quarters immediately preceding the date that operations cease or the shorter period that you had been in business at the original Business Premises;

iv. We shall amend Schedule A to reflect the address and territory of the new Business Premises subject to the terms set forth in Section 2.B; and

v. You pay our then-current Relocation Fee ("**Relocation Fee**"). The Relocation Fee is currently $10,000.

If a relocation site acceptable to us is not identified within ninety (90) days following your request to relocate, either party may terminate this Agreement.

4. FEES.

a. Initial Fee.

You agree to pay us when you sign this Agreement a fully earned and non-refundable initial franchise fee in the amount designated on Schedule A.

b. Royalty Fee.

You must pay us a royalty fee (the "**Royalty**") equal to the greater of (i) seven percent (7%) of the preceding calendar month's Gross Sales (defined in Section 4.D below), or (ii) the Minimum Royalty Fee (as defined herein) on or before the 5th day of each month or in weekly installments. The Minimum Royalty Fee begins 12 months from the Effective Date of this Agreement and is equal to (i) $1,950 per month during the first year, (ii) $2,450 per month during the second year, and (iii) $2,950 per month during the third year and each additional year under the initial term of this Agreement. For non-compliance with: System Standards, as outlined in Sections 5.C and 9; payments of your Royalty or Minimum Royalty Fee; or any other defaults of the Franchise Agreement, following the third infraction that we notify you of, we will charge and collect a fee of $1,000. For the fourth infraction for non-compliance and thereafter that we notify you of, we will charge and collect a fee of $5,000 per infraction. Nothing in this Section 4.B limits any of our other rights and remedies available under the terms of this Agreement. You agree that the non-compliance fee is intended to compensate us for certain expenses or losses we will incur as a result of the non-compliance and is not considered a penalty or an expression of the total amount of such damages. We may change or eliminate this charge in our sole discretion.

You agree to use your best effort to operate your Business in a manner that generates maximum exposure for the D1 brand and maximum revenue for your Business. Any failure to generate the required Minimum Royalty Fee or Royalty without cure beyond the fourth infraction will be a material default of this Agreement. Any subsequent failure to generate the Minimum Royalty Fee or Royalty will not be curable.

c. Definition of "Gross Sales".

The term "**Gross Sales**" means all revenue that is generated from operating your Business (whether or not in compliance with this Agreement), whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, including the provision of all products and services sold or performed anywhere through or by means of the business, but not limited to: (a) any revenue derived from the sublease of any portion of the Premises, (b) any sponsorship revenue received by or allocated to your Business, (c) membership fees, initiation fees, enrollment fees, processing fees, and any other due or fees generated and derived during any presales; (d) fees and charges for services. Gross sales excludes (1) all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority, (2) the amount of any documented refunds, and (3) the amount of any credits and discounts that we approve and that your Business in good faith gives to customers and your employees. We include gift certificate, gift card or similar program payments in Gross Sales at the time of redemption. Gross Sales also include all insurance proceeds you receive to replace revenue that you lose from the interruption of your Business due to a casualty or similar event.

d. Real Estate Services Fee.

Upon the signing and Effective Date of this Agreement, you must pay us a real estate services fee of $5,000 ("**Real Estate Services Fee**"). Our real estate

services include, without limitation, attending an initial kickoff call with your master broker representative and/or local broker, pre-screening of sites for conformity to our site criteria, reviewing market survey with you and broker team and monitoring the lease negotiation process to ensure it complies with mandatory System Standards (as defined in Section 5.C below). The Real Estate Services Fee is payable in a lump sum, fully earned by us on receipt and is not refundable under any circumstances. You will also be required to reimburse us for our costs associated with conducting the walk-through (including travel, meals and lodging), which we estimate to be $1,000 to $2,000. These expenses will be reimbursed in a lump sum based on an invoice we submit to you.

e. Opening Support Fee.

Four months after the Effective Date of the Franchise Agreement, you will pay us, in a lump sum, a non-refundable fee of $29,500 (the "**Opening Support Fee**"). In exchange for the Opening Support Fee, we will provide assistance in your market under Section 5.A and otherwise to support the opening of your Business.

f. Tech Shared Services Fee.

At least 16 weeks prior to opening, if not earlier, you will begin to pay us the Tech Shared Services Fee monthly at the then-current price. The Tech Shared Services Fee may change or increase as we add products and services to the System as well as increase annually in line with supplier costs. Our Tech Shared Services Fee currently includes the cost to license a third-party point-of-sale system, financial recordkeeping and accounting functions, website and website support, intranet, and an allotment of email accounts for your Business. Additional email accounts outside of the allotment will incur an additional charge per email per month, subject to increase as the email provider increases costs to us. We reserve the right to substitute or add on to with other services, or discontinue any of the services provided through the Tech Shared Services Fee at any time.

g. Agreements Regarding Your Payments.

i. You will pay us all amounts that you owe us in the manner and at the time intervals that we prescribe from time to time. You authorize us to debit your checking, savings or other account automatically for the Royalty, Minimum Royalty Fee, Tech Shared Services Fee, Brand Fund (as defined in Section 10.B) contributions, and other amounts due to us or our affiliates (the "**EFT Authorization**"). You agree to sign and deliver to us any documents we require for such EFT Authorization. The EFT Authorization shall remain in full force and effect during the Term. We will debit the account you designate for these amounts on their due dates (or the subsequent business day if the due date is a national holiday or a weekend day). You must ensure that funds are available in your designated account to cover our withdrawals.

ii. Any amounts not paid when due will bear interest accruing from their due date until paid at the lesser of 1.5% per month or the highest commercial contract interest rate the law allows. We will charge a

service fee of $100 per occurrence for checks returned to us due to insufficient funds or if there are insufficient funds in the business account you designate to cover our withdrawals. We may debit your bank account automatically for the service charge and interest. This Section is not our agreement to accept payments after they are due.

iii. If you fail to report the Gross Sales, we may debit your account for an amount equal to 110% of the average of the last three (3) Royalty and Brand Fund contributions that we debited. If the amounts that we debit from your account are less than the amounts you actually owe us (once we have determined the true and correct Gross Sales), we will debit your account for the balance on the day we specify. If the amounts that we debit from your account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your account during the following month.

iv. Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We and our affiliates may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners.

5. TRAINING AND ASSISTANCE.

a. Initial and Refresher Training; Initial Training Fee.

We will provide you (or your Designated Representative) and your General Manager (as defined in Section 9.D) with access to our initial training program on the operation of a D1 Training Facility (the "**Initial Training Program**") at no additional charge to you. You (or your Designated Representative) and your General Manager must complete, to our satisfaction, the Initial Training Program before you begin operating your Business.

We will provide the Initial Training Program at a training facility we designate which may, at our option, be at your Business. We will determine the scheduling of your Initial Training Program based on facility availability and the projected opening date for your Business and we may combine your Initial Training Program with that of other D1 Training Facility owners and employees. If we determine that you (or your Designated Representative) cannot complete initial training to our satisfaction, we may terminate this Agreement. If we determine that your General Manager cannot complete initial training to our satisfaction, you must appoint a new General Manager who must complete the Initial Training Program to our satisfaction. We are not responsible for any other costs you and your team incur in attending and participating in the Initial Training Program, including accommodation, travel and living expenses and any applicable wages and other benefits owed to your employees.

If, after completing the Initial Training Program and before you open your Business, you do not request additional training, you are representing to us that you are satisfied that you have been sufficiently trained to operate a D1

Training Facility. Any requested additional training will be provided at our option and on terms and conditions we specify, including payment of our then current per diem charges.

If this is the 1st D1 Training Facility that you or your Affiliates have opened, we will, at our expense, send a representative, trainer, or training team (the identity and composition of which will be in our discretion) to your Business to assist with its grand opening for a period of time that we determine necessary. If this is not your or your Affiliates' 1st D1 Training Facility, and we determine it to be necessary to send our representative to the site to assist with the grand opening of your Business, we will do so, at our discretion, and you will be responsible for all travel and living expenses and related costs (including salary expenses) we incur in providing such assistance. In any case, the representative we send for this purpose shall have absolute discretion to determine the amount of time and support necessary to prepare your staff for your grand opening.

We may provide and require you (or your Designated Representative), your General Manager, and certain of your personnel to attend and satisfactorily complete additional and refresher training courses that we periodically choose to provide at the times and locations that we designate, including courses and programs provided by third parties we designate. Unless you have been cited by us for operational deficiencies, we will not require attendance at more than two (2) such courses, or for more than a total of six (6) full business days, during a calendar year. In addition, you (or your Designated Representative) and your General Manager must attend an annual meeting of all D1 Training Facility franchise owners at a location we designate. Attendance at the annual meeting will not be required for more than three (3) full days during any calendar year. You agree to pay all costs to attend, which may include a reasonable registration fee. You agree to pay for the annual meeting fee even in the event that you do not attend the annual meeting.

If you hire a new General Manager during the Term, the new General Manager must, at your expense, satisfactorily complete our then-current Initial Training Program at the next available scheduled training date, at our discretion. We may charge a reasonable fee for that training.

b. General Guidance.

We may, in our discretion, provide advice and general guidance from time to time regarding various aspects of the operation of your Business. This general advice will typically be based on your reports or our inspections of your Business and may include topics such as standards, specifications, operating procedures (including without limitation our then template class workout programming) and methods used by D1 Training Facilities; purchases of required and authorized Operating Assets and other products and services; advertising and marketing materials, techniques and programs; and employee training. Our general guidance may be provided, in our discretion, via telephonic conversations, consultations at our offices or your Business, emails, supplements to manuals, webinars and other internet tools, and other means we determine are appropriate.

c. Operations Manual; System Standards.

We will provide you, solely for your use in the operation of your Business, our manuals for the operation of D1 Training Facilities (the "**Operations Manual**"), which may include one or more separate manuals as well as audiotapes, videotapes, compact discs, computer software, information available on an internet site, other electronic media, or written materials. The Operations Manual may contain both mandatory and recommended specifications, standards, operating procedures and rules that we periodically prescribe ("**System Standards**") and information on your other obligations under this Agreement. You must implement and comply with all mandatory provisions and will have discretion, as an independent business owner, to implement those that are designated from time to time as recommended.

You acknowledge that the appearance of and operating processes used by D1 Training Facilities may evolve over time and that, therefore, we may, in our discretion, change the policies and procedures contained in the Operations Manuals throughout the Term. You will immediately adopt all mandatory revisions except that, if we determine that a particular revision either is not, by its nature, required to be made immediately or requires significant expenditures, we will allow a reasonable time, not to exceed 30 days after you receive notice of the revision, to complete the implementation of such revision.

You agree to keep your copy of the Operations Manual current and in a secure location at your Business. If there is a discrepancy between our copy of the Operations Manual and yours, our copy of the Operations Manual controls. The Operations Manual is part of our Confidential Information (as defined in Section 7) and subject to the protections and restrictions applicable to all other Confidential Information. If we elect to post some or all of the Operations Manual on a restricted website or extranet to which you have access, you agree to monitor and access the website or extranet for any updates to the Operations Manual or System Standards. Any passwords or other digital identifications necessary to access the Operations Manual on a website or extranet will be deemed to be part of our Confidential Information.

d. Presales.

You, along with all owners, and any applicable employees, must successfully complete our Presales Training Program to our satisfaction before your facility begins selling memberships in presales. Our current Presales Training Program lasts ninety (90) days with sixty (60) days being prior to the opening of the facility and the remaining thirty (30) days being post-opening. The Presales Training Program may be extended or shortened at our discretion.

Before you sell any memberships (including, without limitation, through presale), advertise the facility, or open the facility to the public: you and/or your General Manager must complete our Initial Training Program and Presales Training Program to our satisfaction. We will determine, in our discretion, what constitutes successful completion of the programs. You or your General Manager may be required to repeat or send replacement General Manager(s), as applicable, to the training programs. If you and/or your General Manager fail to successfully complete the Initial Training Program and Presales Training Program, we may terminate the Franchise Agreement.

All presales activities must comply with the standards and specifications described in our Operating Manual or otherwise in writing by us. You must also comply with and certify to us in writing that you have obtained all necessary bonds and otherwise have complied, and will comply, with all applicable laws relating to your presale of memberships. If you fail to do so, in addition to our other rights and remedies, you will not be authorized to begin offering or selling memberships for the facility.

6. MARKS.

a. Ownership and Goodwill of Marks.

Your right to use the Marks is derived only from this Agreement and is limited to your operating your Business according to this Agreement. Your unauthorized use of the Marks is a breach of this Agreement and will infringe on our and our affiliates' rights in the Marks. Your use of the Marks and any goodwill established by that use are exclusively for our and our affiliates' benefit, and this Agreement does not confer any goodwill or other interests in the Marks upon you other than the right to use them as described in this Agreement. You agree not to, at any time during or after the Term, contest or assist any other person in contesting the validity of our or our affiliates' rights to the Marks.

b. Limitations on Your Use of Marks.

You agree to use the Marks as the sole identification of your Business, and to identify yourself as its independent owner in the manner we prescribe. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words,

terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any domain name, homepage, electronic address, or otherwise in connection with a website, (5) in any user name, screen name or profile in connection with any social networking media, other than in accordance with our then-current social media policy, which we may modify periodically, or (6) in any other manner that we have not expressly authorized in writing. You may not use any Mark in advertising the transfer, sale, or other disposition of your Business or an ownership interest in you without our prior written consent. You agree to prominently display the Marks as we prescribe at your Business and only on those forms, advertising, supplies, and other materials we designate. You must give the notices of trademark registrations that we specify and obtain any assumed name registrations required by applicable law. If it becomes advisable at any time, in our sole opinion, for us to require you to modify or discontinue using any Mark or to use and promote one or more additional or substitute trademarks or service marks, you agree to comply, at your expense, with our directions within a reasonable time after receiving notice.

c. Notification of Infringements and Claims.

You agree to notify us immediately of any apparent infringement of or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We and our

affiliates may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our or our affiliates' attorneys, are necessary or advisable to protect and maintain our and our affiliates' interests in any litigation or U.S. Patent and Trademark Office or other proceeding or otherwise to protect and maintain our and our affiliates interests in the Marks. We will reimburse you for your costs of taking any action that we ask you to take in this regard.

7. CONFIDENTIAL INFORMATION.

We and our affiliates possess (and may continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "**Confidential Information**"), relating to developing, operating and promoting D1 Training Facilities and training facilities and fitness centers generally, whether or not marked confidential, including (without limitation):

i. site selection criteria and unit development processes and tools;

ii. training methods and routines (even though exhibited publicly in your Business and other public venues) and operations materials and manuals, including the Operations Manual;

iii. the System Standards and other methods, formats, specifications, standards, systems, procedures, techniques, sales and marketing techniques, knowledge, and experience used in developing, promoting, and operating D1 Training Facilities;

iv. market research, promotional, marketing and advertising programs for D1 Training Facilities;

v. knowledge of specifications for pricing and suppliers of Operating Assets and other products and supplies;

vi. any computer software or similar technology which is proprietary to us, our affiliates, or the System, including, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

vii. knowledge of the operating results and financial performance of D1 Training Facilities; and

viii. Membership Information (as defined in Section 9.F) and any other customer lists, information, and data.

All Confidential Information furnished to you by us or on our behalf, whether orally or by means of written material (i) shall be deemed proprietary, (ii) shall be held by you in strict confidence, (iii) shall not be copied, disclosed or revealed to or shared with any other person except to your employees or contractors who have a need to know such Confidential Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than your obligations hereunder, or to individuals or entities specifically authorized by us in advance, and (iv) shall not be used in connection with any other business or capacity. You will not acquire any interest in Confidential Information other than the right to use it as we specify in operating your Business during this Agreement's term. You agree to protect the Confidential Information from unauthorized use, access or disclosure in the same manner as you protect your own confidential or proprietary information of a similar nature and with no less than reasonable care. We may require you to have your employees and contractors execute individual undertakings and shall have the right to regulate the form of and to be a party to or third-party beneficiary under any such agreements. You acknowledge that any form of agreement that we require you to use, provide to you, or regulate the terms of may or may not be enforceable in a particular jurisdiction. You agree that you are solely responsible for obtaining your own professional advice with respect to the adequacy of the terms and provisions of any agreement that your employees and contractors sign.

You acknowledge and agree that, as between us and you, we are the sole owner of all right, title, and interest in and to the System and any Confidential Information. All improvements, developments, derivative works, enhancements, or modifications to the System and any Confidential Information (collectively, "**Innovations**") made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, shall be owned solely by us. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you shall execute, verify, and deliver such documents (including, assignments) and perform such other acts (including appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. If we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section 7, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 7 with the same legal force and effect as if executed by you. The obligations of this Section 7 shall survive any expiration or termination of the

Agreement.

8. EXCLUSIVE RELATIONSHIP DURING TERM.

Covenants Against Competition. We have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during the Term, you, your Affiliates, any of your or their owners, principal officers, or directors, and the immediate family members of each of the foregoing (each of the foregoing, a "**Restricted Person**") will not:

i. have any direct or indirect ownership interest (whether of record, beneficially, or otherwise) in or perform services as a director, officer, manager, employee, consultant, lessor, representative, agent or otherwise for a Competitive Business (defined below), wherever located or operating, other than having an equity ownership of less than 5% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange;

ii. divert or attempt to divert any actual or potential business, sites or customers of your business associated with this Agreement to a Competitive Business; or

iii. directly or indirectly, appropriate, use or duplicate the Franchise System or any portion thereof for use in any other business or endeavor.

The term "**Competitive Business**" means (i) any fitness or exercise business, (ii) any business that sells fitness apparel, (iii) any business that offers or sells goods or services that are generally the same as or similar to the goods or services being offered by D1 Training Facilities, including, without limitation, athletic-based scholastic and adult group training, coaching and personal training, and related goods and services, or (iv) any business that grants franchises or licenses to others to operate or provides services to the types of businesses specified in subparagraphs (i-iii) (other than a D1 Training Facility operated under a franchise agreement with us). The term "**immediate family members**" means Franchisee or its affiliate's spouse or domestic partner and children.

9. BUSINESS OPERATIONS AND SYSTEM STANDARDS.

a. Condition and Appearance of Your Business.

You must at all times maintain the condition and appearance of your Business, its Operating Assets and the Premises in accordance with all mandatory System Standards and, consistent with the image of D1 Training Facilities. You must offer only high quality products and services and observe the highest standards of cleanliness and efficient, courteous service, including

thoroughly cleaning, repainting, redecorating and repairing the interior and exterior of the Premises as needed or at intervals that we prescribe, and repairing or replacing worn-out or obsolete Operating Assets at intervals that we may prescribe or, if we do not prescribe an interval for replacing any Operating Asset, as that Operating Asset needs to be repaired or replaced or as necessary to comply with mandatory System Standards.

In addition, we reserve the right to require you, at your own expense, to completely refurbish, remodel, redecorate and effect such necessary structural changes to the Premises when reasonably required by us in order to comply with the image, standards of operation, and performance capability we establish from time to time. If we change our image or standards of operation, we shall give you a reasonable period of time within which to comply with such changes.

b. Authorized Products and Services.

You must offer and sell from your Business all of the products and services that we periodically specify, and you may not offer or sell at your Business, the Premises or any other location any products or services we have not authorized. You must discontinue selling and offering for sale any products or services that we at any time disapprove of. If you want to offer or use any services, products, materials, forms, items, or supplies in connection with or for sale through your Business that are not approved by us, you must first request and obtain our written approval. We may withhold such approval for any reason at our sole discretion; however, in order to evaluate your request, we may require that you or the vendor submit specifications, information, or samples, and we may require you to reimburse us the costs we incur in evaluating your request. We will advise you within a reasonable time whether we approve your request. Despite our initial approval, we may, at any time and in our sole discretion, revoke our approval, and, in that case, you must stop using or selling the particular products or services.

c. Requirement to Use Approved Vendors.

We reserve the right to require that you use, and you agree to use, only those suppliers, manufacturers, vendors, distributors, and producers (collectively, the "**Vendors**") that we approve, designate or authorize to provide goods and services sold from, used in or relating to the operation of your Business from time to time. Our approval may, in our discretion, include approval of the price, terms, conditions and distribution methods under which the Vendors will sell or provide products and services to your Business. We may, in some cases, approve only one Vendor for certain products or services. We may, at our option, arrange with designated vendors to collect or have our affiliates collect fees and expenses associated with products and services they provide to you and, in turn, pay the vendor on your behalf for such products or services. If we elect to do so, you agree that we or our affiliates may auto debit your bank account for such amounts in the same manner and using the same authorization that you grant us with respect to payment of Royalty and other fees.

We and our affiliates may be an approved or the sole approved Vendor of any product or service. We and our affiliates, as approved Vendors, may derive revenue or profit from transactions with you and other D1 Training

Facilities and use such revenue or profit without restriction. We and our affiliates may also receive discounts, rebates, bonus payments, and other benefits (including in the form of cash, like-kind or credit) from approved Vendors as compensation for our approval and in connection with their transactions with you. If you desire to conduct business with any Vendor who is not then approved by us, you must first request and obtain our written approval of the Vendor which we may grant, withhold or condition in our sole discretion. We may require that you reimburse the expenses we incur in connection with our evaluation of a Vendor. Despite our initial approval of a Vendor, we may, at any time and in our sole discretion, revoke our approval, and, in that case, you must stop using or purchasing from the particular Vendor.

d. Management of Your Business.

Your Business must always be under the supervision of one or more persons who have completed our Initial Training Program. If you (or your Designated Representative) are not supervising your Business on a full-time basis, you must appoint an individual (a "**General Manager**") to do so. Your General Manager must work full-time at your Business, supervise the management and day-to-day operations of your Business, and continuously exert best efforts to promote and enhance your Business and the goodwill associated with the Marks. The General Manager is subject to our approval, which approval will not be unreasonably withheld.

e. Compliance with Laws and Good Business Practices.

You must secure and maintain in force throughout the Term all required licenses, permits and certificates relating to the operation of your Business and operate your Business in full compliance with all applicable laws, ordinances, regulations, and Executive Orders (collectively, "**Laws**"). You are solely responsible for ascertaining which Laws are applicable to your Business and what actions you must take in order to comply with all such Laws. Where our compliance with applicable Laws is dependent on or a function of the operation of your Business, you also agree to assist us, as we request, in our compliance efforts. You agree not to enter into any transactions prohibited by any Laws and to properly perform any currency reporting and other activities relating to your Business as may be required by us or under applicable Laws. You confirm that you are not listed in the Annex to Executive Order 13224 regarding anti-terrorism (currently available at http://www.treasury.gov) and agree not to hire or deal with any person listed.

Your Business must in all dealings with its customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which might injure your Business, our business or the goodwill associated with the Marks or other D1 Training Facilities. You must notify us in writing within three business days of: (1) the commencement of any action, suit or proceeding relating to your Business; (2) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality relating to your Business; (3) any notice of violation of any Law relating to your Business; (4) receipt of any notice of complaint from the Better Business Bureau, any local,

state or federal consumer affairs department or division, or any other government or independent third party involving a complaint from a client or potential client relating to your Business; and (5) written complaints from any customer or potential customer. You must immediately provide to us copies of any documentation you receive of events in (1) through (5) above and resolve the matter in a prompt and reasonable manner in accordance with good business practices.

f. Membership Program.

You will offer and sell rights of access to your Business, referred to as a "**Membership**," as we require from time to time. All Memberships must be evidenced by a written agreement (a "**Membership Agreement**") and may not be for a term that extends beyond the expiration of this Agreement. We reserve the right to provide you a form of Membership Agreement, and if we do so, you will use the form of Membership Agreement that we provide to you, and you will not make any modifications in the forms without our prior written consent. Notwithstanding the foregoing, you acknowledge that you are responsible for ensuring that the Membership Agreements comply with all applicable laws. If such laws require that you modify the Membership Agreements, you may do so only to the extent necessary to comply with such applicable laws, provided that you provide us with immediate written notice of all such modifications. Any Membership Agreement that has been modified without our consent shall be void. We may modify the types and terms of Memberships to be offered, terminate your right to offer certain types of Memberships, and/or approve or require other types of Memberships for sale.

You will only offer Memberships in strict compliance with mandatory System Standards and our standards, policies and procedures. If we authorize you to sell Memberships, you will nevertheless be responsible for determining that you may do so under all laws and regulations applicable to your Business and you agree that you will fully comply with all such laws and regulations. We may suspend, revoke, or terminate your right to offer Memberships at any time.

You agree to comply with the mandatory System Standards we establish from time to time regarding Memberships. These System Standards may regulate, among others, the following topics: (1) the types and terms of Memberships you may offer; (2) the form(s) of Membership Agreement; (3) the terms and conditions upon which a member may transfer his Membership from your Business to another D1 Training Facility and vice versa; (4) admission of members of your Business to other D1 Training Facilities; (5) procedures to follow when members transfer to or from your Business; (6) use and acceptance of coupons, passes, certificates, and gift cards;
(7) group accounts and group Memberships (and discounts applicable thereto); (8) payment terms for Memberships; (9) the class offerings; and (10) participation in quality assurance and customer satisfaction programs.

You agree, upon notice from us, to accept any Memberships we assign to you, and, if we so require, to honor those Memberships on the terms and conditions of the existing Membership Agreement, and to accept as remuneration only such payments as accrue pursuant to the applicable Membership Agreement

from the time of assignment.

You agree that we and our affiliates own all Membership Information (defined below), that it comprises part of the Confidential Information which you are licensed to use under this Agreement, and that we and our affiliates may use Membership Information in our and their business activities and may disclose Membership Information (such as the number of members), but during the term of this Agreement we will not publicly disclose any Membership Information unless we make such public disclosure without disclosing your identity or your Business' specific Membership Information on an individual (i.e., unconsolidated) basis. We may contact any member(s) of any D1 Training Facility at any time for any purpose. Upon expiration or termination of this Agreement, we reserve the right to make any and all disclosures that we deem necessary or appropriate. "**Membership Information**" refers to the name, address, telephone number, email address, member identification number, birthday, member usage history, and other personal information of the members of your D1 Training Facility.

We reserve the right to establish a reciprocity program between your Business and other D1 Training Facilities. You must comply with all standards and requirements of any reciprocity program as we may implement and periodically modify.

g. Insurance.

During the Term you must maintain in force at your sole expense all insurance required by applicable Laws and such comprehensive business owner's coverage providing the types of protections and minimum coverage amounts we prescribe from time to time. We may from time to time increase the amounts of coverage required under these insurance policies or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Each liability coverage insurance policy must name us and any affiliates we designate as additional named insureds, using a form of endorsement that we have approved, and must provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. You routinely must furnish us copies of your Certificate of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and your Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

Our requirements for minimum insurance coverage are not representations or warranties of any kind that such coverage is sufficient for your Business's operations. Such requirements represent only the minimum coverage that we deem acceptable to protect our interests. It is your sole responsibility to obtain insurance coverage for your Business that you deem appropriate, based

on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

Your obligation to maintain insurance coverage will not be limited in any respect by reason of insurance maintained by us or any other party. Additionally, no insurance coverage that you or any other party maintains will be deemed a substitute for your indemnification obligations to us or affiliates under Section 17.C or otherwise.

h. Pricing.

Unless prohibited by applicable law, we may periodically set a minimum price that you may charge for products and services offered by your Business. If we impose such a minimum price for any product or service, you may charge any price for the product or service down to and including our designated minimum price. The designated minimum prices for the same product or service may, at our option, be the same. For any product or service for which we do not impose a minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a minimum price for such product or service.

i. Business Telephone Numbers, Listings and Social Media Accounts.

You agree that, as between us and you, we have the sole rights to all telephone numbers, facsimile numbers, directory listings, Internet addresses and social media accounts that you use in the operation or promotion of your Business (collectively, the "**Contact Information**"). The Contact Information may be used only for your Business and for no other purpose. Upon the expiration or termination of this Agreement, you will stop using the Contact Information and execute all documents required by the telephone service providers and website domain hosts to transfer them to us or our designee. You will also take all necessary action to transfer the social media websites, or provide access to and control of the social media websites, to us. You will, on execution of this Agreement, also execute the Collateral Assignment of Telephone Numbers, Telephone Listings and Internet Addresses which is attached hereto as Schedule B.

j. Compliance with System Standards.

You have sole responsibility for the day-to-day management and operation of your Business and acknowledge that operating and maintaining your Business according to our mandatory System Standards are essential to preserve the goodwill of the Marks and the goodwill of all D1 Training Facilities. Therefore, you agree at all times to operate and maintain your Business according to each and every System Standard (except those that we designate from time to time as recommended), as we modify and supplement them from time to time, whether in the Operations Manual or otherwise in writing. System Standards may regulate any aspect of the operation and maintenance of your Business, including any one or more of the following:

i. sales, marketing, advertising and promotional programs, materials and media;

ii. dress and appearance of your employees;

iii. use and display of the Marks;

iv. days and hours of operation;

v. methods of payment that your Business may accept from customers;

vi. participation in market research and testing and product and service development programs;

vii. terms of gift card and loyalty programs;

viii. terms of Membership Agreements;

ix. bookkeeping, accounting, data processing and record keeping systems and forms; formats, content and frequency of reports to us of sales, revenue, and financial performance and condition;

x. types, amounts, terms and conditions of insurance coverage required for your Business, including criteria for your insurance carriers;

xi. types and quantity of equipment and other items used in the operation of the Business (including the Computer System);

xii. pricing information and requirements; and

xiii. any other aspects of operating and maintaining your Business that we determine to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and D1 Training Facilities.

System Standards may be incorporated from time to time in the Operations Manual. Our periodic modification of the System Standards, which may accommodate regional or local variations, may obligate you to invest additional capital in your Business and incur higher operating costs.

k. Non-Disparagement.

You agree not to (and to use your best efforts to cause your current and former owners, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates' owners, directors, officers, employees, representatives or affiliates, the D1 brand, the Franchise System, any D1 Training Facility, any business using the Marks, or which would subject us or the D1 brand to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of the Marks.

l. Protection of Personally Identifiable Information.

You must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information ("**Personal Information**") in accordance with applicable Laws and industry best practices. It is entirely your responsibility (even if we provide you any assistance or guidance in that regard) to confirm that the safeguards you use to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of Personal Information. If you become

aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately of the breach or unauthorized access, and specify the extent to which Personal Information was compromised or disclosed, and your plans to correct and prevent any further breach or unauthorized access. You will allow us, in our discretion, to participate in any response or corrective action.

10. MARKETING.

a. Membership Pre-Sales; Pre-Sales Opening Advertising.

Prior to and in connection with the opening of your Business, you must begin pre-selling Memberships and promoting the opening. We will then assist you in establishing an initial local marketing plan, commencing pre-opening sales of Memberships, and establishing a pre-sales opening campaign. We will also provide a team, consisting of the number of people we determine appropriate, for a period of time we determine necessary around the opening of your Business.

The pre-sales opening advertising program for your Business must be approved by us and must take place on the dates we designate before and after your Business opens. You agree to conduct your pre-sales opening advertising program in compliance with all of our requirements, which may include a minimum amount that we require you to spend on such program, which is currently between $10,000 - $20,000. In conducting the pre-sales opening program, you must use only our approved media, materials, programs and strategies, which may include the requirement to retain the services of a public relations firm. A portion of the Opening Support Fee covers our cost to assist you in the pre-sales opening advertising, including set-up of your Business' D1 branded website, our 3rd party public relations firm providing PR support (including assistance drafting press releases), advisement on initial General Manager hiring (if applicable), and access to our form, template marketing materials. However, you will be solely responsible for all of your costs and expenses incurred in conducting such advertising, for example, the cost of purchasing direct mail advertisements and banners. We reserve the right to collect the Pre-Opening Sales Advertising and expend it on your.; behalf.

b. Brand Fund.

We have established a Brand Fund to promote the Marks, patronage of D1 Training Facilities, and the D1 brand generally (the "**Brand Fund**"). We require you to contribute 2% of the Gross Sales of your Business, with a minimum contribution of $250 per month to the Brand Fund. You will begin to contribute to the Brand Fund once you open your Business for business. We reserve the right to modify the amount of your required contributions in our discretion. Contributions to the Brand Fund will be payable in the same manner as the Royalty unless we specify otherwise.

We or our affiliates or other designees will direct all programs and activities of the Brand Fund, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Brand Fund may pay for all activities in which it engages, including preparing and producing photography, video, audio, and written materials and electronic media; developing, implementing, and maintaining a System Website and related strategies; administering regional and multi-regional marketing and advertising programs, including purchasing print and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; developing and maintaining application software designed to run on computers and similar devices, including tablets, smartphones and other mobile devices, as well as any evolutions or next generations of any such devices; administering search engine, social media and other online marketing campaigns; designing sportswear; developing sales tools; supporting public relations, market research, event marketing, and other advertising, promotion, and marketing activities; providing customer service support; coordinating and managing athlete events, appearances, content procurement and other public relations activities; and hosting and sponsoring brand development events. The Brand Fund will give you a sample of advertising, marketing, and promotional formats and materials at no cost.

We will account for the Brand Fund separately from our other funds. We will not use Brand Fund contributions for any of our general operating expenses, but we may reimburse ourselves or pay our affiliates or other designees from the Brand Fund for the reasonable salaries and benefits of personnel who manage and administer the Brand Fund, the Brand Fund's other administrative costs, travel expenses of personnel while they are on Brand Fund business, meeting costs, overhead relating to Brand Fund business, and other expenses incurred in activities reasonably related to administering or directing the Brand Fund and its programs, including conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Brand Fund contributions.

We do not owe any fiduciary obligation to you for administering the Brand Fund or any other reason. We will hold all Brand Fund contributions for the benefit of the contributors and use contributions for the purposes described in this Section 10.B. The Brand Fund may spend in any fiscal year more or less than the total contributions received in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We

may use all interest earned on the Brand Fund contributions to pay costs before using the Brand Fund's other assets. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and give you the statement upon written request. We may have the Brand Fund audited annually, at the Brand Fund's expense, by an independent certified public accountant. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate. The successor will have all of the rights and duties specified in this Section 10.B.

We intend for the Brand Fund to promote recognition of the applicable Marks and patronage of D1 Training Facilities generally. Although we will try to use the Brand Fund to host and sponsor brand development events, to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all D1 Training Facilities contributing to the Brand Fund, we need not ensure that the Brand Fund's expenditures in or affecting any geographic area are proportionate or equivalent to contributions by D1 Training Facilities operating in that geographic area or that any D1 Training Facility benefits directly or in proportion to its contribution from hosting and sponsoring of brand development events, the development of advertising and marketing materials or the placement of advertising and marketing. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Fund contributions at the Brand Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as expressly provided in this Section 10.B, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Fund.

We may at any time defer or reduce contributions of a D1 franchise owner and, upon 30 days' prior notice to you, reduce or suspend contributions to the Brand Fund and its operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will spend all remaining monies in the Brand Fund in our sole discretion.

c. Local Marketing Expenditures.

In addition to your obligations under Sections 10.A and 10.B above, you agree to take necessary actions to promote your Business, including listing and advertising your Business as set forth in the Operations Manual. We may require you to participate in and to pay your share of a collective advertisement with other D1 Training Facilities in your area. You are also required to spend money to promote your Business locally. You must meet the minimum monthly spending requirement we impose (currently, $100 per day subject to increase in direct response to marketing cost per mille) to advertise and promote your Business (this may include costs of approved directory listings, local internet advertising and strategic social media campaigns). Within 30 days after the end of each calendar quarter, you agree to send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding calendar quarter. Your local advertising and promotion must follow our guidelines. It must be completely clear, factual, and not misleading and must

conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time.

You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved. At least 30 days before you intend to use them, you must send us for approval samples of all advertising, promotional, and marketing materials which we have not prepared or previously approved. If you do not receive written approval within 15 days after we receive the materials, they are deemed to be disapproved. Once we approve the materials, you are permitted to use them unless and until, in our discretion, we withdraw our approval.

d. Local Advertising Cooperative.

Subject to the terms and conditions of this Section 10.D, you agree that we or our affiliates or designees may establish or direct the establishment of a local advertising cooperative ("**Local Advertising Cooperative**") in geographical areas (as determined by us) in which two or more D1 Training Facilities are operating. The Local Advertising Cooperative will be organized and governed in a form and manner, and begin operating on a date, that we determine in advance. We may change, dissolve and merge Local Advertising Cooperatives. Each Local Advertising Cooperative's purpose is, with our approval, to administer advertising programs and develop advertising, marketing and promotional materials for the area that the Local Advertising Cooperative covers. If, as of the time you sign this Agreement, we have established a Local Advertising Cooperative for the geographic area in which your D1 Training Facility is located, or if we establish a Local Advertising Cooperative in that area during this Agreement's term, you agree to sign the documents we require to become a member of the Local Advertising Cooperative and to participate in the Local Advertising Cooperative as those documents require.

If we establish a Local Advertising Cooperative in your geographic area pursuant to this Section 10.D, you agree to contribute your share to such Local Advertising Cooperative, which amount will not exceed one and one-half percent (1.5%) of the Gross Sales unless the members approve a higher percentage in accordance with the bylaws adopted by the Local Advertising Cooperative. We reserve the right to collect your Local Advertising Cooperative contribution on behalf of the Local Advertising Cooperative, in which case your Local Advertising Cooperative contribution is payable in the same manner as the Royalty.

Each D1 Training Facility contributing to a Local Advertising Cooperative will have one vote on matters involving the activities of the particular Local Advertising Cooperative. The Local Advertising Cooperative may not use any advertising, marketing or promotional plans or materials without our prior written consent. We agree to assist in the formulation of marketing plans and programs, which will be implemented under the direction of the Local Advertising Cooperative. You acknowledge and agree that, subject to our approval and subject to availability of funds, the Local Advertising Cooperative will have sole discretion over the creative concepts, materials and endorsements used by it. You agree that the Local Advertising Cooperative assessments may

be used to pay the costs of preparing and producing video, audio and written advertising and direct sales materials for D1 Training Facilities in your geographic area; purchasing direct mail and other media advertising for D1 Training Facilities in that geographic area; and implementing direct sales programs, and employing marketing, advertising and public relations firms to assist with the development and administration of marketing programs for D1 Training Facilities in such area.

The monies collected by us on behalf of a Local Advertising Cooperative will be accounted for separately by us from our other funds and will not be used to defray any of our general operating expenses. You agree to submit to us and the Local Advertising Cooperative any reports that we or the Local Advertising Cooperative requires.

You understand and acknowledge that your D1 Training Facility might not benefit directly or in proportion to its contribution to the Local Advertising Cooperative from the development and placement of advertising and the development of marketing materials. Local Advertising Cooperatives for D1 Training Facilities will be developed separately and no cooperative will be intended to benefit the others. We will have the right, but not the obligation, to use collection agents and to institute legal proceedings to collect amounts owed to the Local Advertising Cooperative on behalf of and at the expense of the Local Advertising Cooperative and to forgive, waive, settle and compromise all claims by or against the Local Advertising Cooperative. Except as expressly provided in this Section 10.D, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Local Advertising Cooperative.

e. System Website.

We have established and may from time-to-time update and modify a website to advertise, market, and promote D1 Training Facilities, the products and services that they offer and sell, or the franchise opportunity (a "**System Website**"). We will maintain the System Website in our discretion and may use the Brand Fund's assets to develop, maintain, and update the System Website. We have final approval rights over all information on the System Website.

We may, but are not obligated to, provide you with a webpage on the System Website that references your Business. If we provide you with a webpage on the System Website, you must:
(i) provide us the information and materials we request to develop, update, and modify your webpage; (ii) notify us whenever any information on your webpage is not accurate; and (iii) pay our then current initial fee and monthly maintenance fee for the webpage. We will own all intellectual property and other rights in the System Website, including your webpage, and all information they contain (including, without limitation, the domain name or URL for your webpage, the log of "hits" by visitors, and any personal or business data that visitors supply). We may suspend or remove your webpage if you are not in full compliance with this Agreement and will permanently remove it from the System Website upon expiration or termination of this Agreement.

All advertising, marketing, and promotional materials that you develop

for your Business must contain notices of the System Website's domain name in the manner we designate. You may not develop, maintain, or authorize any other website that mentions or describes you or your Business or displays any of the Marks. However, you may develop and maintain social media accounts that we approve under our then-current social media policy, which we may modify periodically.

11. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.

You must establish and maintain at your own expense a bookkeeping, accounting, financial platform, and recordkeeping system conforming to the requirements and formats we prescribe from time to time. We may require you to use the Computer System to maintain certain sales data and other information. We may also require you to use a third party and/or financial platform approved by us for accounting and bookkeeping services. You agree to give us such information regarding the operation of your Business that we require from time to time, including:

i. on or before the 5th day of each accounting period specified by us from time to time (each an "**Accounting Period**"), a report on the Gross Sales of your Business during the preceding Accounting Period;

ii. within 30 days after the end of each accounting month specified by us from time to time (each an "**Accounting Month**"), the operating statements, financial statements, statistical reports, purchase records, and other information we request regarding you and your Business covering the previous Accounting Month and the fiscal year to date;

iii. within 90 days after the end of each fiscal year, annual profit and loss and source and use of funds statements and a balance sheet for your Business as of the end of that fiscal year, prepared in accordance with generally accepted accounting principles or, at our option, international accounting standards and principles, and prepared by a certified accountant on a consistent basis. We reserve the right to require that you have these financial statements and the financial statements of any prior fiscal years audited by an independent accounting firm designated by us in writing;

iv. within 10 days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to your Business or any of your owners (if you are an Entity); and

v. by January 15, April 15, July 15, and October 15 of each calendar year, reports on the status (including the outstanding balance, then-current payment amounts, and whether such loan is in good standing) of any loans outstanding as of the previous calendar quarter for which your Business or any of your Business's equipment is collateral. You must also deliver to us, within five days after your receipt, copies of any default notices you receive from any of such lenders. You agree that we or our affiliates may contact your banks, other lenders, and vendors to obtain information regarding the status of loans of the type described herein and your accounts (including payment histories and any defaults), and you hereby authorize your bank, other lenders, and vendors to provide such information to us and our affiliates.

You must certify each report and financial statement you provide to us in the manner we prescribe. We may disclose data derived from these reports. Moreover, we may, as often as we deem appropriate (including on a daily basis), access the Computer System and retrieve all information relating to the operation of your Business. You agree to preserve and maintain all records in a secure location at your Business for at least six years (including sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

12. INSPECTIONS AND AUDITS.

a. Our Right to Inspect Your Business.

We and our representatives, may at all times and without prior notice to you, inspect, photograph, observe and videotape your Business; remove samples of any products and supplies; interview your personnel and customers; and inspect and copy any books, records, and documents relating to the operation of your Business. You agree to fully cooperate with us. If we exercise any of these rights, we will not interfere unreasonably with the operation of your Business. You agree to present to your customers the evaluation forms that we periodically prescribe and to participate and request your customers to participate in any surveys performed by or for us.

b. Our Right to Audit.

We and our designated representatives may at any time during your business hours, and without prior notice to you, examine all records pertaining to your Business, including bookkeeping, and accounting records for your Business, and sales and income tax records and returns, and other records. You agree to cooperate fully with us. If any examination discloses an understatement of the Gross Sales, you must pay us, within 15 days after receiving the examination report, the Royalty and Brand Fund contributions due on the amount of the understatement, plus our service charges and interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting

records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals a Gross Sales understatement exceeding three percent (3%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our and our representatives' employees. These remedies are in addition to our other remedies and rights under this Agreement.

13. TRANSFER.

a. By Us.

You have not signed this Agreement in reliance on any particular manager, owner, director, officer, or employee remaining with us in any capacity. We may change our ownership or form or assign this Agreement and any other agreement to a third party without restriction. We may also delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations.

b. By You.

We have granted you the Franchise based on your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. The rights and duties under this Agreement are personal to you (or to your owners if you are an Entity). You may not transfer this Agreement or your Business or allow transfers of direct or indirect ownership interests in you without our prior written approval. You will also not enter into any proposed mortgage, pledge, hypothecation, encumbrance, or giving of a security interest in or which affects this Agreement or, without our prior written approval, your Business.

The term "**transfer**" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition of any interest in you and includes:

i. the transfer or the offer of any such interest in you by means of a private sale, a public offering or a private offering which requires that the prospective purchaser be provided a disclosure document, a divorce, a disposition on or resulting from death, an insolvency or dissolution proceeding, or otherwise by operation of law;

ii. a merger or consolidation or issuance of additional securities or other forms of ownership interest;

iii. any sale of a security convertible to an ownership interest;

iv. the grant of a mortgage, pledge, collateral assignment or other transaction designed to create a lien or other encumbrance, and a transfer which results therefrom; and

v. any other transfer, surrender, or loss of the possession, control, or management of your Business.

If you intend to list your Business for sale with any broker or agent, you shall do so only after obtaining our written approval of the broker or agent and of the listing agreement. You may not use or authorize the use of any Mark in advertising the transfer or other disposition of your Business or of any ownership in you without our prior written consent. You shall not use or authorize the use of, and no third party shall on your behalf use, any written materials to advertise or promote the transfer of your Business or of any ownership interest in you without our prior written approval of such materials.

c. Conditions for Approval of Transfer.

If you are in full compliance with this Agreement, then, subject to the other provisions of this Section 13, we will not unreasonably withhold our consent to a proposed transfer. You agree that we may condition our approval on satisfaction of one or more requirements before or concurrently with the effective date of the transfer, which may include the following:

i. You submit a written request seeking our consent and providing us all information or documents we request about the transferee and its owners that we request to evaluate their ability to satisfy their respective obligations under our then-current form of franchise agreement and any documents ancillary thereto, and each such person must have completed and satisfied all of our application and certification requirements;

ii. no amounts owed to us, our affiliates, and third-party vendors are past-due, and all required reports and statements have been submitted;

iii. you are not in violation of any provision of this Agreement, the Lease, or any other agreement with us;

iv. your Business is being operated in compliance with the System Standards and all Operating Assets are in place and in good working order;

v. we determine that the transferee is able to comply with all applicable obligations under this Agreement, including restrictions on Competitive Business;

vi. the transferee and its General Manager satisfactorily complete our Initial Training Program;

vii. the Lease is properly and appropriately transferred;

viii. if the transfer is of this Agreement or of Control of you, you or the transferee agree to upgrade, remodel, and refurbish your Business in accordance with our current requirements and specifications for D1 Training Facilities within 90 after the effective date of the transfer;

ix. the transferee, and all current owners, at our request, signs our then current form of franchise agreement and related

documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;

x. unless the transfer is of ownership interests between one or more of the current owners listed on Schedule A, you pay us a transfer fee of $7,500;

xi. you (and your owners) and the transferee and its owners (if the transferee is already an owner of one or more D1 Training Facilities) sign a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their owners, officers, directors, employees, and agents; and

xii. you have provided us executed versions of any documents executed by you (or your owners) and transferee (and its owners) to effect the transfer, and all other information we request about the proposed transfer, and we determine that the financial terms of the transfer (including the purchase price, amount of debt and payment terms, and collateral granted) will not unduly burden your Business or jeopardize our rights under this Agreement.

We may review all information regarding your Business that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding your Business.

Our approval of a transfer of ownership interests in you as a result of the death or incapacity of the proposed transferor will not be unreasonably withheld or delayed so long as at least one of the owners designated on Schedule A continues to qualify and be designated as the Designated Representative. If, as a result of the death or incapacity of the transferor, a transfer is proposed to be made to the transferor's spouse, and if we do not approve the transfer, the trustee or administrator of the transferor's estate will have nine (9) months after our refusal to consent to the transfer to the transferor's spouse within which to transfer the transferor's interests to another party whom we approve in accordance with this Section 13.C.

d. Transfer to a Wholly- Owned Corporation or Limited Liability Company.

If you do not originally sign this Agreement as an Entity, we will permit you to transfer the Agreement to an Entity of which you are the sole owner. You must notify us of any such Entity formation immediately for our approval and Agreement assignment. Any such proposed transfer will be subject to the conditions described in Section 13.C, except that we will not require payment of a transfer fee as described in Section 13.C(8), and our right of first refusal under Section 13.F will not apply. You agree to remain personally, jointly and severally liable, as guarantor, under this Agreement following the transfer to the Entity.

e. Effect of Consent to Transfer.

Our consent to a transfer of this Agreement and your Business, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your Business or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand full compliance by you and the transferee with this Agreement.

f. Our Right of First Refusal.

For any proposed transfer (except to a wholly owned Entity), you or the other transferors must obtain a bona fide, executed written offer from a responsible and fully disclosed buyer, relating exclusively to an interest in you or in this Agreement and your Business (an "**Offer**"). The Offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. The proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to at least five percent (5%) or more of the offering price. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered within 30 days after we receive both an exact copy of the Offer and all other information we request, elect to purchase the interests described in the Offer on the terms and conditions contained in the Offer, except that we may substitute cash for any non- cash term; our credit will be deemed equal to the credit of any proposed buyer; we will have an additional 30 days to prepare for closing after notifying you of our election to purchase; and we must receive all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including representations and warranties regarding ownership and condition of and title to ownership interests or assets, liens and encumbrances relating to ownership interests or assets; and validity of contracts and the liabilities, contingent or otherwise, of the seller.

If we do not exercise our right of first refusal, you may complete the transfer to the proposed buyer on the terms described in the original Offer, but subject to our right to consent as described in Sections 13.B and 13.C. However, if you do not complete the sale to the proposed buyer within 60 days after our final rejection of or our failure to exercise our right of first refusal or if there is a material change in the terms of the transfer (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or our receipt of notice of the material change(s) in the terms of the transfer, either on the terms originally offered or the modified terms, at our or our designee's option.

14. SUCCESSOR FRANCHISE AGREEMENT.

When this Agreement expires, you may acquire a successor franchise to operate your Business for one additional term of ten (10) years if, in addition to

our approval:

i. there has been no violation of this Agreement during its Term;

ii. you are in full compliance with this Agreement and all mandatory System Standards (including with respect to the obligation to remodel and refurbish), both on the date you give us written notice of your election to acquire a successor franchise (as provided below) and on the date on which the term of the successor franchise would commence;

iii. you maintain possession of the Premises or, at your option, secure substitute premises that we approve, and you develop those premises according to the mandatory System Standards then applicable for D1 Training Facilities; and

iv. we are then granting franchises for D1 Training Facilities.

You must give us written notice of your election to acquire a successor franchise no more than 270 days and no less than 180 days before this Agreement expires. We will give you written notice ("**Our Notice**"), not more than 90 days after we receive your notice, of our decision whether to grant you a successor franchise, including a description of any existing deficiencies that must be corrected as a condition of receiving the successor franchise.

If we grant you a successor franchise, you and your owners must, prior to expiration of the Term, sign the franchise agreement we then use to grant franchises for D1 Training Facilities (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement, and sign general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their owners, officers, directors, employees, agents, successors, and assigns. You will also complete any required additional training to our reasonable satisfaction. We will waive the initial franchise fee under the new agreement, but you must pay a successor agreement fee equal to $15,000. If you refer to us a new owner and such owner purchases a franchise for us, we may pay you a referral fee.

If applicable law requires us to give you notice prior to the expiration of the Term, this Agreement shall remain in effect on a month-to-month basis until we have given the notice required by such applicable law. If we are not offering new D1® franchises, are in the process of revising, amending or renewing our form of franchise agreement or disclosure document, or we are not lawfully able to offer you the then current form of Successor Franchise Agreement at the time you advise us pursuant to Section 14 hereof that you desire to renew, we may, in our sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate successor term or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as we deem necessary or appropriate so that we may lawfully offer the then

current form of Successor Franchise Agreement. Any timeframes specified in this Section 14 shall be inclusive of any state mandated notice periods.

15. TERMINATION OF AGREEMENT.

a. By You.

If you and your owners are fully complying with this Agreement and we materially fail to comply with this Agreement and do not correct the failure within 30 days after you deliver written notice of the material failure to us or if we cannot correct the failure within 30 days and we fail to give you within 30 days after your notice reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate this Agreement effective an additional 30 days after you deliver to us written notice of termination. Your termination of this Agreement other than according to this Section 15.A. will be deemed a termination without cause and a breach of this Agreement.

b. By Us.

We may terminate this Agreement, effective upon delivery of written notice of termination to you, if:

i. you (or any of your owners) have made or make any material misrepresentation or omission in acquiring the Franchise or operating your Business;

ii. you do not locate an acceptable site for the Premises within 150 days after the Effective Date;

iii. you do not sign a Lease for the Premises within 180 days after the Effective Date;

iv. you do not open your Business within the deadline set forth in Section 3.F;

v. we determine that you (or your Designated Representative) or your General Manager are not capable or qualified to satisfactorily complete initial training;

vi. you (i) close your Business for business or inform us of your intention to cease operation of your Business, (ii) fail to actively operate your Business

for three or more consecutive days, or (iii) otherwise abandon or appear to have abandoned your rights under this Agreement;

vii. you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest or guilty to, a felony; or you (or any of your owners) engage in any conduct which, in our opinion, adversely affects the reputation of your Business or the goodwill associated with the Marks;

viii. you or any of your owners violate the restrictions in this

Agreement on transfer, use and disclosure of Confidential Information or on Competitive Businesses;

ix. you lose the right to occupy the Premises;

x. you violate any law, ordinance, rule or regulation of a governmental agency in connection with the operation of your Business and fail to correct such violation within 72 hours after you receive notice from us or any other party, regardless of any longer period of time that any governmental authority or agency may have given you to cure such violation, or you create or allow to exist any condition in or at the Premises or in connection with the operation of our Business which we reasonably determine to present a health or safety concern for customers or employees;

xi. you fail to pay us or our affiliates any amounts due and do not correct the failure within 10 days after written notice of that failure has been delivered or fail to pay any third-party obligations owed in connection with your ownership or operation of your Business (including your landlord, Vendors and other creditors) and do not correct such failure within any cure periods permitted by the person or Entity to whom such obligations are owed;

xii. you fail to generate and pay the Royalty or Minimum Royalty Fee, as applicable;

xiii. you fail to pay when due any federal or state income, service, sales, use, employment or other taxes due on or in connection with the operation of your Business, unless you are in good faith contesting your liability for these taxes;

xiv. you (or any of your owners) (a) fail on three or more separate occasions within any 12 consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two or more separate occasions within any six consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

xv. you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; your Business is

attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of you or your Business is not vacated within 30 days following the order's entry; or you (or any of your owners) file a petition in bankruptcy or a petition in bankruptcy is filed against you;

xvi. you (or any of your owners) violate any Laws; provided, that, if the Law is of a nature which allows the violation to be cured, you do not correct such failure within 10 days of the violation;

xvii. you fail to pass a quality assurance audit, and do not cure such failure within 15 days after we deliver written notice of failure to you;

xviii. you or an Affiliate fails to comply with any provision of any other agreement (including any other franchise agreement) with us or our affiliate and does not correct such failure within the applicable cure period, if any; or

xix. you (or any of your owners) fail to comply with any other provision of this Agreement or any mandatory System Standard, and do not correct the failure within 30 days after we deliver written notice of the failure to you.

c. Assumption of Management.

If (1) you abandon or fail to actively operate your Business; (2) you fail to comply with any provision of this Agreement or any mandatory System Standard and do not cure the failure within the time period we specify in our notice to you; or (3) this Agreement expires or is terminated and we are deciding whether to exercise our option to purchase your Business under Section 16.C. below, we have the right (but not the obligation), without waiving our right to terminate the Agreement under Section 15.B above, to enter the Premises and assume the management of your Business (or to appoint a third party to assume its management) for any period of time we deem appropriate but not to exceed 90-day increments, renewable for up to one year, in the aggregate. We will periodically discuss with you the results of operation of your Business during the time that we manage it. If we (or a third party) assume the management of your Business under clauses (1) and (2) above, you agree to pay us (in addition to other amounts due under this Agreement) an amount equal to three percent (3%) of Gross Sales, plus our (or the third party's) direct out-of-pocket costs and expenses, for any period we deem appropriate. If we (or a third party) assume the management of your Business, you agree that we (or the third party) will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations your Business incurs, or to any of your creditors for any supplies, products, or other assets or services your Business purchases, while we (or the third party) manage your Business.

16. CONSEQUENCES OF TERMINATION OR EXPIRATION OF THIS AGREEMENT.

a. Your obligations.

On expiration or termination of this Agreement, you agree to comply with the following:

i. you must pay us within 15 days after this Agreement expires or is terminated, or on any later date that we determine the amounts due to us, all amounts owed to us (and our affiliates) which then are unpaid;

ii. you may not directly or indirectly at any time or in any manner (except with other D1 Training Facilities you may own and operate) identify yourself or any business as a current or former D1 Training Facility or as one of our current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of your Business or a D1 Training Facility in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

iii. you must take action to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

iv. you must deliver to us, at your expense and within 30 days, all signs, sign- faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to a D1 Training Facility that we request and allow us, without liability to you or third parties, to remove these items from your Business;

v. you must deliver to us all D1-branded apparel within 15 days. We may, at our discretion, offset such amount against any amounts you owe us under this Agreement;

vi. you must immediately cease using any of our Confidential Information and return to us all copies of written confidential materials that we have loaned you;

vii. if we do not exercise our option to purchase your Business, you must promptly and at your own expense make the alterations we specify in the Operations Manual (or otherwise) to distinguish your Business and Premises clearly from its former appearance and from other D1 Training Facilities in order to prevent public confusion and in order to comply with the non-competition provisions set forth in Section 16.B;

viii. comply with your obligations with respect to the Contact Information as described in Section 9.I;

ix. comply with all other obligations that are expressly or by implication intended to survive or be triggered by the expiration or termination of this Agreement; and

x. give us, within 30 days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

b. Covenant Not to Compete / Non-Solicitation.

i. **Non-Competition**. On termination or expiration of this Agreement, you and your owners agree that, for two (2) years beginning on the effective date of termination, or expiration, or the date on which all persons restricted by this Section begin to comply with this Section, whichever is later, you and the Restricted Persons will not (a) within a 10-mile radius of the Premises, and (b) within a 10-mile radius of any D1 Training Facility in operation or development on the later of the effective date of the termination or expiration of this Agreement or the date on which all Restricted Persons begin to comply with this Section:

1. have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business (as defined in Section 8.A above) located or operating;

2. divert or attempt to divert any actual or potential business, sites or customers of your business associated with this Agreement to a Competitive Business; or

3. directly or indirectly, appropriate, use or duplicate the Franchise System or any portion thereof for use in any other business or endeavor.

These restrictions also apply to all transferors upon completion of the transfer, as provided in Section 13.B and Section 13.C above. If any person restricted by this Section
16.B refuses to voluntarily comply with these obligations, the two-year period for that person will commence with the entry of a court order enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other

opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 16.B will not deprive you of your personal goodwill or ability to earn a living.

ii. **Non-Solicitation**. For two (2) years beginning on the effective date of termination or expiration of this Agreement, neither you nor any Restricted Person will:

1. recruit or hire any person who is then or was, within the immediately preceding 24 months, employed (a) by us, any of our affiliates, as a district manager, regional manager, general manager, an operations manager, assistant operations manager, or (b) as any of our or our affiliates' officers, in any case without our consent or that of the relevant employer;

2. interfere or attempt to interfere with our or our affiliates' relationships with any Vendors or consultants; or

3. engage in any other activity which might injure the goodwill of the Marks or the System.

c. Our Right to Purchase Your Business.

On the final expiration or termination of this Agreement for any reason, we may, at our option, purchase your Business. We may exercise this right by giving you written notice of our election by not later than 30 days after the expiration or termination of the Agreement. We have the unrestricted right to assign this purchase option in our discretion. Our purchase option under this Section 16.C shall be governed by the following:

i. **Purchase Price**. The purchase price for your Business will be the net realizable value of the tangible assets in accordance with the liquidation basis of accounting (not the value of your Business as a going concern) ("**Liquidation Value**"). If you dispute our calculation of the purchase price, the purchase price will be determined by one independent accredited accountant ("**Accredited Accountant**") designated by us who will calculate the purchase price applying the criteria specified above. We agree to select an Accredited Accountant within 15 days after we receive the financial and other information necessary to calculate the purchase price (if you and we have not agreed on the purchase price before then). You and we will share equally the Accredited Accountant's fees and expenses. The Accredited Accountant must complete its calculation within 30 days after its appointment. The purchase price will be the Accredited

Accountant's determination of the value, applying the appropriate mechanism as described above.

ii. **Closing**. Closing of the purchase will take place on a date we select which is within 90 days after the purchase price is determined by us or, if you dispute the calculation of the purchase price, as determined pursuant to the preceding paragraph. You will continue to operate the Business in accordance with this Agreement through the Closing. Prior to closing, you agree to cooperate with us in conducting due diligence, including providing us with access to your business and financial records, relevant contracts and all other information relevant to the Business. At the closing, we (or our assignee) will pay the purchase price in cash. You agree to execute and deliver to us (or our assignee):

1. an Asset Purchase Agreement and all related agreements, in form and substance acceptable to us and in which you provide all customary warranties and representations, including, without limitation, representations and warranties as to ownership and condition of and title to assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise;

2. a transfer of good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you;

3. an assignment of all of the licenses and permits for your Business which may be assigned or transferred;

4. an assignment of the Lease;

5. general releases, in form and substance satisfactory to us, of any and all claims you and your owners have against us and our owners, officers, directors, employees, agents, successors, and assigns; and

6. an agreement, in form and substance satisfactory to us, voluntarily terminating this Agreement under which you and your owners agree to comply with all post-term obligations set forth in Section 16.A and Section 16.B and with all other

obligations which, either expressly or by their nature, are intended to survive termination or expiration of this Agreement.

d. Remedies; Liquidated Damages.

If this Agreement is terminated because of your default, or if you abandon your Business, you and we agree that it would be difficult if not impossible to determine the amount of damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of Royalties and that the Brand Fund and Local Advertising Cooperative would have otherwise derived from your continued contributions to such funds, less any cost savings, through the remainder of the Term (the "**Damages**"). You and we agree that a reasonable estimate of the Damages is, and you agree to pay to us as compensation for the Damages, an amount equal to the greater of (a) Seventy Two Thousand and 00/100 Dollars ($72,000.00) or (b) the then net present value of the Royalty or Minimum Royalty Fees, Brand Fund contributions, and Local Advertising Cooperative contributions that would have become due had the Agreement not been terminated, from the date of termination through two (2) years following termination. For this purpose, amounts that are based on the Gross Sales of your Business shall be calculated based on Gross Sales of your Business for the 12 months preceding the effective date of termination, provided that if the Minimum Royalty Fee would have applied had this Agreement not been terminated, then the Minimum Royalty Fee will also apply when calculating Damages. If your Business has not been in operation for at least 12 months preceding the termination date, amounts will be calculated based on the average monthly gross sales of all D1 Training Facilities during our fiscal year immediately preceding the termination date. You and we agree that the calculation described in this Section is a calculation only of the Damages and that nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach of the Agreement.

e. Continuing Obligations.

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

17. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

a. Independent Contractors.

This Agreement does not create a fiduciary relationship between you and us. You and we are and will be independent contractors, and not a general or special agent, joint venturer, partner, or employee of the other for any purpose. You must identify yourself conspicuously in all dealings with customers, suppliers, public officials, your personnel, and others as the owner of your Business under a franchise we have granted and to place notices of independent ownership within the Premises and on the forms, business cards, stationery,

advertising, and other materials we require from time to time.

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of your Business or the business you conduct under this Agreement. We will have no liability for your obligations to pay any third parties, including any product vendors. You agree that any employee, agent or independent contractor that you hire will be your employee, agent or independent contractor, and not our employee, agent or independent contractor.

b. Taxes.

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or your Business, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any such taxes that we must pay to any state taxing authority on account of your operation or payments that you make to us.

c. Indemnification.

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective owners, directors, managers, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for,

all claims, obligations, and damages directly or indirectly arising out of the operation of your Business, the business you conduct under this Agreement, or your breach of this Agreement, including, without limitation, those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party's intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, "**claims**" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this subparagraph.

18. SECURITY INTEREST.

As security for the performance of your obligations under this Agreement, including payments owed to us for purchases by you, you hereby collaterally assign to us the Lease and grant us a security interest in all of the Operating Assets and all other assets of your Business, including inventory, accounts, supplies, contracts, and proceeds and products of all those assets. You agree to execute such other documents as we may reasonably request in order to further document, perfect and record our security interest. If you default in any of your obligations under this Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under this Agreement and at law. This Agreement shall be deemed to be a Security Agreement and Financing Statement, and we may file it or make such other filings in the records of any county and state that we deem appropriate to protect our interests.

19. ENFORCEMENT.

a. Severability and Substitution of Valid Provisions.

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible

under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a successor franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

b. Waiver of Obligations.

Either of us may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement. Any waiver

granted will be without prejudice to any other rights, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of 10 days' prior written notice.

Neither of us will be deemed to have waived or impaired any right, power, or option this Agreement reserves because of (1) any custom or practice at variance with this Agreement's terms;
(2) failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement or mandatory System Standard; (3) waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other D1 Training Facilities; (4) the existence of franchise agreements for other D1 Training Facilities which contain provisions different from those contained in this Agreement; or (5) our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

c. Costs and Attorneys' Fees.

If either party initiates a mediation, an arbitration, judicial or other proceeding, the prevailing party will be entitled to reasonable costs and expenses (including attorneys' fees incurred in connection with such proceeding).

d. You May Not Withhold Payments Due to Us.

You may not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations under this Agreement or for any other reason, and you specifically waive any right you may have at law or in equity to offset any funds you may owe us or to fail or refuse to perform any of your obligations under this Agreement.

e. Rights of Parties are Cumulative.

Rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

f. Internal Dispute Resolution

You must first bring any claim or dispute between you and us to our management, after providing notice as set forth in Section 20.E of this Agreement, and make every effort to resolve the dispute internally. Your notice to us must: (i) detail the specific nature and factual basis for the claim or dispute, (ii) identify the specific provisions of this Agreement that are in dispute, and (iii) specify the relief or remedy sought. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. The obligations set forth in this Section 19.F to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

g. Mediation.

At our sole and absolute discretion, all claims or disputes between you and us (or any of our affiliates, officers, directors, agents, or employees) arising out of,

or in any way relating to: (i) this Agreement or any other agreement between the parties; (ii) our relationship with you; (iii) the validity of this Agreement or any other agreement between the parties; or (iv) any System Standard (collectively, "Disputes"), which are not first resolved through the internal dispute resolution procedure set forth in Section 19.F above, will be submitted first to mediation to take place within 50 miles of our then-current principal place of business (currently in Franklin, Tennessee) under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect, as modified by this Agreement. Before commencing any legal action against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail: (i) the specific nature and factual basis for the claim or dispute, (ii) the specific provisions of this Agreement that are in dispute, and (iii) the precise relief or remedy sought, including a detailed calculation of any damages claimed. Vague or generalized notices shall be deemed insufficient, in our sole discretion. We will have a period of forty-five (45) days following receipt of such notice within which to notify you as to whether we or our affiliates elects to exercise our option to submit such claim or dispute to mediation. During this period, you shall promptly provide any additional information reasonably requested by us. You may not commence any action against us or our affiliates with respect to any such claim or dispute in any court unless we or our affiliates fail to exercise our option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by us. Any action you commence without fully complying with the provisions of this Section 19.G shall be subject to dismissal with prejudice.

Our rights to mediation, as set forth herein, may be specifically enforced by us and are subject to Section 19.C. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 19.G if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of your payment obligations under this Agreement. You waive any right to proceed against us by way of class action, consolidated action, or participation in any other form of collective or representative proceeding. All mediation and subsequent legal proceedings shall be conducted on an individual basis only and are subject to the time limitations specified in Section 19.M.

h. Arbitration.

We and you agree that all controversies, disputes, or claims between us or our affiliates, and our and their respective owners, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to this

Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates), our relationship with you, the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section 19.H, which we and you acknowledge is to be determined by an arbitrator, not a court); or any System Standard, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in or within fifty (50) miles of our then- current principal place of business (currently, Franklin, Tennessee). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid or, except as expressly provided in this Section 19, award any punitive, exemplary, or multiple damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive, exemplary, or multiple damages against any party to the arbitration proceedings).

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and our affiliates, or our and their respective owners, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, Affiliates, and employees), on the other hand, may not be: (i) conducted on a class-wide basis; (ii) commenced, conducted or consolidated with any other arbitration proceeding; or (iii) brought on your behalf by any association or agent. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in

accordance with the dispute resolution provisions of the Agreement.

Despite our and your agreement to arbitrate, we and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief in accordance with Section 19.L; provided, however, that we and you must contemporaneously submit our dispute, controversy or claim for arbitration on the merits as provided in this Section.

You and we agree that, in any arbitration arising as described in this Section, requests for documents shall be limited to documents that are directly relevant to significant issues in the case or to the case's outcome; shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain; and shall not include broad phraseology such as "all documents directly or indirectly related to." You and we further agree that no interrogatories or requests to admit shall be propounded. With respect to any electronic discovery, you and we agree that:

(a) production of electronic documents need only be from sources used in the ordinary course of business. No such documents shall be required to be produced from back-up servers, tapes or other media;

(b) the production of electronic documents shall normally be made on the basis of generally available technology in a searchable format which is usable by the party receiving the documents and convenient and economical for the producing party. Absent a showing of compelling need, the parties need not produce metadata, with the exception of header fields for email correspondence;

(c) the description of custodians from whom electronic documents may be collected shall be narrowly tailored to include only those individuals whose electronic documents may reasonably be expected to contain evidence that is material to the dispute; and

(d) where the costs and burdens of electronic discovery are disproportionate to the nature of the dispute or to the amount in controversy, or to the relevance of the materials requested, the arbitrator shall either deny such requests or order disclosure on condition that the requesting party advance the reasonable cost of production to the other side, subject to allocation of costs in the final award as provided herein.

In any arbitration arising out of or related to this Agreement, each side may take no more than three depositions. Each side's depositions are to consume no more than a total of 15 hours, and each deposition shall be limited to 5 hours. There are to be no speaking objections at the depositions, except to preserve privilege.

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

Any provisions of this Agreement that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

i. Governing Law.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. sections 1051 et seq.), or other United States federal law, this Agreement, the franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Tennessee without regard to its conflict of laws rules, except that any law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section. If any of the provisions of this agreement which relate to restrictions on you and your owners' competitive activities is found unenforceable under Tennessee law, the enforceability of those provisions will be governed by the laws of the state in which your Business is located.

j. Consent to Jurisdiction.

Subject to the obligation to resolve disputes internally (Section 19.F), mediate (Section 19.G), and arbitrate under Section 19.H above and the provisions below, you and your owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in a court in Franklin, Tennessee, and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in such courts.

k. Waiver of Punitive Damages and Jury Trial.

Except for your obligation to indemnify us for third party claims under Section 17.C, and except for punitive, exemplary or multiple damages available to either party under United States federal law, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary or multiple damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains.

We and you irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of us.

l. Injunctive Relief.

Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against conduct that threatens to injure or harm us, the Marks or the System, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may obtain such injunctive relief and will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing, and you hereby expressly waive any claim for damages caused by such injunction.

m. Limitations of Claims.

You and your owners agree not to bring any claim asserting that any of the Marks are generic or otherwise invalid. Except with regard to your obligation to pay us and our affiliates fees and other amounts due pursuant to this Agreement or otherwise, any claims between the parties must be commenced within one year from the date on which the party asserting the claim knew or

should have known of the facts giving rise to the claim, or such claim shall be barred. Such time limit might be shorter than otherwise allowed by law. Your and your owners' sole recourse for claims arising between the parties shall be against us or our successors and assigns. Our and our affiliates' owners, managers, directors, officers, employees, and agents shall not be personally liable nor named as a party in any action between us or our affiliates and you or your owners. Claims of any other party or parties shall not be joined with any claims asserted in any action or proceeding between us and you. No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

20. MISCELLANEOUS.

a. Binding Effect.

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the System Standards, this Agreement may not be modified except by a written agreement signed by our and your duly-authorized officers.

b. The Exercise of our Judgment.

We have the right to operate, develop, and change the System in any manner that is not specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right to take or to withhold an action, to grant or decline to grant you a right to take or withhold an action, or to provide or withhold approval or consent, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on information readily available to us and on our judgment of what is in our or the System's best interests. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval.

c. Construction.

The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs. The preambles, schedules, and exhibits are a part of this Agreement which, together with the System Standards (which may be periodically modified, as provided above), constitutes our and your entire agreement. Other than the representations in the Disclosure Document you received from us, there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or your Business (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us. Except as provided in Section 17.C,

nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnish to you.

If two or more persons are at any time the owners of the Franchise and your Business, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. As used in this Agreement, an "**Affiliate**" is a person or other legal entity in which you or your owners (i) own more than 51% of the issued and outstanding ownership interest and voting rights or (ii) have the right and power to control and determine the Affiliate's management and policies. References to "**owner**" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and your Business or an ownership interest in you), including any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or your Business and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. References to a **"Control**" or "**controlling interest**" in you or one of your owners (if an Entity) means the right to control the management or to decide the vote on issues involving the activities of the applicable Entity. "**Person**" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. "**Including**" means "including, without limitation" unless otherwise noted.

d. Lawful Attorney.

If you do not execute and deliver any documents or other assurances so required of you pursuant to this Agreement or if we take over the management or operation of your Business for any reason, you hereby irrevocably appoint us as your lawful attorney with full power and authority, to execute and deliver in your name any such documents and assurances, and to manage or operate the business on your behalf, and to do all other acts and things, all in such discretion as we may desire, and you hereby agree to ratify and confirm all of our acts as your lawful attorney and to indemnify and save us harmless from all claims, liabilities, losses, or damages suffered in so doing. You also hereby appoint us as your attorney-in-fact to receive and inspect your confidential sales and other tax records and hereby authorize all tax authorities to provide such information to us for all tax periods during the Term.

e. Notices and Payments.

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Operations Manual will be deemed to be delivered on the earlier of the date of actual delivery or one of the following:

(a) at the time delivered via computer transmission and, in the case of the Royalty, Brand Fund contributions, and other amounts due, at the time we actually receive payment;

(b) one business day after transmission by electronic system if the sender has confirmation of successful transmission;

(c) one business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or

(d) three business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid;

All notices must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice, or if to you, notice may be addressed to the D1 Training Facility. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two days before then) will be deemed delinquent.

f. Execution.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement and all other documents related to this Agreement may be executed by manual or electronic signature. Either party may rely on the receipt of a document executed or delivered electronically, as if an original had been received.

The parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

[**Signatures appear at the end of the Commercial Addendum (Schedule A)**]

SCHEDULE A
COMMERCIAL ADDENDUM

Franchisor and Franchisee agree that the information in this Commercial Addendum reflects conditions as of the Effective Date. The provisions in this Commercial Addendum including the Attachments are fully incorporated in and made a part of the D1 Franchise Agreement ("**Agreement**"), and the definitions in the Agreement are fully incorporated in and made a part of this Commercial Addendum. If any information in these Commercial Addendum conflicts with any provision in the Agreement, then the information in this Commercial Addendum controls. The parties may amend this Commercial Addendum to reflect changes occurring after the Effective Date. However, the parties' failure to amend this Commercial Addendum shall not prevent a party from establishing the change or the parties' agreement to modify this Commercial Addendum.

ITEM 1 – EFFECTIVE DATE

ITEM 2 – INITIAL FRANCHISE FEE

ITEM 3 – SITE SELECTION AREA

The non-exclusive site selection area is as follows:

Site Selection Area Name	**Corresponding ZIP Codes**

The non-exclusive Site Selection Area is depicted on the map attached in **Attachment 1** to this Commercial Addendum hereto. This Site Selection Area is non-exclusive during site search to determine your approved location as indicated above. Once you have selected a business premises, that we have approved, you will receive your Designated Territory defined by a radius around your Business Premises in an amendment. We reserve the right to amend and/or revise your zip codes accordingly

ITEM 4 – FRANCHISEE

Franchisee is (CHECK ONE):

☐ a company (LLC or Corporation), as set out in Part A below; or

☐ one or more individuals, as set out in Part B below.

Part A – Company

Name	
Company Type	
State of Formation	
EIN	
Address	

The Franchisee warrants that the ownership interests set out below are true and accurate as of the Effective Date.

Part B – Individual(s)

Owner #1 **Name:** **Address:** **Email:**		**Owner #2** **Name:** **Address:** **Email:**
Owner #3 **Name:** **Address:** **Email:**		**Owner #4** **Name:** **Address:** **Email:**

ITEM 5 – DESIGNATED REPRESENTATIVE

The following identifies the owner that you have designated as, and that we have approved to be, the Designated Representative

Name	
Email	
Address	

ITEM 6 – BUSINESS PREMISES

The business premises shall be located at: TBD

ITEM 7 – OWNERSHIP

As of the Effective Date, each of the owners, members, and equity holders in the Franchisee are listed below:

Owner #1 **Name:** **% Ownership:**		**Owner #2** **Name:** **% Ownership:**

<u>Owner #3</u> **Name:** **% Ownership:**		**<u>Owner #4</u>** **Name:** **% Ownership:**

ATTACHMENT 1
COMMERCIAL ADDENDUM

[Insert Map]

The parties have executed this Agreement as of the Effective Date.

FRANCHISOR:
D1 SPORTS FRANCHISE LLC,
a Tennessee limited liability company

By: _____

Name: Will Bartholomew, CEO

Date: _____

FRANCHISEE:
The party/parties named in Item 4 of the Commercial Addendum

By: _____

Name:

Date: _____

By: _____

Name:

Date: _____

By: _____

Name:

Date: _____

By: _____

Name:

Date: _____

By: _____

Name:

Date: _____

SCHEDULE B

TO THE FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS,

TELEPHONE LISTINGS, INTERNET ADDRESSES AND SOCIAL MEDIA ACCOUNTS

THIS AGREEMENT is made on _____, pursuant to the franchise agreement between D1 Sports Franchise, LLC ("Franchisor") and _____("Franchisee"), under which Franchisor granted Franchisee the right to own and operate a D1 Training Facility located at _____ _____("Franchised Business")

FOR VALUE RECEIVED, Franchisee assigns to Franchisor (1) those certain telephone numbers and telephone directory listings (collectively, the "Telephone Numbers and Listings"), (2) those certain Internet website addresses ("URLs") and (3) those certain social media accounts ("Social Media Accounts") associated with Franchisor's trade and service marks and used in the operation of the Franchised Business. This Assignment is for collateral purposes only, and Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor notifies the telephone company and the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as "Telephone Company"), Franchisee's Internet service provider ("ISP") and the social media websites on which Franchisee has accounts to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Franchise Agreement (without extension), Franchisor shall have the right and is hereby empowered to effectuate the assignment of the Telephone Numbers and Listings, the URLs and the Social Media Accounts, and, in such event, Franchisee shall have no further right, title or interest in the Telephone Numbers and Listings, the URLs and the Social Media Accounts, and shall remain liable to the Telephone Company, the ISP and the social media companies for all past due fees owing to the Telephone Company, the ISP and the social media companies on or before the effective date of the assignment hereunder.

Franchisee agrees that Franchisor shall have the sole right to and interest in the Telephone Numbers and Listings, the URLs and the Social Media Accounts and that, on termination or expiration of the Franchise Agreement, Franchisee will immediately notify the Telephone Company, the ISP and the social media companies to assign the Telephone Numbers and Listings, the URLs and the Social Media Accounts to Franchisor. Franchisee irrevocably appoints Franchisor as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest, to direct the Telephone Company, the ISP and the social media companies to assign same to Franchisor, and execute such documents and take such actions as may be necessary to effectuate the assignment. If Franchisee fails to promptly direct the Telephone Company, the ISP and the social media companies to assign the Telephone Numbers and Listings, the URLs and the Social Media Accounts to Franchisor, Franchisor shall direct the Telephone Company, the ISP and the social media companies to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Telephone Company, the ISP and the social media companies may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Telephone Numbers and Listings, the URLs and the Social Media Accounts upon such termination or expiration and that such assignment shall be made automatically and effective immediately upon Telephone Company's, ISP's and social media companies' receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Telephone Company, the ISP or the social media companies require that the parties execute the Telephone Company's, the ISP's or social media companies' assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon

termination or expiration of the Franchise Agreement.

D1 SPORTS FRANCHISE, LLC

By:_____

Name:_____

Title:_____

FRANCHISEE:

_____

[Name]

By:_____

Name:_____

Title:_____

SCHEDULE C

TO THE FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given on _____,

by the person(s) executing this Guaranty.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "Agreement") on this date by D1 Sports Franchise, LLC ("us," "we," or "our"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that _____ ("Franchise Owner") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchise Owner and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchise Owner fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchise Owner or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchise Owner or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) at our request, the undersigned will provide updated financial information to us as may be reasonably necessary to demonstrate his or her ability to satisfy the obligations of the Franchise Owner under the Agreement.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchise Owner arising as a result of the undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each of the undersigned represents and warrants that, if no signature appears below for such undersigned's spouse, such undersigned is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

The provisions contained in Section 19 (Enforcement) of the Agreement, including Section 19.F (Internal Dispute Resolution), Section 19.G (Mediation), and Section 19.H (Arbitration), Section 19.I (Consent to Jurisdiction) and Section 19.C (Costs and Attorneys' Fees) of the Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the undersigned and us. The Guarantors shall reimburse us for all costs and expenses we incur in connection with enforcing the terms of this Guaranty.

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

By signing below, the undersigned spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse's own separate property).

[Signature page follows]

Each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

GUARANTOR(S)	SPOUSE(S)
#1: _____ Sign: _____ Print Name: _____ Address: _____ _____ Email: _____	**#1:** _____ Sign: _____ Print Name: _____ Address: _____ _____ Email: _____
#2: _____ Sign: _____ Print Name: _____ Address: _____ _____ Email: _____	**#2:** _____ Sign: _____ Print Name: _____ Address: _____ _____ Email: _____
#3: _____ Sign: _____ Print Name: _____ Address: _____ _____ Email: _____	**#3:** _____ Sign: _____ Print Name: _____ Address: _____ _____ Email: _____
#4: _____ Sign: _____ Print Name: _____ Address: _____ _____ Email: _____	**#4:** _____ Sign: _____ Print Name: _____ Address: _____ _____ Email: _____

APPENDIX A

LEASE RIDER

D1 SPORTS FRANCHISE, LLC

LEASE RIDER

THIS LEASE RIDER is entered into on _____ by and between D1 Sports Franchise, LLC (**"Company"**), _____ (**"Franchisee"**), and_____(**"Landlord"**).

WHEREAS, Company and Franchisee are parties to a Franchise Agreement dated _____, 20_____(the **"Franchise Agreement"**); and

WHEREAS, the Franchise Agreement provides that Franchisee will operate a D1 facility at a location that Franchisee selects and Company accepts; and

WHEREAS, Franchisee and Landlord propose to enter into the lease to which this Rider is attached (the **"Lease"**), pursuant to which Franchisee will occupy premises located at _____ (the **"Premises"**) for the purpose of constructing and operating the D1 in accordance with the Franchise Agreement; and

WHEREAS, the Franchise Agreement provides that, as a condition to Company's authorizing Franchisee to enter into the Lease, the parties must execute this Lease Rider;

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth in this Rider and in the Franchise Agreement, the receipt and sufficiency of which the parties acknowledge the parties agree as follows:

During the term of the Franchise Agreement, Franchisee will be permitted to use the Premises for the operation of the D1 and for no other purpose.

Subject to applicable zoning laws and deed restrictions and to prevailing community standards of decency, Landlord consents to Franchisee's installation and use of such trademarks, service marks, signs, decor items, color schemes, and related components of the D1 system as Company may from time to time prescribe for the brand.

Landlord agrees to furnish Company with copies of all letters and notices it sends to Franchisee pertaining to the Lease and the Premises, at the same time it sends such letters and notices to Franchisee. Notice shall be sent to Company by the method(s) as stated in the lease to:

D1 Sports Franchise, LLC
Attn: Legal Department
7115 South Springs Drive
Franklin, TN 37067

Company will have the right, without being guilty of trespass or any other crime or tort, to enter the Premises at any time or from time to time **(i)** to make any modification or alteration it considers necessary to protect the D1 system and marks, **(ii)** to cure any default under the

Franchise Agreement or under the Lease, or **(iii)** to remove the distinctive elements of the D1 trade dress upon the Franchise Agreement's expiration or termination. Neither Company nor Landlord will be responsible to Franchisee for any damages Franchisee might sustain as a result of action Company takes in accordance with this provision. Company will repair or reimburse Landlord for the cost of any damage to the Premises' walls, floor or ceiling that result from Company's removal of trade dress items and other property from the Premises.

Franchisee will be permitted to assign the Lease to Company or its designee upon the expiration or termination of the Franchise Agreement. Landlord consents to such an assignment and agrees not to impose any assignment fee or similar change, or to increase or accelerate rent under the Lease, in connection with such an assignment.

If Company notifies Landlord of the termination of the Franchise Agreement, Company or its designee will have the right and option, upon written notice to Landlord, to do the following:

1. Undertake to perform the terms, covenants, obligations, and conditions of the Lease (including paying rent and all other amounts due under the terms of the Lease) on behalf of Franchisee (notwithstanding any removal or eviction of Franchisee for a period not to exceed twelve months from the date of the notice given by Company or its designee, which performance will not be deemed to be an automatic assumption or guaranty of the Lease; or
2. At any time within or at the conclusion of such six-month period, assume the terms, covenants, obligations, and conditions of the Lease for the remainder of the term, together with any applicable renewal options. In such event, Landlord and Company or its designee will enter into an agreement to document such assumption. Company or its designee is not a party to the Lease and will have no liability under the Lease unless and until said Lease is assigned to, and assumed by, Company or its designee as herein provided.

If Franchisee assigns the Lease to Company or its designee in accordance with the preceding paragraph, the assignee must assume all obligations of Franchisee under the Lease from and after the date of assignment, but will have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment. If designee assignee is an affiliate of Company, so long as assignee fulfills its obligations under the Lease for two (2) years, any such Guaranty liability of assignee shall terminate.

Landlord agrees that any such subsequent assignment by Company or its designee would remove Company or its designee from any such guaranty under the Lease.

Franchisee may not assign the Lease or sublet the Premises without Company's prior written consent, and Landlord will not consent to an assignment or subletting by Franchisee without first verifying that Company has given its written consent to Franchisee's proposed assignment or subletting.

Landlord and Franchisee will not amend or modify the Lease in any manner that could materially affect any of the provisions or requirements of this Lease Rider without Company's prior written consent. Franchisee and Landlord acknowledge and agree that the obligations of

Company are strictly limited to the express obligations set out in this Lease Rider, as originally written. If Franchisee and Landlord amend this Lease Rider in any way, Company or its designee will not be bound by such amendments unless such amendments have been provided to Company in advance, in writing, and Company has signed such amendment.

The provisions of this Lease Rider will supersede and control any conflicting provisions of the Lease.

Landlord acknowledges that Company or its designee is not a party to the Lease and will have no liability or responsibility under the Lease unless and until the Lease is assigned to, and assumed by, Company or its designee.

[Signatures appear on the following page]

The parties have executed this Lease Rider of the date first above written:

COMPANY:

D1 Sports Franchise, LLC

By: _____

(Signature)

Name: _____

(Print)

Title: _____

FRANCHISEE:

By: _____

(Signature)

Name: _____

(Print)

Title: _____

LANDLORD:

By: _____

(Signature)

Name: _____

(Print)

Title: _____

EXHIBIT C

AREA DEVELOPMENT AGREEMENT

D1 SPORTS FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT

NAME OF AREA DEVELOPER:

DEVELOPMENT AREA (for reference purposes only):

STATE (for reference purposes only):

TABLE OF CONTENTS

SCHEDULE & ATTACHMENTS

D1 SPORTS FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "**Agreement**") is made as of the date set out in **Item 1** of the Schedule A **Commercial Addendum** ("**Effective Date**") between **D1 SPORTS FRANCHISE, LLC**, a Tennessee limited liability company whose address is 7115 S. Springs Drive, Franklin, Tennessee 37067 ("**we**", "**us**" or "**Franchisor**"), and the party or parties named in **Item 2** of the **Commercial Addendum** ("**Area Developer**" or "**you**").

1. PREAMBLES & GRANT OF RIGHT

A Preambles.

(1) We grant franchises (each a "**Franchise**") to develop, own and operate training facilities offering athletic-based scholastic and adult group training, coaching and personal training, and related goods and services (each a "**D1 Training Facility**") using the trademark *D1*® and other trademarks we authorize from time to time (the "**Marks**") and the system and system standards under which D1 Training Facilities are developed and operated (the "**Franchise System**"). Each Franchise is granted solely pursuant to a written franchise agreement and related documents and agreements signed by us and a franchisee (each a "**Franchise Agreement**"). We also grant, in some cases, the right to acquire multiple Franchises ("**Development Rights**").

(2) You and, if you are an Entity (defined below), your owners have requested that we grant you Development Rights, and we are willing to do so in reliance on all of the information, representations, warranties and acknowledgements you and, if applicable, your owners have provided to us in support of your request, and subject to the terms and conditions set forth in this Agreement.

B Grant of Rights; Exclusivity; Term.

(1) Subject to the terms and conditions contained in this Agreement, we grant you the Development Rights. You agree to exercise the Development Rights in accordance with this Agreement, including acquiring the number of Franchises as necessary to strictly comply with the opening requirements described in the schedule that appears on Schedule A to this Agreement (the "**Development Schedule**"). The Development Rights may only be exercised by you and by your Affiliates that we approve ("**Approved Affiliates**") for D1 Training Facilities to be developed and operated within the non- exclusive area identified on Schedule A (the "**Development Area**"). The Development Rights may be exercised from the Effective Date and, unless sooner terminated as provided herein, continuing through the earlier of the date on which the last D1 Training Facility which is required to be opened in order to satisfy the Development Schedule opens for regular business or is required under the Development Schedule to be open (the "**Term**").

(2) Except as described elsewhere in this Agreement, and provided you and each Entity (defined below) in which you or your owners (i) own more than 51% of the issued and outstanding ownership interest and voting rights or (ii) have the right and power to control and determine the Entity's management and policies (your "**Affiliates**") are in full compliance with this Agreement and all Franchise Agreements and other agreements with us (or any of our affiliates), we will not, during the Term, own and operate, or authorize others to own and operate, physical D1 Training Facilities in the Development Area.

C Rights We Reserve.

We and our affiliates are not restricted in any manner from engaging in any business activity whatsoever that is not expressly prohibited by this Agreement. Despite any provision of this Agreement to the contrary, we expressly reserve, without compensation to you and even if competitive with your D1 Training Facilities, the right to do any of the following:

(1) establish, operate and license others to establish and operate D1 Training Facilities and any other business anywhere inside or outside the Development Area and on terms we determine;

(2) establish, operate and license others to establish and operate within the Development Area any other kind of training, personal training, fitness, or sports facility or business provided that such facilities or businesses are not identified by or operated using the Marks and System;

(3) sell or authorize others to sell any products identified by or associated with the Marks or any other trademarks through distribution channels other than D1 Training Facilities (including, but not limited to, the Internet, sporting goods stores, national retail chains, and consumer warehouse stores), wherever located or operating and regardless of the nature or location of the customers with whom such other businesses and distribution channels do business (including within the Development Area), even if such products are identical or similar to, and/or competitive with, those that D1 Training Facilities customarily sell;

(4) acquire the assets or ownership interests of one or more businesses, including Competitive Businesses (defined below), and, once acquired, franchising, licensing or creating similar arrangements with respect to such businesses, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Development Area) and using or authorizing the use of the Marks and System in connection therewith;

(5) be acquired (regardless of the form of transaction), by any other business, including a Competitive Business, even if such business operates, franchises and/or licenses such businesses in the Development Area;

(6) operate or grant any third party the right to operate any D1 Training Facility that we or our designees acquire as a result of the exercise of a right of first refusal or purchase right that we have under this Agreement or any Franchise Agreement;

(7) allow others to operate a D1 Training Facility at non-traditional locations (recreational space, school/university, etc.) within your Development Area;

(8) establish, operate, and allow others to establish and operate any concept or business focusing exclusively or primarily on personal training services or products, whether under the Marks, a derivative of the Marks, or entirely different branding, at any location including within your Development Area, without restriction or limitation; and

(9) develop, market, and franchise specialized or limited-service versions of the D1 Training concept, including but not limited to concepts focusing exclusively on personal training services, which may operate under the Marks or variations thereof.

Nothing in this Agreement or your territorial rights shall limit or restrict our ability to develop, operate, franchise, license, or otherwise exploit personal training-focused businesses or concepts, regardless of the similarity to your D1 Training Facilities, and regardless of proximity to your Development Area.

D Best Efforts/Business Entity

You must at all times faithfully, honestly and diligently perform your obligations and fully exploit the Development Rights during the Term and throughout the entire Development Area. You may not subcontract or delegate any of your obligations under this Agreement to any third parties. If you are a corporation, limited liability company, partnership, or another form of business entity (collectively, an "**Entity**"), you agree and represent that:

(1) **Exhibit** A lists all of your owners and their interests as of the Effective Date;

(2) such persons as we designate, which may include the spouses of your owners, will execute an agreement, in the form set forth in Schedule B (the "**Guaranty**"), under which such persons undertake personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. However, a spouse who signs the Guaranty solely as a spouse and not as an owner will merely be acknowledging and consenting to the execution of the guaranty by his or her spouse and agreeing to bind the assets of the marital estate as described therein and for no other purpose;

(3) the business that this Agreement contemplates will be the only business you operate (although your owners may have other, non-competitive business interests); and

(4) you will designate, subject to our approval, one of your owners as your "Designated Representative." Your Designated Representative must devote a reasonable amount of his or her time and efforts to the operation, promotion and enhancement of the business under this Agreement, and have the authority to deal with us on your behalf in respect of all matters whatsoever which may arise in respect of this Agreement. We will be entitled to rely solely upon the decision of your Designated Representative in any such dealings without the necessity of any discussions with any other party named in this Agreement. We will not be responsible to you for any actions taken based upon any decision or actions of your Designated Representative. If you name more than one Designated Representative, we are entitled to rely on the decision of any one of them, acting alone. You will ensure that the Designated Representative has all authority to interact with us as described in this paragraph. The initial Designated Representative's name is listed on Exhibit A, and any replacement must be approved by us. We also reserve the right to approve any regional or district managers you employ.

E Financing; Maximum Borrowing Limits; Liquidity

(1) We have granted the Development Rights to you based, in part, on your representations to us, and our assessment of, your levels of liquidity as of the Effective Date. You will ensure that, throughout the Term, you maintain sufficient liquidity and working capital reserves to meet your obligations under this Agreement. We reserve the right to establish and revise minimum liquidity requirements from time to time, and you agree to comply with such minimum liquidity requirements that we reasonably impose. On our request, you will provide us with evidence of your liquidity and working capital availability.

(2) We may, from time to time, designate the maximum amount of debt that D1 Training Facilities may service, and you will ensure that you and your approved Affiliates comply with such limits.

F Extension of Term

If you have been in compliance with the Development Schedule and your other obligations under this Agreement throughout the Term (regardless of whether we exercised our right to issue a notice of default or termination), you may, at your option, our approval, and subject to your compliance with the provisions of this Section 1.F, extend the Term for successive terms as follows:

(1) You must provide us with written notice by the start of the last Development Period (as defined in Section 2.C) of the Development Schedule. Within 15 days following our receipt of your notice, we will advise you if we believe that you have failed to qualify for an extension; and

(2) By not later than the last day of the Term:

(a) You and we must agree on the length of and a new development schedule for the extended term;

(b) You and your owners must have executed a general release and non-disparagement agreement, in form satisfactory to us, of any and all claims against us and our affiliates, and our and their respective owners, managers, officers, directors, employees and agents; and

(c) You must have paid a new Development Fee for the extended term, calculated as described in our then-current area development program.

(3) All fees due under Franchise Agreements signed during the extended term will be as set forth in our area development program at the time of completion of the requirements for the extension as described above.

(4) If you are not entitled to an extension of the Term or if you and we do not timely complete the requirements described in paragraph (3) above, the Term will expire at the end of the Term.

(5) All of the foregoing provisions will apply to each extended term and will govern your right to each such extension.

2. EXERCISE OF DEVELOPMENT RIGHTS

A Proposed Sites for D1 Training Facilities.

You are responsible for locating and proposing to us each site at which you want to develop a D1 Training Facility in accordance with the terms of your Franchise Agreement. Once we approve a proposed site, you and your Approved Affiliate will receive your Designated Territory per the Franchise Agreement. If you or your Approved Affiliate fails to do so within 15 days after we provide you with an execution copy of the Franchise Agreement, we may withdraw our approval.

B Execution of Franchise Agreements.

Simultaneously with signing this Agreement, you or an approved Affiliate must sign and deliver to us a Franchise Agreement and related documents, on our current forms, representing the first Franchise you are obligated to acquire under this Agreement. You or your approved Affiliate must thereafter open and operate a D1 Training Facility according to the terms of that Franchise Agreement. Thereafter, a D1 Training Facility is open and operating, and prior to signing a lease or otherwise securing possession of the site, you or an Approved Affiliate must sign our then-current form of Franchise Agreement and related documents for the next D1 Training Facility in your Development Schedule, the terms of which may differ substantially from the terms contained in the Franchise Agreement in effect on the Effective Date; however, we agree that, provided you remain in compliance with this Agreement, there will be no initial franchise fee due under each Franchise Agreement executed pursuant to this Agreement. The Franchise Agreement will govern the development and operation of the D1 Training Facility at the approved site. If you or your Approved Affiliate fails to execute within 15 days after we provide you with an execution copy of the Franchise Agreement, it is considered noncompliance with the Development Schedule.

C Development Schedule.

(1) The Development Schedule is reflected in Exhibit A. Each period described in the Development Schedule is a "Development Period." You or your Approved Affiliates must acquire Franchises and open and operate D1 Training Facilities in the Development Area pursuant to the Franchise Agreements as necessary to satisfy the requirements of each Development Period. The Development Schedule is not our representation, express or implied, that the Development Area can support, or that there are or will be sufficient sites for, the number of D1 Training Facilities specified in the Development Schedule or during any particular Development Period. We are relying on your representation that you have conducted your own independent investigation and have determined that you can satisfy the development obligations under each Development Period of the Development Schedule.

(2) We will count a D1 Training Facility toward the Development Schedule only if it actually is operating in the regular course within the Development Area and substantially complying with the terms of its Franchise Agreement as of the end of the Development Period. However, a D1 Training Facility that is, with our approval or because of fire or other casualty, permanently closed during the last 30 days of a Development Period, after having been open and operating, will be counted toward the development obligations for the Development Period in which it closed, but not thereafter.

D Failure to Comply with Development Schedule.

Time is of the essence. If you fail to comply with the Development Schedule as of the end of any Development Period, in addition to terminating this Agreement under Section 7 and asserting any other rights we have under this Agreement as a result of such failure, we may (but need not) elect to revoke our agreement under Section 1.B not to operate or allow operation of similar development or franchise rights to others in the Development Area, or reduce the size of and re-configure the Development Area as we determine.

E Records And Reporting.

You agree to provide us with the following records and reports:

(1) If you have not already done so, within 60 days after the Effective Date, you must prepare and give us, a business plan covering your projected revenues, costs and operations under this Agreement. This business plan will include your detailed projections of development costs and detailed revenue projections for your D1 Training Facilities. Within 60 days after the start of each calendar year during the Term, you must update the business plan to cover both actual results for the previous year and projections for the then-current year. While we may review and provide comments on the business plan and any updates you submit to us, regardless of whether we approve, disapprove, require revisions or provide other comments with respect to the business plan or any updated business plan, we take no responsibility for and make no guarantees or representations, expressed or implied, with respect to your ability to meet the business plan or to achieve the results set forth therein. However, once we approve your business plan or any updates to it, you must comply with it in all material respects. You bear the entire responsibility for achievement of the business plan you develop;

(2) within 7 days after the end of each month during the Term, you must send us a report of your business activities during that month and the status of development and projected openings for each D1 Training Facility under development in the Development Area;

(3) within 28 days after the end of each calendar quarter, you must provide us with consolidated balance sheet and profit and loss statements for you and your Affiliates covering that quarter and the year-to-date and an updated balance sheet and related financial statements for each person signing the Guaranty; and

(4) within 60 days after the end of each calendar year, you must provide us with an annual profit and loss and source and use of funds statements and a balance sheet, consolidated for you and your Affiliates covering the previous year. We reserve the right to require that you have these financial statements and the financial statements of any prior fiscal years audited by an independent accounting firm designated by us in writing.

Each of the foregoing shall be in the form and format that we reasonably specify, shall be delivered to us in the manner we specify, and shall be certified as correct by you or your Designated Representative.

3. **FEES**

A Development Fee.

You must pay us, on your execution of this Agreement and in consideration of the grant of the Development Rights, a nonrecurring and nonrefundable development fee in the amount of listed in Schedule A (the "**Development Fee**"). The Development Fee is fully earned by us when you and we sign this Agreement and is nonrefundable.

B Non-compliance Fee.

Under the Franchise Agreement, we reserve the right to charge a non-compliance fee with respect to all Franchise Agreements signed pursuant to this Agreement should you or your Approved Affiliates fail to comply with your or its obligations under any one such Franchise Agreement. The non-compliance fee is $1,000 for the third infraction we notify you of and $5,000 for each infraction we notify you of thereafter. You agree to pay or, as applicable, cause your Approved Affiliates who have signed Franchise Agreements pursuant to this Agreement to pay the non-compliance fee when due, as described in the Franchise Agreements. Nothing in this Section 3.B limits any of our other rights

and remedies available under the terms of this Agreement or any Franchise Agreement. The non-compliance fee is intended to compensate us for certain expenses or losses we will incur as a result of the non- compliance and is not considered a penalty or an expression of the total amount of such damages. This provision shall survive termination or expiration of this Agreement until all Franchise Agreements executed pursuant to this Agreement have expired or have been terminated.

4. CONFIDENTIAL INFORMATION

A Confidential Information.

(1) All information furnished to you or your representatives by us or on our behalf, whether orally or by means of written material, including without limitation the Franchise Agreements, this Agreement, the Franchise System, training methods and routines, plans, specifications, financial or business data or projections, all documents, data, information, materials, reports, proposals, procedures, financial information, compensation information, job descriptions, employee biographies, proposed advertising, advertising and marketing plans, marketing techniques, operations manuals, formulas, samples, improvements, models, drawings, programs, compilations, devices, methods, designs, techniques and specifications, inventions, know-how, processes, business plans, customer information, purchasing techniques, supplier lists, supplier information, advertising strategies, operations, our trade secrets, or any other forms of business information, whether or not marked as confidential (the "Proprietary Information"): (i) shall be owned by us or our affiliates, (ii) shall be deemed proprietary and held by you in strict confidence; (iii) shall not be disclosed or revealed or shared with any other person except to your employees or contractors who have a need to know such Proprietary Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than your obligations hereunder, or to individuals or entities specifically authorized by us in advance; and (iv) shall not be used except to the extent necessary to exercise the Development Rights or as permitted under Franchise Agreements, and then only in circumstances of confidence and in accordance with the obligations set forth in the Franchise Agreements. You will protect the Proprietary Information from unauthorized use, access, or disclosure in the same manner as you protect your own confidential or proprietary information of a similar nature and with no less than reasonable care.

(2) You must return to us or, at our election, destroy all Proprietary Information in your possession or control and permanently erase all electronic copies of such Proprietary Information promptly upon our request or upon the expiration or termination of this Agreement, whichever comes first. At our request, you will certify in writing signed by you or one of your officers that you have fully complied with the foregoing obligations.

B Innovations.

(1) You agree that, as between us and you, we and our affiliates are the sole owner of all right, title, and interest in and to the Franchise System and any Proprietary Information. All improvements, developments, derivative works, enhancements, or modifications to the Franchise System and any Proprietary Information (collectively, "Innovations") made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, shall be owned solely by us. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. If you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you shall execute, verify, and deliver such documents (including, without limitation, assignments) and perform such other acts (including appearances as a witness) as

we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof.

(2) Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. In the event we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section 4.B, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 4.B with the same legal force and effect as if executed by you.

C General.

If you breach any of the provisions of this Section 4, we will be entitled to equitable relief, including in the form of injunctions and orders for specific performance, in addition to all other remedies available at law or equity. The obligations under this Section 4 shall survive any expiration or termination of the Agreement.

5. EXCLUSIVE RELATIONSHIP DURING TERM

A Covenants Against Competition.

(1) We have granted you the Development Rights in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during the Term, you, your Affiliates, any of your or their owners, principal officers, or directors, and the immediate family members of each of the foregoing (each of the foregoing, a "Restricted Person") will not:

(a) have any direct or indirect ownership interest (whether of record, beneficially, or otherwise) in or perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business (defined below), wherever located or operating, other than having an equity ownership of less than 5% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange;

(b) divert or attempt to divert any actual or potential business, sites or customers of your business associated with this Agreement to a Competitive Business; or

(c) directly or indirectly, appropriate, use or duplicate the Franchise System or any portion thereof for use in any other business or endeavor.

(2) The term "**Competitive Business**" means (i) any fitness or exercise business, (ii) any business that sells fitness apparel or equipment, (iii) any business that offers or sells goods or services that are generally the same as or similar to the goods or services being offered by D1 Training Facilities, including athletic-based scholastic and adult group training, coaching and personal training, and related goods and services, or (iv) any business that grants franchises or licenses to others to operate or provides services to the types of businesses specified in subparagraphs (i-iii) (other than a D1 Training Facility operated under a franchise agreement with us).

B Covenants from Others.

You agree to obtain similar covenants from your owners, officers, directors, managers, and all employees who attend our training program or who have access to Proprietary Information. We may regulate the form of agreement that you use and be a third-party beneficiary of that agreement with independent enforcement rights. You must require all employees performing managerial or supervisory functions and all employees receiving training from us to execute non-disclosure and non-competition covenants similar to those set out in this Section 5, in the form supplied or approved by us. You must provide us with copies of all such agreements on our request. In addition, you must cause each new Affiliate of yours and each new owner, director, officer and shareholder of yours and such Affiliates to deliver to us properly executed non-disclosure, non-solicitation and non-competition covenants similar to those set out in this Section 5 immediately upon their becoming an owner or upon their appointment or election as a director or officer, of you or such Affiliate.

6. **TRANSFER**

A Sale or Encumbrance

(1) We have granted you the Development Rights based on, among other things, the character, background and other qualifications and abilities personal to you or, if applicable, your owners. Accordingly, this Agreement, any ownership interests in you, or any interests in this Agreement, the Development Rights or any part of the business operated under this Agreement may not be sold, assigned, donated or otherwise transferred, including as a result of death (each a "Sale"), to any person or Entity (referred to specifically in this Section 6 as the "Recipient") without our prior written consent. You further agree that you will not enter into any proposed mortgage, pledge, hypothecation, encumbrance or giving of a security interest in or which affects the Development Rights and your other rights under this Agreement (a "Security Interest"). The Development Rights may not be transferred separate and apart from the entirety of this Agreement, and a proposed transfer of this Agreement may not be made separately from or independently of a transfer to the same Recipient of all of the Franchise Agreements (and the D1 Training Facilities operated pursuant thereto) executed pursuant to this Agreement.

(2) If you intend to list your D1 Training Facilities or your rights under this Agreement for Sale with any broker or agent, you may do so only after obtaining our written approval of the broker or agent and of the listing agreement. You may not use or authorize the use of any Mark in advertising the Sale nor may you use or authorize the use of, and no third party shall on your behalf use, any written materials to advertise or promote the Sale without our prior written approval of such materials.

(3) Our approval of a transfer of ownership interests in you as a result of the death or incapacity of the proposed transferor will not be unreasonably withheld or delayed so long as at least one of the Designated Representatives designated on Exhibit A continues to be the Designated Representative. If, as a result of the death or incapacity of the transferor, a transfer is proposed to be made to the transferor's spouse, and if we do not approve the transfer, the trustee or administrator of the transferor's estate will have nine (9) months after our refusal to consent to the transfer to the transferor's spouse within which to transfer the transferor's interests to another party whom we approve in accordance with this Section 6.A.

(4) We may withhold our consent to a Sale for any reason. We will not, under any circumstances, be required to consider a proposed Sale if you fail to comply with the following requirements:

(a) you must submit to us a written request for our consent, including in your request:

(i) the exact terms of the proposed Sale and a copy of a duly signed bona fide written offer;

(ii) information relating to the business reputation and qualifications of the Recipient to carry on business;

(iii) suitable credit and financial information of the Recipient to allow us to make a reasonable decision as to the credit worthiness and financial position of the Recipient and such information will include as an appendix thereto, a personal net worth statement of the Recipient or in the event the Recipient is an Entity, a personal net worth statement of its controlling shareholder(s) or member(s);

(iv) such other information that you reasonably believe to be relevant to our assessment of your request, and

(v) such other information as we may require;

(b) if the transfer is of a controlling interest in you or a transfer by the Designated Representative, the Recipient must arrange for and successfully complete to our satisfaction, all or such training in the operations of the area development business and a D1 Training Facility, at its or your sole expense, as we deem necessary; prior to the commencement of the training by the Recipient, you must deliver to us, our then current training fee by means of cash or certified check, which amount will be non-refundable, except that if the Sale is successfully completed, the entire amount will be applied by us against the amount payable by you pursuant to Section 6.A(8) below, or such other amounts as may be owing by you to us pursuant to this Agreement;

(c) the Recipient and its immediate family members (and, if it is not a natural person, its owners and immediate family members of its owners) must not have an interest or be engaged in activities which would violate the restrictions regarding Competitive Businesses as described in Sections 5.A and 5.B;

(d) the Recipient must enter into any and all agreements and covenants (including a new area development agreement) which we are then requiring of new area developers, and if the Recipient is an Entity, the Recipient must provide such personal guarantees or other assurances of its owners or others as we may require;

(e) you must have discharged and/or satisfied all of your obligations (financial or otherwise) to us and our affiliates incurred in connection with the business operated under this Agreement, as of the date of the completion of the said Sale;

(f) you, and if you are an Entity, your owners, partners, officers, and directors (and the owners, partners, officers and directors of each), will execute and deliver to us and

our officers, directors, shareholders, employees and our and their heirs, executors, administrators, successors and assigns, a general release in a form approved by us, releasing us and the aforementioned from all claims, demands, liabilities, actions, damages, costs or expenses which you and any of your officers, directors, owners and your heirs, executors, administrators, successors and assigns, may have as a result of this Agreement, the business operated hereunder, or the relationship between you and us created by this Agreement;

(g) you must pay all of our reasonable expenses, as determined by us in our sole discretion, incurred in connection with the Sale, whether or not such Sale is completed, plus disbursements and applicable taxes thereon; in this regard, you must deliver to us together with your original request for our consent to the Sale;

(h) you must pay to us $7,500 per territory, plus (as applicable) goods and services taxes thereon; and

(i) we must first agree, in writing, on the date of the completion of the Sale;

(5) We will have 30 days following the earlier of (a) our receipt of all requested information regarding the proposed Sale and purchaser, (b) our decision not to exercise the right of first refusal under Section 6.B, or (c) our failure to timely exercise the right of first refusal under Section 6.B to consider the proposed Sale. If we do not notify you of our approval of the proposed Sale within the time periods described in Section 6.B below, we will be deemed not to have given our consent.

B First Right of Refusal

If you make or receive (and intend to accept) an offer of Sale, in addition to our right to consent as described in the preceding section, we will have the option to acquire the assets proposed to be sold on the same terms and conditions contained in your request for our consent as described in Section 6.A(1) above. If we desire to exercise our option, we must notify you, in writing, within 30 days of our receipt of your written request and all required information referred to in Section 6.A. above. We will complete the Sale on the same terms and conditions as were proposed by the Recipient except that we will be entitled to deduct from the purchase price (i) the amount of any sales or other commissions (if any) which would have been payable by you had the Sale been completed with the Recipient and (ii) an amount equal to that amount to which we are entitled pursuant to Section 6.A(8). We will also have the right to substitute cash for any other form of consideration proposed to be paid by the Recipient and the right, at our option, to pay in full the entire amount of the purchase price at the time of closing. If we do not timely exercise our option, we will then determine if we will consent to the proposed Sale to the Recipient as described in Section 6. A . You must complete the Sale within 30 days following our consent, failing which, you must again seek our approval in the manner set out in Section 6.A.(1), and in all such events the provisions of this Section 6.B. will apply anew, and such procedure will continue to be repeated so often as you desire to complete any Sale.

C Public Offering

The publication or dissemination of written information used to raise or secure funds can reflect upon us and the Franchise System. Therefore, you may not offer securities via a public offering or a private offering that requires written disclosures without our prior written consent. If you desire to request that we consent to any such event, you must submit any written information intended to be used for

that purpose to us before inclusion in any registration statement, prospectus or similar offering memorandum. Should we object to any reference to us or our affiliates or any of our business in the offering literature or prospectus, the literature or prospectus shall not be used until our objections are withdrawn or resolved.

7. TERMINATION OF AGREEMENT

A Events of Termination

We will have the right to terminate this Agreement at any time, effective upon written notice, if:

(1) you or your Affiliates fail to pay any amount payable under this Agreement or any Franchise Agreement you or your Approved Affiliates execute with us when and as same becomes due and payable, and such default continues for a period of 5 days after written notice thereof has been given by us to you;

(2) you cease or threaten to cease to carry on the business granted to you under this Agreement, or take or threaten to take any action to liquidate your assets, or if you do not pay any debts or other amounts incurred by you in operating the business hereunder when such debts or amounts are due and payable;

(3) you fail to comply with the Development Schedule;

(4) you make or purport to make a general assignment for the benefit of creditors; or if you hereto institute any proceeding under any statute or otherwise relating to insolvency or bankruptcy, or should any proceeding under any such statute or otherwise be instituted against you; or if a custodian, receiver, manager or any other person with like powers is appointed to take charge of all or any part of the business granted hereunder or of the shares or documents of title owned by any of your shareholders or title holders; or if you commit or suffer any default under any contract of conditional sale, mortgage or other security instrument in respect of the business being operated hereunder or of the shares or documents of title owned by any of your shareholders or title holders; or if any of your goods, chattels or assets or of the business are seized or taken in execution or in attachment by a creditor, or if a writ of execution is issued against any of such goods, chattels, or assets; or if a judgment or judgments for the payment of money in amounts in excess of $20,000, is rendered by any court of competent jurisdiction against you;

(5) you fail to furnish reports, financial statements, tax returns or any other documentation required by the provisions of this Agreement and do not correct such failure within 10 days following notice;

(6) if you are an Entity, (i) an order is made or a resolution passed or any proceedings taken towards your winding up or liquidation or dissolution or amalgamation; or (ii) you lose your charter by expiration, forfeiture or otherwise;

(7) you or any of your owners has made any material misrepresentation or omission in your or their application and the documents and other information provided to us to support your or their application to acquire the rights granted in this Agreement;

(8) you or your owners grant a Security Interest in the Development Rights or, without our approval as described in Section 6.A, engage or attempt to engage in a Sale;

(9) you (or any of your owners) are:

(a) convicted of or plead guilty or "no-contest" to a felony,

(b) convicted of or plead guilty or "no contest" to any crime or other offense likely to adversely affect the reputation of any D1 Training Facilities or the goodwill of the Marks, or

(c) engage in any conduct which, in our opinion, adversely affects or, if you were to continue as an area developer under this Agreement, is likely to adversely affect the reputation of the business you conduct pursuant to this Agreement, the reputation and goodwill of D1 Training Facilities generally or the goodwill associated with the Marks;

(10) we provide written notice of your (or any of your owners') failure:

(a) on three (3) or more separate occasions within any 12 consecutive month period to comply with this Agreement, or

(b) on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, in any case, whether or not you correct the failures after our delivery of notice to you;

(11) you or your Approved Affiliates fail to comply with any provision of any Franchise Agreement or any other agreement with us or our affiliates and do not cure such failures within the applicable cure period, if any; or

(12) you fail to observe, perform or comply with any other of the terms or conditions of this Agreement not listed in items (1) through (11) above, and such failure continues for a period of 7 days after written notice thereof has been given by us to you.

B Effects of Termination

On the expiration or termination of this Agreement for any reason whatsoever, the following provisions apply:

(1) all of your rights under this Agreement will cease, and you are no longer entitled to exercise the Development Rights or hold yourself out to the public as being a developer of D1 Training Facilities;

(2) you must return all Proprietary Information in your possession or control (except Proprietary Information that you are permitted to use under any Franchise Agreements); and

(3) without limiting any other rights or remedies to which we may be entitled, you must pay all amounts owing to us pursuant to this Agreement up to the date of termination.

C Covenant Not to Compete / Non-Solicitation

(1) **Non-Competition**. On termination or expiration of this Agreement, you and your owners agree that, for 2 years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 7.C begin to comply with this Section 7.C, whichever is later, you and the Restricted Persons will not (a) within the Development Area, and (b) within a 5-mile radius of any D1 Training Facility in operation or under construction on the later of

the effective date of the termination or expiration of this Agreement or the date on which all Restricted Persons begin to comply with this Section 7.C:

(a) have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, or agent in any Competitive Business (as defined in Section 5 above) located or operating;

(b) divert or attempt to divert any actual or potential business, sites or customers of your business associated with this Agreement to a Competitive Business; or

(c) directly or indirectly, appropriate, use or duplicate the Franchise System or any portion thereof for use in any other business or endeavor.

(2) These restrictions also apply after transfers, as provided in Section 6 above. If any Restricted Person refuses to voluntarily comply with these obligations, the 2-year period for that person will commence with the entry of a court order enforcing this provision. You represent that you and the Restricted Persons each possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 7.C will not deprive you or them of any personal goodwill or ability to earn a living.

(3) **Non-Solicitation**. For two (2) years beginning on the effective date of termination or expiration, neither you nor any Restricted Person will:

(a) recruit or hire any person who is then or was, within the immediately preceding 24 months, employed by us, any of our affiliates, or a franchise owner as (a) a facility coordinator, operations manager or assistant operations manager, or comparable position at any D1 Training Facility, (b) a district or regional manager or any other such person having responsibility for overseeing or supervising the operation of multiple D1 Training Facilities or (c) any of our or our affiliates' officers;

(b) interfere or attempt to interfere with our or our affiliates' relationships with any vendors or consultants; or

(c) engage in any other activity which might injure the goodwill of the Marks and/or the Franchise System.

If you fail to comply with paragraph (2)(a) above, you agree to pay us an amount equal to 200% of the annual salary of such person.

D Survival of Covenants.

Notwithstanding the expiration or termination of this Agreement for any reason whatsoever, or any Sale, all covenants and agreements to be performed or observed by you will survive any such termination, expiration or Sale.

8. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A Independent Contractors.

Each of us is an independent contractor, and neither is considered to be the agent, representative,

master, servant, or employee of the other for any purpose. Neither of us has any authority to enter into any contract, to assume any obligations or to give any warranties or representations on behalf of the other. Nothing in this Agreement may be construed to create a relationship of partners, joint venturers, fiduciaries, agency, employer or any other similar relationship between us and you.

B Indemnification.

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective owners, managers, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the operation of the business you conduct under this Agreement, or your breach of this Agreement, including, without limitation, those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party's intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 8.B.

9. **ENFORCEMENT.**

A Internal Dispute Resolution.

You must first bring any claim or dispute between you and us to our management, after providing notice as set forth in Section 10.C of this Agreement, and make every effort to resolve the dispute internally. Your notice to us must: (i) detail the specific nature and factual basis for the claim or dispute, (ii) identify the specific provisions of this Agreement that are in dispute, and (iii) specify the relief or remedy sought. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. The obligations set forth in this Section 9.A to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

B Mediation.

At our sole and absolute discretion, all claims or disputes between you and us (or any of our affiliates, officers, directors, agents, or employees) arising out of, or in any way relating to: (i) this Agreement or any other agreement between the parties; (ii) our relationship with you; (iii) the validity of this Agreement or any other agreement between the parties; or (iv) any System Standard (collectively, "Disputes"), which are not first resolved through the internal dispute resolution procedure set forth in Section 9.A above, will be submitted first to mediation to take place within 50 miles of our then-current principal place of business (currently in Franklin, Tennessee) under the auspices of the

American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect, as modified by this Agreement. Before commencing any legal action against us or our affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor, which specifies, in detail: (i) the specific nature and factual basis for the claim or dispute, (ii) the specific provisions of this Agreement that are in dispute, and (iii) the precise relief or remedy sought, including a detailed calculation of any damages claimed. Vague or generalized notices shall be deemed insufficient, in our sole discretion. We will have a period of forty-five (45) days following receipt of such notice within which to notify you as to whether we or our affiliates elects to exercise our option to submit such claim or dispute to mediation. During this period, you shall promptly provide any additional information reasonably requested by us. You may not commence any action against us or our affiliates with respect to any such claim or dispute in any court unless we or our affiliates fail to exercise our option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by us. Any action you commence without fully complying with the provisions of this Section 9.B shall be subject to dismissal with prejudice.

Our rights to mediation, as set forth herein, may be specifically enforced by us. Each party will bear its own cost of mediation, including attorneys' fees, and we and you will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 9.B if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of your payment obligations under this Agreement. You waive any right to proceed against us by way of class action, consolidated action, or participation in any other form of collective or representative proceeding. All mediation and subsequent legal proceedings shall be conducted on an individual basis only and are subject to the time limitations specified in Section 9.G.

C Arbitration.

(1) We and you agree that all controversies, disputes, or claims between us or our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to:

(a) this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates);

(b) our relationship with you; or

(c) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section 9.C, which we and you acknowledge is to be determined by an arbitrator, not a court), must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration

Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in or within 50 miles of our then-current principal place of business (currently, Franklin, Tennessee). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

(2) The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid or, except as expressly provided in this Article 9, award any punitive, exemplary, or multiple damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law, any such right to or claim for any punitive, exemplary, or multiple damages against any party to the arbitration proceedings).

(3) We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

(4) We and you agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between us and our affiliates, or our and their respective owners, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, affiliates, and employees), on the other hand, may not be commenced, conducted or consolidated with any other arbitration proceeding. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of the Agreements.

(5) Despite our and your agreement to arbitrate, we and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that we and you must contemporaneously submit our dispute, controversy or claim for arbitration on the merits as provided in this Section.

(6) You and we agree that, in any arbitration arising as described in this Section, requests for documents shall be limited to documents that are directly relevant to significant issues in the case or to the case's outcome; shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain; and shall not include broad phraseology such as "all documents directly or indirectly related to." You and we further agree that no interrogatories or requests to admit shall be propounded. With respect to any electronic discovery, you and we agree that:

(a) production of electronic documents need only be from sources used in the ordinary course of business. No such documents shall be required to be produced from back-up servers, tapes or other media;

(b) the production of electronic documents shall normally be made on the basis of generally available technology in a searchable format which is usable by the party receiving the documents and convenient and economical for the producing party. Absent a showing of compelling need, the parties need not produce metadata, with the exception of header fields for email correspondence;

(c) the description of custodians from whom electronic documents may be collected shall be narrowly tailored to include only those individuals whose electronic documents may reasonably be expected to contain evidence that is material to the dispute; and

(d) where the costs and burdens of electronic discovery are disproportionate to the nature of the dispute or to the amount in controversy, or to the relevance of the materials requested, the arbitrator shall either deny such requests or order disclosure on condition that the requesting party advance the reasonable cost of production to the other side, subject to allocation of costs in the final award as provided herein.

(7) In any arbitration arising out of or related to this Agreement, each side may take no more than three depositions. Each side's depositions are to consume no more than a total of 15 hours, and each deposition shall be limited to 5 hours. There are to be no speaking objections at the depositions, except to preserve privilege.

(8) The provisions of this Section are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Agreements.

(9) Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

D Consent to Jurisdiction.

Subject to the agreement to mediate (Section 9.B) and arbitrate (Section 9.C) and the provisions below, you and your owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in a court in or nearest to our then-current principal place of business (currently, Franklin, Tennessee), and you and each of your owners irrevocably submits to the jurisdiction of that court and waives any objection you or any of your owners might have to either the jurisdiction of or venue in that court.

E Waiver of Punitive Damages and Jury Trial.

Except for your obligation to indemnify us for third party claims under Section 8.B, and except for punitive, exemplary or multiple damages available to either party under United States federal law, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary or multiple damages against the other and agree that, in the event of a dispute between us and you (or your owners), the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains.

We and you (and your owners) irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either party.

F Injunctive Relief.

Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against conduct that threatens to injure or harm us, our or our affiliates' trademarks, or the Franchise System, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may obtain such injunctive relief. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing, and you hereby expressly waive any claim for damages caused by such injunction.

G Limitation of Claims.

Except for claims arising from your non-payment or underpayment of amounts you owe to us pursuant to this Agreement, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial proceeding is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims. The parties agree that any proceeding will be conducted on an individual, not a class-wide, basis. You and your owners agree that our and our affiliates' owners, directors, managers, officers, employees, and agents shall not be personally liable nor named as a party in any action between us or our affiliates and you or your owners.

H Attorneys' Fees and Costs.

If either party initiates an arbitration, judicial or other proceeding, the party prevailing in such proceeding shall be entitled to recovery of its costs and expenses, including reasonable attorneys' fees.

10. **MISCELLANEOUS**

A Construction.

Time is of the essence of this Agreement and of each and every part hereof. If either you are comprised of more than one individual, or Entity, the obligations of each such individual and Entity will be joint and several. If for any reason whatsoever, any term or condition of this Agreement is, to any extent declared to be invalid or unenforceable, all other terms and conditions of this Agreement, other than those as to which it is held invalid or unenforceable, will not be affected thereby and each term and condition of this Agreement will be separately valid and enforceable to the fullest extent permitted by law. Headings preceding the text, sections and subsections hereof have been inserted solely for convenience of reference and will not be construed to affect the meaning, construction or effect of this Agreement. This Agreement shall not be effective until accepted by us as evidenced by dating and signing by an officer or other duly-authorized representative of ours.

B No Warranty or Representation.

You hereby acknowledge that we and our agents, affiliates, officers, directors, managers, owners, employees and other representatives have not made or given to you any warranties, representations, undertakings, commitments, covenants or guarantees respecting the subject matter of this Agreement except as expressly stated in this Agreement, and specifically without limiting the generality of the foregoing, you hereby acknowledge and agree that we and our agents, affiliates, officers, directors, managers, owners, employees and other representatives have not made or given any warranty,

representation, undertaking, commitment, covenant or guarantee in respect of sales or profit to be derived or costs or expenses to be incurred by you and that you are not relying upon any warranties, representations, undertakings, commitments, covenants or guarantees of us and our officers, directors, owners, employees and other representatives except as provided in this Agreement.

C Notice.

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Operations Manual will be deemed to be delivered on the earlier of the date of actual delivery or one of the following:

(1) at the time delivered via computer transmission and, in the case of the Royalty, Brand Fund contributions, and other amounts due, at the time we actually receive payment;

(2) one business day after transmission by electronic system if the sender has confirmation of successful transmission;

(3) one business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or

(4) three business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid;

All notices must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice, or if to you, notice may be addressed to the D1 Training Facility. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two days before then) will be deemed delinquent.

D Applicable Law.

This Agreement will be construed and interpreted under the laws of the State of Tennessee, without regard to its conflicts of laws rules, except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.) or other United States federal law.

E Waiver.

The waiver by either you or us, of a breach of any term or condition contained in this Agreement will not be deemed to be a waiver of such term or condition or any subsequent breach of the same or any other term or condition herein contained unless such waiver is expressly set forth in writing. Our failure to exercise any right of ours to demand your exact compliance, nor any custom of practice of you and us at variance with the terms and conditions of this Agreement will constitute a waiver of our right to demand exact compliance with the terms and conditions hereof. Our subsequent acceptance of any amount payable hereunder, will not be deemed to be a waiver of any preceding breach of any term or condition of this Agreement, other than the failure to pay the particular amount so accepted, regardless of our knowledge of such preceding breach at the time of acceptance of such amount.

F Assignment by Us.

In the event of a sale, transfer or assignment by us of our interest in this Agreement or any interest

herein, to the extent that the purchaser or assignee assumes our covenants and obligations under this Agreement, we will thereupon and without further agreement, be freed and relieved of all liabilities with respect to such covenants and obligations. In no event will anything, including without limitation, anything contained in this Agreement, prevent us from selling, transferring or assigning any interest we may have in the Franchise System or the Marks or any part thereof, and notwithstanding we have no obligations to you under or pursuant to this Agreement, if for any reason it is determined otherwise by a governmental authority, legislative act, court of competent jurisdiction or in any other manner whatsoever, upon completion of any such sale, transfer or assignment, we will be freed and relieved of all your liability whatsoever.

G Further Assurances.

You and we agree to execute and deliver such further and other agreements, assurances, undertakings, acknowledgements or documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise our vote and influence and do and perform and cause to be done and performed any further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

H Entire Agreement.

This Agreement and all schedules attached hereto constitute the entire agreement of the parties hereto and all prior negotiations, commitments, representations, warranties, agreements and undertakings made prior hereto are hereby merged. Other than the representations in the Franchise Disclosure Document you received from us, there are no other inducements, representations, warranties, agreements, undertakings, or promises (oral or otherwise), among you and us relating to the subject matter of this Agreement. No subsequent alteration, amendment, change or addition to this Agreement or any schedules will be binding upon the parties hereto unless reduced to writing and signed by us and you or our and your respective heirs, executors, administrators, successors or assigns. 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.

I Binding Agreement.

This Agreement will inure to the benefit of and be binding upon us and our successors and assigns and will be binding upon you and your heirs, executors, administrators, successors and authorized assigns.

J Execution.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement and all other documents related to this Agreement may be executed by manual or electronic signature. Either party may rely on the receipt of a document executed or delivered electronically, as if an original had been received.

[**Signatures appear at the end of the Commercial Addendum (Schedule A)**]

SCHEDULE A
COMMERCIAL ADDENDUM

Franchisor and Area Developer agree that the information in this Commercial Addendum reflects conditions as of the Effective Date. The provisions in this Commercial Addendum including the Attachments are fully incorporated in and made a part of the D1 Area Development Agreement ("**Agreement**"), and the definitions in the Agreement are fully incorporated in and made a part of this Commercial Addendum. If any information in these Commercial Addendum conflicts with any provision in the Agreement, then the information in this Commercial Addendum controls. The parties may amend this Commercial Addendum to reflect changes occurring after the Effective Date. However, the parties' failure to amend this Commercial Addendum shall not prevent a party from establishing the change or the parties' agreement to modify this Commercial Addendum.

ITEM 1 – EFFECTIVE DATE

ITEM 2 – DEVELOPMENT FEE

ITEM 3 – NON-EXCLUSIVE DEVELOPMENT AREAS

The non-exclusive development areas are as follows:

Development Area Name	**Corresponding ZIP Codes**

Each of the non-exclusive development areas is depicted on the map attached in **Attachment 1** to this Commercial Addendum hereto. If the Development Area is identified by counties or other political subdivisions, political boundaries will be considered fixed as of the date of this Agreement and will not change, notwithstanding a political reorganization or change to the boundaries or regions.

When you sign a Franchise Agreement for each territory within the Development Area, your territory will be revised pursuant to the then-current Franchise Agreement, and the territory as set forth in the Area Development Agreement shall terminate.

ITEM 4 – AREA DEVELOPER

Area Developer is (CHECK ONE):

☐ a company (LLC or Corporation), as set out in Part A below; or

☐ one or more individuals, as set out in Part B below.

Part A – Company

Name	
Company Type	
State of Formation	
EIN	
Address	

The Area Developer warrants that the ownership interests set out below are true and accurate as of the Effective Date.

Part B – Individual(s)

Owner #1 **Name:** **Address:** **Email:**		**Owner #2** **Name:** **Address:** **Email:**
Owner #3 **Name:** **Address:** **Email:**		**Owner #4** **Name:** **Address:** **Email:**

ITEM 5 – DESIGNATED REPRESENTATIVE

The following identifies the owner that you have designated as, and that we have approved to be, the Designated Representative

Name	
Email	
Address	

ITEM 6 – DEVELOPMENT SCHEDULE

The Development Schedule is as follows:

Development Period	Number of New D1 Training Facilities to be	Cumulative Number of D1 Training Facilities to be

	Opened During Development Period	Operating by End of Development Period

ITEM 7 – OWNERSHIP

As of the Effective Date, each of the owners, members, and equity holders in the Area Developer are listed below:

Owner #1 **Name:** **% Ownership:**		**Owner #2** **Name:** **% Ownership:**
Owner #3 **Name:** **% Ownership:**		**Owner #4** **Name:** **% Ownership:**

ATTACHMENT 1
COMMERCIAL ADDENDUM

[Insert Map]

The parties have executed this Agreement as of the Effective Date.

FRANCHISOR:
D1 SPORTS FRANCHISE LLC,
a Tennessee limited liability company

By: _____

Name: Will Bartholomew, CEO

Date: _____

AREA DEVELOPER:
The party/parties named in Item 4 of the Commercial Addendum

By: _____

Name:

Date: _____

By: _____

Name:

Date: _____

By: _____

Name:

Date: _____

By: _____

Name:

Date: _____

SCHEDULE B

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given on _____, by the person(s) indicated below who have executed this Agreement.

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement (the "**Agreement**") on this date by **D1 Sports Franchise, LLC**, a Tennessee limited liability company ("**we**," "**us**," or "**our**"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that the party named in to the Agreement ("**Developer**") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Developer or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Developer or its owners, and for so long as we have any cause of action against Developer or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Developer, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers. Each of the undersigned further agrees, at our request, to provide the updated financial information to us as may be reasonably necessary to demonstrate his or her ability to satisfy the obligations of the franchise owners under the Agreement.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Developer arising as a result of the undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each of the undersigned acknowledges and represents that he or she has had an opportunity to review the Agreement and agrees that the provisions of Article 9 (Enforcement; Dispute Resolution) have been reviewed by the undersigned and are incorporated, by reference, into and shall govern this Guaranty and Assumption of Obligations and any disputes between the undersigned and us. Nonetheless, each of the undersigned agrees that we may also enforce this Guaranty and Assumption of Obligations and awards in the courts of the state or states in which he or she is domiciled.

By signing below, the undersigned spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse's own separate property).

[Signatures on Next Page]

Each signatory has caused this Guaranty and Assumption of Obligations to be duly executed as of the date first written above.

GUARANTORS:

By: _____ By: _____

Name: Name:

Date: _____ Date: _____

By: _____ By: _____

Name: Name:

Date: _____ Date: _____

SPOUSAL CONSENT

By: _____ By: _____

Name: _____ Name: _____

Spouse of: Spouse of:

Date: _____ Date: _____

By: _____ By: _____

Name: _____ Name: _____

Spouse of: Spouse of:

Date: _____ Date: _____

EXHIBIT D

FINANCIAL STATEMENTS

D1 SPORTS FRANCHISE, LLC
(A Limited Liability Company)

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

D1 SPORTS FRANCHISE, LLC
(A Limited Liability Company)
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

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CITRINCOOPERMAN®

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Certified Public Accountants

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New York, NY 10020
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INDEPENDENT AUDITOR'S REPORT

To the Member
D1 Sports Franchise, LLC

Opinion

We have audited the accompanying financial statements of D1 Sports Franchise, LLC (a limited liability company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and member's deficit and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of D1 Sports Franchise, LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, 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. 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 D1 Sports Franchise, LLC 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 D1 Sports Franchise, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 D1 Sports Franchise, LLC'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 D1 Sports Franchise, LLC'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.

Citrin Cooperman & Company, LLP

New York, New York
April 16, 2025

D1 SPORTS FRANCHISE, LLC
(A Limited Liability Company)
BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Current assets:		
Cash	$ 466,404	$ 1,071,341
Accounts receivable, net	2,686,762	1,973,610
Accounts receivable - related party	37,015	112,916
Due from related parties	196,345	41,827
Prepaid expenses and other current assets	75,217	67,410
Prepaid expenses - deferred charges	352,626	439,553
Total current assets	3,814,369	3,706,657
Property and equipment, net	217,438	59,266
Operating lease right-of-use asset	119,387	237,444
Other asset:		
Prepaid expenses - deferred charges, net of current	3,465,011	3,288,219
TOTAL ASSETS	$ 7,616,205	$ 7,291,586
LIABILITIES AND MEMBER'S DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	$ 801,169	$ 719,859
Marketing fund payable	70,177	17,714
Deferred revenue - current	1,654,179	1,571,577
Operating lease liability - current	119,387	118,057
Total current liabilities	2,644,912	2,427,207
Long-term liabilities:		
Deferred revenue - net of current	16,333,266	12,605,094
Operating lease liability - net of current	-	119,387
Total long-term liabilities	16,333,266	12,724,481
Total liabilities	18,978,178	15,151,688
Commitments and contingencies (Notes 8, 9, 10 and 11)		
Member's deficit	(11,361,973)	(7,860,102)
TOTAL LIABILITIES AND MEMBER'S DEFICIT	$ 7,616,205	$ 7,291,586

See accompanying notes to financial statements.

D1 SPORTS FRANCHISE, LLC
(A Limited Liability Company)
STATEMENTS OF OPERATIONS AND MEMBER'S DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	2024	2023	2022
Revenues:			
Franchise fees and royalties	$ 7,422,205	$ 6,258,135	$ 3,309,559
Vendor rebates	892,267	306,244	477,354
Marketing fee revenue	684,656	263,250	210,000
Billable expense revenue	591,172	475,288	377,169
Other revenues	39,939	51,418	32,826
Total revenues	9,630,239	7,354,335	4,406,908
Operating expenses:			
Selling, general and administrative	10,075,404	7,511,310	4,484,852
Marketing fund expenses	684,656	263,250	210,000
Total operating expenses	10,760,060	7,774,560	4,694,852
Loss from operations	(1,129,821)	(420,225)	(287,944)
Other income, net	193,000	195,146	186,900
Net loss	(936,821)	(225,079)	(101,044)
Member's deficit - beginning	(7,860,102)	(3,430,201)	(3,329,157)
Contributions	3,841,725	-	-
Distributions	(6,406,775)	(4,204,822)	-
MEMBER'S DEFICIT - ENDING	$ (11,361,973)	$ (7,860,102)	$ (3,430,201)

See accompanying notes to financial statements.

D1 SPORTS FRANCHISE, LLC
(A Limited Liability Company)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	2024	2023	2022
Cash flows from operating activities:			
Net loss	$ (936,821)	$ (225,079)	$ (101,044)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	23,989	9,660	1,418
Bad debt expense	351,295	469,368	-
Changes in operating assets and liabilities:			
Accounts receivable	(1,064,446)	(1,202,951)	(479,928)
Accounts receivable - related party	75,901	(13,239)	(92,897)
Due from related parties	(154,518)	281,005	(322,832)
Prepaid expenses and other current assets	(7,807)	(18,614)	(48,796)
Prepaid expenses - deferred charges	(89,865)	504,956	(252,250)
Accounts payable and accrued expenses	81,309	559,451	4,903
Marketing fund payable	52,463	(105,464)	(12,218)
Due to owner	-	(10,640)	(1,718)
Deferred revenue	3,810,774	2,492,461	3,111,735
Net cash provided by operating activities	2,142,274	2,740,914	1,806,373
Cash used in investing activities:			
Purchases of property and equipment	(182,161)	(62,444)	-
Cash flows from financing activities:			
Capital contributions	3,841,725	-	-
Member distributions	(6,406,775)	(4,204,822)	-
Net cash used in financing activities	(2,565,050)	(4,204,822)	-
Net increase (decrease) in cash	(604,937)	(1,526,352)	1,806,373
Cash - beginning	1,071,341	2,597,693	791,320
CASH - ENDING	$ 466,404	$ 1,071,341	$ 2,597,693
Supplemental schedules for non-cash investing activity:			
Operating lease liability and right-of-use assets recognized in connection with implementation of ASC 842 on January 1, 2022	$ -	$ -	$ 469,631

See accompanying notes to financial statements.

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

D1 Sports Franchise, LLC (the "Company"), a then wholly-owned subsidiary of D1 Sports Parent, LLC (the "Parent"), was formed on December 4, 2014, and began operations on December 30, 2014, as a Tennessee limited liability company to sell franchises pursuant to a non-exclusive, royalty-free license agreement dated April 18, 2016, between the Company and D1 Sports Holdings, LLC (the "Licensor"). Pursuant to the Company's standard franchise agreement, franchisees will operate training facilities offering athletic-based scholastic and adult group training, coaching and personal training, and related goods and services and will operate under the name "D1."

On October 29, 2021, a private equity firm acquired a controlling interest in the Parent. As of October 30, 2021, a newly formed entity, D1 New Holdco, LLC (the "New Parent") became the parent of the Company. Additionally, on October 29, 2021, the Company entered into an intellectual property assignment agreement with the Licensor, in which the ownership of the D1 trademark was assigned to the Company.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

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

Use of estimates

The preparation of the Company's financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the Company's financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Accounts receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of some of its franchisees to make required payments. Unbilled accounts receivable, which are included in accounts receivable, represent amounts the Company has an unconditional right to receive payment for, although invoicing is subject to contractual billing requirements. The Company assesses collectibility by reviewing accounts receivable and its contract assets on a collective basis where similar risk characteristics exist. In determining the amount of the allowance for credit losses, management considers historical collectibility and makes judgments about the creditworthiness of the pool of franchisees based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions are considered in adjusting the historical losses to determine the appropriate allowance for credit losses. Uncollectible accounts are written off when all collection efforts have been exhausted. The Company has recorded an allowance for credit losses in the amount of $748,189 and $510,896 as of December 31, 2024 and 2023, respectively.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable (continued)

The allowance for credit losses for the years ended December 31, 2024 and 2023, is comprised of the following:

	2024	2023
Beginning balance	$ 510,896	$ 160,075
Provisions	351,295	469,368
Write-offs	(114,002)	(118,547)
Recoveries	-	-
Allowance for credit losses	$ 748,189	$ 510,896

Revenue recognition

The Company derives its revenues from franchise fees, royalties, marketing fees and transfer fees.

Franchise fees and royalties

Contract consideration from franchise operations primarily consists of initial and renewal franchise fees, sales-based and fixed-fee royalties, fixed-fee marketing fund fees and transfer fees payable by a franchisee for the transfer of a franchise unit to another franchisee. The Company also enters into area development agreements ("ADAs") which grant a franchisee the right to develop two or more franchise units. The Company collects an up-front area development fee for the grant of such rights. The initial franchise fees and up-front area development fees are nonrefundable and collected when the underlying franchise agreement or ADA is signed by the franchisee. Sales-based royalties, fixed-fee royalties and fixed-fee marketing fees are payable monthly. Renewal and transfer fees are payable when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

The Company's primary performance obligation under the franchise agreement mainly includes granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including site selection, training and other such activities commonly referred to collectively as "pre-opening activities." The Company has determined that rights to access its intellectual property and the pre-opening activities are highly interrelated and interdependent and therefore are accounted for as a single performance obligation, which is satisfied by granting certain rights to use the Company's intellectual property over the term of each franchise agreement.

Initial and renewal franchise fees are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. ADAs generally consist of an obligation to grant the right to open two or more franchise units. These development rights are not distinct from franchise agreements; therefore, up-front fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as the initial and renewal franchise fee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Royalties are earned either as a percentage of franchisee gross revenues ("sales-based royalties") over the term of the franchise agreement, or are charged at a fixed rate, as defined in each respective franchise agreement. Franchise royalties, which represent sales-based royalties that are related entirely to the use of the Company's intellectual property, are recognized as franchisee sales occur and the royalty is deemed collectible.

Marketing fund

The Company maintains a marketing fund established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Marketing fund fees are collected from franchisees based on a minimum fixed-fee of $250 per month, with the option to increase fees up to 2% of franchisees' reported sales. Beginning July 1, 2024, the Company increased the fee to 2%. The Company has determined that it acts as a principal in the collection and administration of the marketing fund and therefore recognizes the revenues and expenses related to the marketing fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the marketing fund are highly interrelated and therefore are accounted for as a single performance obligation. When marketing fund fees exceed the related marketing fund expenses in a reporting period, advertising costs are accrued up to the amount of marketing fund revenues recognized.

Vendor rebates

The Company has entered into certain preferred vendor arrangements for which it earns a commission or rebate payable by the vendor based on a percentage or volume of purchases made by its franchisees. Vendor rebates are recognized in the period purchases and are made and reported to the Company.

Other revenues

All other fees are recognized as services are rendered or when payment is received.

Incremental costs of obtaining a contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises, and amortizes them over the term of the associated franchise agreement. In the case of costs paid related to ADAs for which no signed franchise agreement has been received, these costs are deferred until the associated signed franchise agreement is executed.

Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and amortization. Expenditures for maintenance and repairs are expensed currently, while renewals and betterments that materially extend the life of an asset are capitalized. The cost of assets sold, retired, or otherwise disposed of, and the related allowance for depreciation, are eliminated from the accounts, and any resulting gain or loss is recognized.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment (continued)
Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the assets as follows:

Equipment	5 years
Furniture and fixtures	7 years
Leasehold improvements	Shorter useful life or lease-term

Leases
The Company has an operating lease agreement for an office space through December 31, 2025 with no renewal options. The Company determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the balance sheets.

Lease terms include the noncancellable portion of the underlying leases along with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Company uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments.

Certain leases contain fixed and determinable escalation clauses for which the Company recognizes rental expense under these leases on the straight-line basis over the lease terms, which includes the period of time from when the Company takes possession of the leased space; the cumulative expense recognized on the straight-line basis in excess of the cumulative payments. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Income taxes
The Company is treated as a partnership for income tax purposes and, as such, is not liable for federal or state income taxes. As a single-member limited liability company and therefore a disregarded entity for income tax purposes, the Company's assets and liabilities are combined with and included in the income tax return of the Parent and the New Parent. Accordingly, the accompanying financial statements do not include a provision or liability for federal or state income taxes.

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at December 31, 2024 and 2023.

The Parent and the New Parent file income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Advertising costs for the Company are expensed as incurred and amounted to $777,241, $376,852, and $164,032 for each of the years in the three-year period ended December 31, 2024, respectively.

Variable interest entities

In accordance with the provisions of FASB ASU No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities* ("ASU 2018-17"), FASB no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements, including leasing arrangements under common control. The Company has applied these provisions to the accompanying financial statements and has determined that the entities disclosed in Note 11 meet the conditions under ASU 2018-17, and accordingly, are not required to be included in the Company's financial statements.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through April 16, 2025, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. FRANCHISED OUTLETS

The following data reflects the status of the Company's franchised outlets as of and for each of the years in the three-year period ended December 31, 2024:

	2024	2023	2022
Franchises sold	94	82	49
Franchises purchased	-	-	-
Franchised outlets in operation	127	90	81
Affiliate-owned outlets in operation	2	1	-
Terminated outlets	10	8	5

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable and Accounts receivable - related party consisted of the following at December 31, 2024 and 2023:

	2024	2023
Accounts receivable - franchise fees	$ 2,102,440	$ 1,959,820
Accounts receivable - royalties	541,593	289,075
Accounts receivable - vendor rebates	463,788	208,630
Accounts receivable - other	364,144	139,897
Total accounts receivable	3,471,965	2,597,422
Less: allowance for doubtful accounts	748,189	510,896
Total	$ 2,723,776	$ 2,086,526

NOTE 5. REVENUES AND RELATED CONTRACT BALANCES

Disaggregated revenues

The Company derives its revenues from franchisees located throughout the United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States and its ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by geographic region and timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Revenues by timing of recognition were as follows:

	2024	2023	2022
Point in time:			
Royalties, vendor rebates, marketing fee revenue, billable expense revenue and other revenues	$ 5,368,013	$ 3,655,176	$ 3,006,693
Over time:			
Franchise fees	4,262,226	3,699,159	1,400,215
Total revenues	$ 9,630,239	$ 7,354,335	$ 4,406,908

Contract balances

Accounts receivable balances as of December 31, 2024, 2023 and 2022, amounted to $3,471,965, $2,597,423 and $1,499,779, respectively.

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, which are presented as "Deferred revenue" in the accompanying balance sheets. A summary of significant changes in deferred revenues is as follows:

	2024	2023
Deferred franchise revenues - beginning of year	$ 14,176,671	$ 11,684,210
Revenue recognized during the year	(4,262,226)	(3,699,159)
New deferrals due to cash received	8,073,000	6,191,620
Deferred franchise revenues - end of year	$ 17,987,445	$ 14,176,671

NOTE 5. REVENUES AND RELATED CONTRACT BALANCES (CONTINUED)

Contract balances (continued)

Deferred franchise revenues are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

Year ending December 31:	Amount
2025	$ 1,654,179
2026	1,654,179
2027	1,654,179
2028	1,641,021
2029	1,555,247
Thereafter	9,828,640
Total	$ 17,987,445

Deferred franchise revenues consisted of the following:

	2024	2023
Franchise units not yet opened	$ 12,486,040	$ 10,649,194
Opened franchise units	5,501,405	3,527,477
Total	$ 17,987,445	$ 14,176,671

Royalty and marketing fund fees, which are charged at a fixed rate, are recognized as revenues on a straight-line basis over the remaining life of each respective franchise agreement.

The direct and incremental costs, principally consisting of commissions recognized as "Prepaid expenses - deferred charges" in the accompanying balance sheets, expected to be recognized over the remaining term of the associated franchise agreements at December 31, 2024, are as follows:

Year ending December 31:	Amount
2025	$ 352,626
2026	352,626
2027	352,626
2028	345,978
2029	303,545
Thereafter	2,110,236
Total	$ 3,817,637

NOTE 6. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and receivables.

Cash

The Company places its cash in financial institutions which may at times be in excess of Federal Deposit Insurance Corporation insurance limits. The Company has not experienced any losses in such accounts.

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2024 and 2023:

	2024	2023
Equipment	$ 143,729	$ 59,877
Furniture and fixtures	49,845	12,498
Leasehold improvements	60,962	-
	254,536	72,375
Less: accumulated depreciation and amortization	37,098	13,109
Property and equipment, net	$ 217,438	$ 59,266

Depreciation and amortization expense amounted to $23,989, $9,660 and $1,418 for the years ended December 31, 2024, 2023 and 2022, respectively.

NOTE 8. MARKETING FUND

The Company charges its franchisees a brand development fee of a minimum of $250 per month, with the option to increase the amount to up to 2% of its gross revenues, in accordance with the Company's standard franchise agreement. On July 1, 2024, the Company increased the amount to be 2% of franchisees' gross revenues. The marketing fund is utilized for the benefit of the franchisees, with a portion designated to offset the Company's administrative costs for its administration. Pursuant to the standard franchise agreement, the Company is not required to segregate and restrict monies collected on behalf of the marketing fund. Funds collected and not yet expended on the franchisees' behalf totaled $70,177 and $17,714 as of December 31, 2024 and 2023, respectively.

The Company may charge its franchisees a local advertising cooperative fee not to exceed 1.5% of its gross revenues, in accordance with the Company's standard franchise agreement. The local advertising cooperative is utilized for the benefit of the franchisees, with a portion designated to offset the Company's administrative costs for its administration. Pursuant to the standard franchise agreement, the Company is not required to segregate and restrict monies collected on behalf of the local advertising cooperative. As of December 31, 2024 and 2023, the Company had not charged or collected any fees related to the local advertising cooperative.

NOTE 9. COMMITMENTS AND CONTINGENCIES

Operating lease

The Company entered into a sublease agreement with D1 Sports Training of Nashville, LLC, a related party through common ownership, which was renewed during 2020 and expires on December 31, 2025. The Company is charged a monthly rent of $10,000 and recorded operating lease expense of $120,000 for each of the years in the three-year period ended December 31, 2024.

Maturities of lease liabilities at December 31, 2024, are as follows:

Year ending December 31:	Amount
2025	$ 120,000
Less: interest	613
Present value of lease liabilities	119,387
Less: current portion	119,387
Lease liabilities, net of current portion	$ -

Supplemental cash flow information related to leases was as follows:

	2024	2023
Cash paid for amounts included in measuring operating lease liabilities:		
Operating cash flows from operating leases	$ 120,000	$ 120,000
Average operating lease terms and discount rates were as follows:		
Weighted-average remaining lease term (in years)	1	2
Weighted-average discount rate (%)	1.12	1.12

Vendor contracts

The Company entered into agreements with various vendors during the years ended December 31, 2024, 2023 and 2022. These agreements require the Company to pay certain fees, as defined within the agreement, when franchisees open or use the vendors' services. Additionally, some agreements provide for rebates to be paid back to the Company based on a percentage of monies received from franchisees who utilize its services. Expenses incurred on these agreements are included in "Selling, general and administrative expenses" in the accompanying statements of operations and member's deficit. Rebates received on these agreements are included in "Vendor rebates" in the accompanying statements of operations and member's deficit.

General litigation

The Company is a defendant in various legal proceedings arising in the ordinary course of business. Neither the amount of liability, if any, from these proceedings, nor a range of such amounts can presently be estimated. However, management believes that the resolution of these matters, both in the aggregate and individually, will not have a material adverse impact on the Company's financial position, results of operations and cash flows.

NOTE 10. REVOLVING LOAN AGREEMENT

Guarantees

On November 15, 2023, D1 New Holdco, LLC, D1 Sports Franchise, LLC, D1 Sports HQ, LLC, D1 Sports Corporate, LLC and Ten Cool Springs, LLC jointly and severally entered into a loan agreement with a financial institution, which provides for a $1,000,000 revolving line of credit and a $9,000,000 term loan (the "Loan Agreement"). On December 12, 2024, there was an amendment to the loan agreement, which provides for an additional $5,700,000 term loan. The loan is held on the books of D1 New Holdco, LLC. As of December 31, 2024 and 2023, the outstanding balance on the revolving line of credit amounted to $97,817 and $100,000, respectively. As of December 31, 2024 and 2023, the outstanding balance on the term loan amounted to $12,132,000 and $9,000,000, respectively. The Loan Agreement provides for certain financial and non-financial covenants. There has been no event of default as of December 31, 2024, and through the date the financial statements were available to be issued.

NOTE 11. RELATED-PARTY TRANSACTIONS

On January 1, 2017, the Company entered into a payroll allocation agreement (the "Payroll Allocation Agreement") with D1 Sports HQ, LLC ("HQ"), a related party through common ownership, which renews annually with written consent from all parties. As part of the agreement, HQ will allocate the Company's pro-rata share of its personnel expenses to the Company based on the terms of the agreement. Expenses paid to HQ for the years ended December 31, 2024, 2023 and 2022, amounted to $4,113,226, $2,486,594 and $1,633,943, respectively, and are included in "Selling, general and administrative expenses" in the accompanying statements of operations and member's deficit.

In addition, the Company, in the normal course of business, regularly enters into transactions with individual franchises that are owned or managed by related parties of the Company. As a result of these transactions, revenues from these related-party franchises amounted to $322,997, $245,524 and $102,486 for the years ended December 31, 2024, 2023 and 2022, respectively.

In addition, receivables from these related-party franchises amounted to $37,015 and $112,916 at December 31, 2024 and 2023, respectively. These amounts are included in "Accounts receivable - related party" in the accompanying balance sheets.

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

D1 Sports Franchise, LLC
(A Limited Liability Company)
Balance Sheet
For January 1, 2025 to April 30, 2025 Period
UNAUDITED
Incl ASC 606 unaudited adjustments

	2025
Assets	
Current assets:	
Cash	261,552
Accounts receivable, net	3,518,855
Due from related parties	22,064
Prepaid expenses and other current assets	91,634
Total current assets	3,894,105
Equipment, net	253,023
Operating lease right of use asset	119,387
Prepaid expenses - deferred charges	3,893,244
Total assets	8,159,759
Liabilities and Member's Deficit	
Current liabilities:	
Accounts payable and accrued expenses	915,824
Marketing fund payable	70,177
Total current liabilities	986,001
Long-term liabiities:	
Deferred revenue	19,365,006
Operating lease liability	119,387
Total long-term liabilities	19,484,392
Total liabilities	20,470,393
Commitments and Contingencies	-
Member's Deficit	(12,310,634)

D1 Sports Franchise, LLC
(A Limited Liability Company)
Statement of Operations and Member's Deficit
For January 1, 2025 to April 30, 2025 Period
UNAUDITED
Incl ASC 606 unaudited adjustments

	2025
Revenues:	
Franchise fees and royalties	2,502,359
Vendor rebates	380,410
Marketing fee revenue	403,832
Billable expense revenue	293,520
Other revenues	144,791
Total revenues	3,724,912
Operating expenses:	
Selling, general, and administrative	3,666,888
Marketing fund expenses	403,832
Total operating expenses	4,070,720
Income (loss from operations)	(345,808)
Other income (expenses)	
Other expense	(50,883)
Other income	40,025
Other income, net	(10,858)
Net income (loss)	(356,665)
Member's deficit - beginning	(11,361,973)
Contributions	-
Distributions	(591,995)
Member's Deficit - ending	(12,310,634)

EXHIBIT E

TABLE OF CONTENTS TO OPERATIONS MANUAL

Courses	Lessons	Course	Duration
Overview	Mission: Core Values: Why	Overview	5:42
	Expectations, Vocabulary, and Support	Overview	8:46
	Brand Guide	Overview	10:18
	Field Support Comms and Workbook	Overview	13:00
	Opening Process	Overview	3:50
	Process Overview	Overview	4:02
	D1 Pricing Recommendations	Overview	2:00
Prospect	Prospect Overview	Prospect	1:00
	D1 Demographic	Prospect	3:00
	Marketing 101	Prospect	17:32
	Paid Social v Organic Social	Prospect	7:00
	Grassroots and PR	Prospect	7:00
	Market Discovery	Prospect	8:11
	Creating Content	Prospect	9:16
Recruit	Recruit Overview	Recruit	18:00
	Text v Call v Email?	Recruit	4:00
	Systematize not Automate?	Recruit	8:00
	Full Dashboard Walkthrough	Recruit	9:57
	Updating GPS Automation Copy	Recruit	2:00
	Adding staff members to yourGPS Portal	Recruit	0:58
	Updating your Client Management Dashboard Scripts	Recruit	1:07
	Telephone Inquiry Recording	Recruit	5:19
Commit	Commit Overview	Commit	0:59
	CLOSER Acronym	Commit	14:00
	PAPER Acronym	Commit	7:00
	Prescription Sale	Commit	12:00
	Reps on Reps on Reps	Commit	5:00
Coach	Coach Overview (create)	Coach	1:00
	D1 Programming	Coach	10:10
	5 Star Training	Coach	16:53
	D1 Difference	Coach	8:00
	Coaching Product & Service Offerings	Coach	18:00
Graduate	Graduate Overview	Graduate	1:00
	Graduate Check ins	Graduate	14:00
	Supplements Overview	Graduate	9:40
	Stacks	Graduate	6:36
	Selling Supps	Graduate	13:29
	Schedule Consults	Graduate	3:41
	Supps Sales Example	Graduate	14:41

Courses	Lessons	Course	Duration
Systems/ Software	Systems Overview	Systems	12:00
	MBO Overview	Systems	1:28
	Presales in MBO	Systems	4:00
	Managing Clients in MBO	Systems	20:42
	Staff Management in MBO	Systems	11:39
	Scheduling Workouts in MBO	Systems	5:50
	Reporting in MBO	Systems	
	Marketing Partners and Services	Systems	4:00
HR	HR Overview	HR	1:00
	Recruiter Hiring	HR	12:00
	Staffing to Win	HR	4:58
	Job Posting 101	HR	4:00
	Coach Hiring	HR	12:00
	GM Hiring	HR	10:00
D1toU	D1toU Intro Train Heroic	D1toU	47:44:00
	D1toU 2nd Train Heroic Call	D1toU	56:49:00
	D1toU Overview	D1toU	12:09
	Intro to Online Training	D1toU	5:55
	D1toU Fulfillment Explained	D1toU	13:03
	D1toU Tracking	D1toU	4:56
	D1toU Client Fulfillment Tracker	D1toU	8:37
	Communication Cadence	D1toU	7:40
	Meal Plan Distribution	D1toU	1:15
	Nutrition Weeks 1-2	D1toU	4:44
	Nutrition Weeks 3-4	D1toU	4:29
	Nutrition Weeks 5-6	D1toU	9:48
	Nutrtition After Week 6	D1toU	5:00
Graduate (product videos)	Sweat Ethic Intro	Graduate	2:03
	Sweat Ethic Taze'd	Graduate	1:38
	Sweat Ethic Blitz	Graduate	1:57
	Sweat Ethic Create	Graduate	1:29
	Sweat Ethic Fyre'd Up	Graduate	1:34
	Sweat Ethic Light N Lean	Graduate	1:14
	Sweat Ethic Omega Lean Total Test	Graduate	1:33
	Sweat Ethic Tone N' Lean Pure N' Lean	Graduate	1:20
	Sweat Ethic Vaso'd	Graduate	1:26
	Sweat Ethic Kits	Graduate	4:22
	Sweat Ethic Victress Manfident	Graduate	3:18
Vendor Support Functions	Mindbody – How to Send an Invoice & Process Checks	Vendor Support	10:00
	Mindbody – Retailing Using the Business App	Vendor Support	6:00
	Mindbody – Family Accounts	Vendor Support	3:00
	Mindbody – Family Accounts Set Up	Vendor Support	1 page
	TeamBuildr	Vendor Support	15:00
	GPS 101	Vendor Support	20:00
	Systems and Vendors Overview	Vendor Support	5 pages
	D1 Experience Score	Position Training	4 pages

Position Specific Training	Oncampus/Team Training Workshop	Position Training	60:00
	Creating GM Compensation	Position Training	5:00
	GM Example Offer Letter	Position Training	3 pages
	GM Example 30/60/90 Day Plan	Position Training	5 pages
	GM 30/60/90 Day Plan Overview	Position Training	5:00
Operations	D1 Recovery Offering	Operations	45:00/6 pages
	Assessment + Prescription	Operations	30:00/85 pages
Marketing & Marketing Entrance Strategy	December/New Years Specials	Marketing	5:00
	October Specials	Marketing	20:00
	Squatober	Marketing	10:00/3 pages
	September Planning/High Ticket Play	Marketing	1:30:00/ 3 pages
Sales Training	Commit Improvement Track	Sales Training	91:00/2 pages
	Presales	Sales Training	56:00/2 pages

EXHIBIT F

SAMPLE GENERAL RELEASE

D1 SPORTS FRANCHISE, LLC

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

D1 Sports Franchise, LLC ("we," "us," or "our") and the undersigned franchisee, _____ _____("you" or "your"), currently are parties to a certain franchise agreement (the "**Franchise Agreement**") dated _____, 20__. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation]_____ _____ _____ _____ _____. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, owners, directors, managers, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge us and our affiliates, and our and their current and former officers, directors, owners, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the "D1 Sports Parties") from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, "Claims") that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the D1 Sports Parties, including without limitation, Claims (1) arising out of or related to the D1 Sports Parties' obligations under the Franchise Agreement or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the D1 Sports Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the D1 Sports Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

IF THE FRANCHISE YOU OPERATE UNDER THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR IF YOU ARE A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY YOU OR THE RELEASING PARTIES. YOU RECOGNIZE THAT YOU OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE D1 SPORTS PARTIES OF WHICH YOU, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE D1 SPORTS PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN THE CREDITOR'S FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY THE CREDITOR MUST HAVE MATERIALLY AFFECTED THE CREDITOR'S SETTLEMENT WITH THE DEBTOR."

YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

If the D1 Sports Training Facility is located in Maryland or if you are a resident of Maryland, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

[Signature Page Follows]

The parties hereto have executed and delivered this release on the date stated on the first page hereof.

D1 SPORTS FRANCHISE, LLC

Print Name:_____

Title:_____

By:_____ Date:_____

FRANCHISEE

_____

Print Name:_____

Title:_____

By:_____ Date:_____

FRANCHISEE OWNER

Print Name:_____

Title:_____

By:_____ Date:_____

Print Name:_____

Title:_____

By:_____ Date:_____

EXHIBIT G

LIST OF FRANCHISEES

D1 SPORTS FRANCHISE, LLC
FRANCHISEES AS OF DECEMBER 31, 2024

OPERATIONAL TRAINING FACILITIES

Franchisee	Address	City	State	ZIP	Telephone
KB Distributors, LLC	1014 Montgomery Highway	Birmingham	AL	35216	(205) 509-5434
KB Distributors, LLC	1000 RV Trace	Hoover	AL	35244	(205) 512-3877
Sports Training of Cabot LLC	209 North 10th Street	Cabot	AR	72023	(501) 424-4920
D1 Sports Training of Little Rock, LLC	10 Viewpoint Cove	Little Rock	AR	72223	(501) 289-5609
Steve Snider & Todd Farnsworth	4667 S Dixieland Rd, Suite 101	Rogers	AR	72758	(501) 382-8906
D1 Training of Chandler LLC & D1 Training at Pecos Ranch LLC	1870 W Germann Rd, Suite 2	Chandler	AZ	85286	(480) 245-5971
D1 South Chandler, LLC	4100 S. Arizona Avenue, Suites A-103 & A-111	Chandler	AZ	85248	(480) 680-0343
Steve Fisher	8490 S Power Rd., Suite 109	Gilbert	AZ	85297	(480) 300-3825
North Gilbert Training LLC	1551 E Elliot Rd	Gilbert	AZ	85234	(480) 300-3825
Lefebvre Holdings, LLC	1257 S Crismon Rd Suite 104	Mesa	AZ	85209	(480) 690-3539
Renegade Dynamics II, LLC	2651 N 44th St	Phoenix	AZ	85008	(480) 690-3990
SaLu Enterprise, LLC	13402 N Scottsdale Rd, Suite B-150	Scottsdale	AZ	85254	(480) 568-2772
Tucson Performance Sports Training, LLC	2270 W. Ina Road, Suite 100	Tucson	AZ	85741	(520) 436-2640
Go Time Fitness, LLC	10188 Adams Ave	Huntington Beach	CA	92646	(714) 908-9038
45 Sports Training, LLC	555 The Shops At Mission Viejo	Mission Viejo	CA	92691	(949) 799-1275
Kyng shyp LLC	1420 East Washington Street	Petaluma	CA	94954	(707) 593-0935
Sanjay Sharma	4299 Rosewood Dr.#100	Pleasanton	CA	94588	(925) 369-7058
Loop Enterprises, LLC	10768 Foothill Boulevard #100	Rancho Cucamonga	CA	91730	(909) 265-7952

SKIT Holdings, LLC	410 Roseville Square	Roseville	CA	95678	(916) 633-7233
Trifectness, Inc.	40820 Winchester Road, Suite 1426	Temecula	CA	92591	(951) 228-7598
45 Sports Training, LLC	21760 Hawthorne Boulevard Ste 284A	Torrance	CA	90503	(310) 591-3147
CSPerformance, LLC	5815 Mark Dabling Boulevard	Colorado Springs	CO	80919	(719) 247-1128
PBY Sports, Inc.	6570 S Yosemite St.	Greenwood Village	CO	80111	(720) 571-9260
PBY Sports, Inc.	8154 Kipling Pkwy, Unit A-110	Littleton	CO	80127	(303) 309-4059
Ascend Athletic Performance, LLC	4750 W 120th Ave, Ste. 100	Westminster	CO	80020	(720) 734-9027
Hittle Fitness, LLC	100 N. Water St.	Norwalk	CT	06854	(203) 941-4818
AKM Enterprises I, LLC	1401 Green Road, Suites D/E/F	Deerfield Beach	FL	33064	(954) 280-9663
Gordon Hardwick	2610 South Woodland Boulevard Deland	DeLand	FL	32720	(386) 515-7543
Capital Marketing, Inc.	11444 S Apopka Vineland Rd, Suite 105	Dr. Phillips	FL	32836	(407) 554-5251
239 Legacy, LLC	9359 6 Mile Cypress Pkwy, Suite 415	Fort Myers	FL	33966	(239) 208-5017
Roose Performance, LLC	3335 Gulf Breeze Parkway Suite 107A	Gulf Breeze	FL	32563	(850) 641-1172
Conor Blount	11744 Beach Blvd.	Jacksonville	FL	32246	(904) 901-6470
D1 Sports Training and Therapy of Orlando, LLC	30 Skyline Drive	Lake Mary	FL	32746	(321) 578-9425
D1LWR, LLC	3025 Lakewood Ranch Blvd #102	Lakewood Ranch	FL	34211	(941) 260-2518
No Regrets Coral Springs, Inc.	6200 West Sample Road Suite 3450	Margate	FL	33063	(954) 250-3046
D1 North Naples, LLC	3397 Pine Ridge Rd.	Naples	FL	34109	(239) 970-8044
Brew Fit, LLC	4544 Highway 20 E.	Niceville	FL	32578	(850) 605-8431

Anderson Hoop Dreams, Inc.	2771 E Livingston St.	Orlando	FL	32803	(407) 753-1293
Unified Strength Alliance, LLC	206 N Dean Rd #100	Orlando	FL	32825	(407) 743-6616
The Carew Group, LLC	10870 U.S. Highway 1 Unit 202-203	Ponte Vedra Beach	FL	32081	(904) 747-9344
Gordon Hardwick	3813 South Nova Road Suite 104	Port Orange Beach	FL	32137	(386) 674-1509
Division Won Sports 1, LLC	7141 22nd Ave N	St. Petersburg	FL	33710	(727) 746-5922
SSR Tallahassee, LLC	1706 Capital Cir. NE, Ste. 8	Tallahassee	FL	32308	(850) 407-2658
D1 Winter Garden, LLC	765 Garden Commerce Parkway	Winter Garden	FL	34787	(833) 861-4151
D1 Milton Limited	12850 GA-9, Suite 1800	Alpharetta	GA	30004	(770) 450-8370
Judge Training, Inc.	3367 Buford Hwy Suite 900	Atlanta	GA	30329	(470) 722-2976
Flonix 5 Co.	1483 Chattahoochee Avenue Northwest Suite 100	Atlanta	GA	30318	(404) 689-1789
Amos Sports, LLC	2725 Hamilton Mill Rd, #800	Buford	GA	30519	(678) 839-9942
Amos Division 1 Athletic Training, LLC	1625 Bass Road Suite 285	Macon	GA	31210	(478) 569-8111
Gazzola Collective, LLC	6335-H Roswell Rd.	Sandy Springs	GA	30328	(404) 341-7145
Mark Richt	7920 Macon Hwy, Suite 150	Watkinsville	GA	30677	(706) 690-4162
Idaho Athletic Performance, LLC	3750 East Pewter Falls Street	Boise	ID	83642	(208) 888-4968
2C Athletic Performance, LLC	1227 North Galleria Drive	Nampa	ID	83687	(208) 418-0684
CSAS Enterprises, Inc.	71 W Rand Road	Arlington Heights	IL	60004	(847) 416-8590
45 Sports Training, LLC	400 Army Trail Road, Suite 103	Bloomingdale	IL	60108	(630) 934-1558
Division 1 Training Naperville, LLC	403 S Illinois Rte 59	Fox Valley	IL	60504	(630) 315-0277
FIVE STAR ELITE TRAINING, LLC	1003 West Lane Rd, Suite A	Machesney Park	IL	61115	(815) 569-5630
5 Star Sports Training and Fitness, LLC	1670 Douglas Rd	Oswego	IL	60543	(630) 884-5637
Jarrod Jones & Lazeric Jones	1627 E 80th Ave	Merrillville	IN	46410	(219) 990-0235

D1 Sports Training of Des Moines, LLC	890 SE Olson Drive	Waukee	IA	50263	(515) 216-2253
Sandlot Training, LLC	12938 East 21st Street North Suite 120	Wichita	KS	67230	(316) 444-6846
D1 Sports Training and Therapy of Bowling Green, LLC	946 Searcy Way	Bowling Green	KY	42104	(270) 715-0446
Johnson Training, LLC	1952 N Bend Road	Hebron	KY	41048	(859) 904-5445
SSR Baton Rouge, LLC	6401 Bluebonnet Boulevard Suite #505	Baton Rouge	LA	70836	(225) 460-4753
D1 Northshore, LLC	3999 U.S. 190 East Service Road Suite B	Covington	LA	70433	(985) 980-4898
Josh Hill	530 Elmwood Park Blvd	Elmwood	LA	70123	(504) 386-4350
Shreveport Sports Performance, LLC	727 American Way	Shreveport	LA	71106	(318) 216-5109
Victor Viktorov	60 South Ave.	Burlington	MA	1803	(781) 355-9540
D1 Partners, LLC	5435 28th St Ct SE	Grand Rapids	MI	49546	(616) 319-1245
D1 Sports Training Midwest, LLC	14015 Manchester Road	Ballwin	MO	63011	(636) 220-1211
Athletic Advancements, LLC	3810-3820 Monticello Plaza Drive	O'Fallon	MO	63304	(636) 689-5880
Joshiah Johnson, Larry Iverson, Michael Rider	1678 Shiloh Rd, Suite 2	Billings	MT	59106	(406) 319-3577
D1 Sports Training MIL, LLC	5350 Docia Crossing Rd, Suite C	Charlotte	NC	28269	(704) 228-0321
Credle-Allen Athletics, LLC	250 Premier Dr.	Holly Springs	NC	27540	(919) 535-4952
Jordan & Jamie Gay	221 Norman Station Blvd., Suite N	Mooresville	NC	28117	(704) 703-9051
AJAK, Inc.	19295 Grant Ave	Omaha	NE	68022	(402) 809-7714
Division 1 Training of Monmouth, Unit 1 LLC	1519 NJ-35 N & Harmony Rd	Middletown Township	NJ	07748	(732) 329-7212
Kaliana Athletics LLC	107 Pleasant Ave	Upper Saddle River	NJ	07458	(201) 905-2387
Michael Garrett	330 Willowbrook Blvd	Wayne	NJ	07470	(973) 832-0939
Ranakawai, Inc.	7083 W Craig Rd Suite 180	Las Vegas	NV	89129	(702) 766-5907
Rebel Athletics Corp.	1300 W Sunset Rd., Suite 1920	Henderson	NV	89014	(702) 803-3172

Powerhouse SL Enterprises, LLC	130 Business Park Drive	Armonk	NY	10504	(914) 829-3260
C&G Performance	25 Parce Ave., Suite 115	Fairport	NY	14450	(585) 364-0126
Athletae Electi LLC	26 Market Street	Yonkers	NY	10710	(914) 601-3337
Spond Ventures Ltd.	18825 North Market Place	Aurora	OH	44202	(330) 822-6770
WJB3, LLC	8315 Beechmont Ave. Ste. 40	Cincinnati	OH	45255	(513) 982-8315
E1 Sports and Performance, LLC	9573 Fields Ertel Road	Loveland	OH	45140	(513) 434-1992
Chanak, LLC	11445 SW Scholls Ferry Rd	Portland	OR	97008	(971) 265-4149
Randy Malesick	20111 Rte 19 Suite 302A	Cranberry Township	PA	16066	(724) 262-5991
Alan Mar & Sean McDermott	480 Lancaster Avenue Suite 3	Malvern	PA	19355	(610) 709-6706
Five Star Training, LLC	6522 Steubenville Pike	Pittsburgh	PA	15205	(412) 775-3953
ReamesBlack Ltd. Co.	1200 Woodruff Road	Greenville	SC	29607	(864) 215-4400
Elite One Training, LLC	8811 Charlotte Hwy	Indian Land	SC	29707	(803) 599-2798

Charleston Sports Performance, LLC	1220 Ben Sawyer Blvd.	Mt. Pleasant	SC	29464	(843) 632-5233
Apex Athlete Corp.	9811 U.S. Highway 64	Arlington	TN	38002	(901) 669-3713
Watson Fitness Systems, LLC	7430 Commons Boulevard	Chattanooga	TN	37421	(423) 220-4282
Michael Oxley	117 Saundersville Rd.	Hendersonville	TN	37075	(615) 558-5447
Thomas & Shanda Lee	130 West Springbrook Drive	Johnson City	TN	37604	(423) 226-5784
D1 - Hardin Valley, LLC	10258 Hardin Valley Road	Knoxville	TN	37932	(865) 622-7117
NEXT LEVEL, LLC - BLOUNT	3443 Louisville Road	Louisville	TN	37777	(865) 390-7747
Joe Stanford	3119 Medical Center Parkway A-1	Murfreesboro	TN	37129	(615) 492-8344
Joe Stanford	2 City Blvd.	Nashville	TN	37209	(615) 637-8511
Ascend Fitness, Inc.	1006 Crossings Blvd.	Spring Hill	TN	37174	(615) 570-4507
MK2 Operations, LLC	250 Bailey Ranch Rd	Aledo	TX	76008	(682) 463-1975
Whitey for the Win, Inc.	500 W Bethany Dr, Suite 120	Allen	TX	75013	(972) 497-8379
45 Sports Training, LLC	3811 Cooper St	Arlington	TX	76015	(817) 663-0510
Signing Day - SA, LLC	132 Old San Antonio Rd	Boerne	TX	78006	(830) 406-6270
The Welded Arrow LLC	601 West New Hope Drive #101	Cedar Park	TX	78613	(737) 688-0611
NORTHERN PERFORMANCE, LLC	4906 Colleyville Blvd, Suite 214	Colleyville	TX	76034	(817) 755-1172
D1 Sports Training of Dallas, LLC	8081 Walnut Hill Lane, Suite 1000	Dallas	TX	75321	(214) 617-9107
Aspir3 Corporation	2119 Sadau Ct	Denton	TX	76210	(214) 880-6223
45 Sports Training, LLC	4800 South Hulen Street Space 1165	Fort Worth	TX	76132	(817) 592-9200
BTB Fit LLC	709 West Parkwood Avenue, Suite D	Friendswood	TX	77546	(346) 633-4995
45 Sports Training, LLC	4760 Preston Rd	Frisco	TX	75034	(972) 784-8533
45 Sports Training, LLC	475 Coneflower Dr.	Garland	TX	75040	(469) 552-2203
Dynasty Sports Group, LLC	7040 FM 1960 Rd East, Unit B	Humble	TX	77346	(713) 597-7181
MK2 Operations LLC	1836 Cannon Dr Suite 600	Mansfield	TX	76116	(817) 592-9965
S+ Enterprises, LLC	1220 N Town E Blvd., Ste. 660	Mesquite	TX	75150	(214) 416-9607
CSLCQ Holdings LLC	3001 Courtyard Drive Suite C101	Midland	TX	79705	(432) 226-7605

Anderson Ann Group LLC	10955 Eagle Drive	Mont Belvieu	TX	77523	(281) 713-4395
Hanksco Investments, LLC	100 S Preston Rd #30	Preston	TX	75078	(972) 435-6640
88Athletics, LLC	11121 Westwood Loop	San Antonio	TX	78253	(210) 348-3842
Signing Day - SA, LLC	17530 Henderson Pass	San Antonio	TX	78232	(210) 853-2298
Morse Family Project, Inc.	500 W Southlake Blvd, Suite 100	Southlake	TX	76092	(817) 839-3563
Idaho Athletic Performance, LLC	8727 W Rayford Rd.Ste. 150	Spring	TX	77389	(281) 205-7356
N Star Partners Corp	16550 Southwest Fwy A	Sugar Land	TX	77479	(832) 430-7659
Montage Rugby Group, LLC	30340 Farm to Market Road 2978 suite 100	The Woodlands	TX	77354	(877) 372-1362
Fukuda Fitness, LLC	6550 Little River Turnpike, Unit A	Lincolnia	VA	22312	(703) 935-5762
Randy Greene	15808 WC Main St	Midlothian	VA	23113	(804) 376-8633
AGC Management, LLC	1700 Bracknell Drive, Suite A	Reston	VA	20194	(703) 951-4869
Lockton Ventures, LLC	243 W Towne Mall, Unit E5	Madison	WI	53719	(608) 535-5946

FRANCHISE AGREEMENTS SIGNED BUT TRAINING FACILITIES NOT YET OPERATIONAL AS OF DECEMBER 31, 2024

Franchisee	City	State	Contact Number/Email	Number of Franchise Agreements Signed
Chris & Matthew Sanders	Auburn	AL	Chris.sanders@d1training.com	1
Olivia Jones	Huntsville	AL	Olivia.jones@d1training.com	1
Brandon & Lisa Badgley	Madison	AL	Brandon.badgley@d1training.com	1
Brandon Field	Trussville	AL	Brandon.field@d1training.com	1
Donald Meador	Bryant	AR	Donald.meador@d1training.com	1
Steve Snider & Todd Farnsworth	Fayetteville Bentonville	AR	D1littlerock@d1training.com	2
Donnie Purto	Glendale	AZ	Donnie.purto@d1training.com	1
Mike Myers & Tom Misitano	Queen Creek	AZ	Mike.myers@d1training.com	1
Chris Newhouse	Tucson	AZ	Chris.newhouse@d1training.com	1

Merritt & Carolyn Robinson	Corona	CA	Merritt.robinson@d1training.com	1
Doug Maxfield	Encino	CA	Doug.maxfield@d1training.com	1
DJ Milonas & Gina Milonas	Northridge	CA	Dj.milonas@d1training.com	1
Jason Vallas	Santa Clarita	CA	Jason.vallas@d1training.com	1
Brian Hogan	Irvine	CA	Brian.hogan@d1training.com	1
Merrick Miranda & Giang Ma	Rancho Santa Margarita	CA	Merrick.miranda@d1training.com	1
Douglas & Hallie Lorimer	San Clemente	CA	Doug.lorimer@d1training.com	1
Kyle Parkinson	Thousand Oaks Calabasas	CA	kyle.parkinson@d1training.com	2
Will Howard	Lakewood	CO	Will.howard@d1training.com	1
Chris and Anne Marie Carr	Southern Colorado	CO	Chris.carr@d1training.com	1
Mike Smith	Madison	CT	mlsmith_51@hotmail.com	1
Dennis Santa Paula	Brandon	FL	Dennis.santapaula@d1training.com	1
Jaylen Watkins & Tre Boston	Cape Coral	FL	Jaylen.watkins@d1training.com	1
Jeff Ritch	Clearwater	FL	Jeff.ritch@d1training.com	1
London Dewey & Ron Zmuda	Clermont	FL	Ron.zmuda@d1training.com	1
Michael Wesselhoft	Fort Lauderdale	FL	Mike.wesselhoft@d1training.com	1
Jason & Lindsay Diven	Gainesville	FL	Jason.diven@d1training.com	1
John & Heather Molnar	Jupiter	FL	John.molnar@d1training.com	1
Edwens Prophete & Paloma Roumain	Kendall	FL	Edwens.prophete@d1training.com	1
Pursuit Athletics, LLC	Land O'Lakes	FL	Spencer.anderson@d1training.com	1
Steven & Amy Killebrew	Niceville	FL	Steven.killebrew@d1training.com	1
Jay Powers	Riverview	FL	Jay.powers@d1training.com	1
Jeremy & Veda Milin	Sarasota	FL	Jeremy.milin@d1training.com	1
Chris & Alsion Sieburg	St. Augustine	FL	Chris.sieburg@d1training.com	1
Idson Mompoint	St. Cloud	FL	Idson.mompoint@d1training.com	1
Ben Milsom	Westchase	FL	Ben.milsom@d1training.com	1
Kelly Mahoney	Brunswick	GA	Kelly.mahoney@d1training.com	1
Justin Latone & Thomas Rowe	Buckhead	GA	Thomas.rowe@d1training.com	1
Roald & Marian Richards	Peachtree Corners	GA	Roald.richards@d1training.com	1
Adam & Mindy Pure	South Forsyth	GA	Adam.pure@d1training.com	1
Brandon Wagoner	Altoona	IA	Brandon.wagoner@d1training.com	1
Lisa Lepic	Coralville	IA	Lisa.lepic@d1training.com	1
Kyle Parkinson	Couer D'Alene	ID	Kyle.parkinson@d1training.com	1
Jayson Bird	Idaho Falls	ID	Jayson.bird@d1training.com	1
Dan Mourning	Crystal Lake	IL	Dan.mourning@d1training.com	1
Kevin Marschall	Northfield (North Shore)	IL	Kevin.marschall@d1training.com	1
Kenneth Saffold	Oak Park	IL	Kj.saffold@d1training.com	1
Brian & Lisa Garrigan	Tinley Park	IL	Brian.garrigan@d1training.com	1
Jeff and Lisa Isom	West Lafayette	IN	Jeff.isom@d1training.com	1
Matt Dressler	West Fort Wayne	IN	Matt.dressler@d1training.com	1
Adam Reel	Lexington	KY	Adam.reel@d1training.com	1

Jason DeMelo & Tim DeMelo	Lafayette	LA	Jason.demelo@d1training.com	1
Mark & Michelle Wesley	Newton (Needham)	MA	Mark.wesley@d1training.com	1
Stuart & Michele Schmidt	Crofton	MD	Michele.schmidt@d1training.com	1
Julie & Collin Bauer	Towson	MD	Julie.bauer@d1training.com	1
George & Dimitra Boulos	Rochester	MI	George.boulos@d1training.com	1
Joseph Heiderscheidt	Maple Grove	MN	Joe.heiderscheidt@d1training.com	1
Jason & Fauna Erklouts	Olive Branch	MS	Jason.erklouts@d1training.com	1
Anthony Morgan	Shawnee Springfield	MO	Anthony.morgan@d1training.com	2
Josiah Johnson, Larry Iverson & Mikey Rider	Bozeman	MT	Josiah.johnson@d1training.com	1
Darren & Mariann Mock	Cary	NC	Darren.mock@d1training.com	1
Matt and Kristi Jones	Clegg	NC	Matt.jones@d1training.com	1
Dylan & Kasey Hudock	Wake Forest	NC	Dylan.hudock@d1training.com	1
Chris & Stefanie Stark	Wilmington North	NC	Chris.stark@d1training.com	1
Ronald & Carolyn Schwartz	Winston-Salem	NC	Ronald.schwartz@d1training.com	1
Dan McCrillis	Chalco	NE	Dan.mccrillis@d1training.com	1
Amol Deshpande	Princeton	NJ	Amol.deshpande@d1training.com	1
Phillipp Howard & Michael Weigl	Summerlin	NV	Michael.weigl@d1training.com	1
Mark & Ann Facchin	Garden City	NY	Mark.wesley@d1training.com	1
Sal Cusumano	Holbrook	NY	Sal.cusumano@d1training.com	1
Cesar Villatoro	Massapequa	NY	Cesar.villatoro@d1training.com	1
Rosnel Dorsainvil	Staten Island	NY	Rosnel.dorsainvil@d1training.com	1
Mike Steinke	Cincy North	OH	Mike.steinke@d1training.com	1
Tyson Stoll	Toledo	OH	Tyson.stoll@d1training.com	1
Justin & Kelly Brady	Norman	OK	Justin.brady@d1training.com	1
CHPS LLC	Tualatin	OR	Brad.christiansen@d1training.com	1
Alan Mar & Sean McDermott	Doylestown	PA	Alan.mar@d1training.com	1
James & Alexis Evarts	Lansdale	PA	James.evarts@d1training.com	1
Matt & Tracy Kueny	Newtown	PA	Matt.kueny@d1training.com	1
Andre & Joanne Tillman	Spartanburg	SC	Andy.tillman@d1training.com	1
Bobby Walters	Belle Meade	TN	Bobby.walters@d1training.com	1
Joe Stanford	Berry Hill Mt. Juliet	TN	Joe.stanford@d1training.com	2
Scott Compton	Nolensville	TN	Scott.compton@d1training.com	1
Bucky Downs	Powell	TN	Bucky.downs@d1training.com	1
Stephen Noteboom	Alamo Heights Alamo Ranch	TX	Stephen.noteboom@d1training.com	2
Colbey & Sasha Ryan	Alliance	TX	Colbey.ryan@d1training.com	1
Hans & Jen Straub	Bellaire	TX	Hans.straub@d1training.com	1
Chris & Johnnie Downing	Corpus Christi	TX	Chris.downing@d1training.com	1
Amman Patidar	East Woodlands	TX	Amman.patidar@d1training.com	1

Marco & Darlien Bueno	El Paso	TX	Marco.bueno@d1training.com	1
Jesse & Leanne Whitehead	Flower Mound Highland Village	TX	Jesse.whitehead@d1training.com	2
Horace & Tyler Davis	Fulshear	TX	horace.davis@d1training.com	1
Chané & Sandra Jackson	Jollyville	TX	Sandra.jackson@d1training.com	1
Montage Rugby Group, LLC	Katy	TX	Darrin.scharffenorth@d1training.com	1
Corey & Sarah Jahn	Lake Travis	TX	Corey.jahn@d1training.com	1
Horacio Fernandez	Laredo	TX	Horacio.fernandez@d1training.com	1
Zac & Leanne Walsh	Liberty Hill	TX	Zac.walsh@d1training.com	1
Bruce Marmolejo	Lubbock	TX	Bruce.marmolejo@d1training.com	1
Darin & Heather Morse	McKinney	TX	Darin.morse@d1training.com	1
Michael Cormier	Memorial Highway	TX	Michael.cormier@d1training.com	1
Kendrick & Aron Leckband	Park Cities	TX	Kendrick.leckband@d1training.com	1
Kim Bourgeois	Preston Hollow	TX	Coil.kim@gmail.com	1
Amanda & Brandon Monroe	Roanoke	TX	Amanda.monroe@d1training.com	1
Rogelio Garcia	Rockwall	TX	Rogelio.garcia@d1training.com	1
Jesus Ramirez	W Frisco	TX	Jesus.ramirez@d1training.com	1
Nate Robertson	Farmington	UT	Nate.robertson@d1training.com	1
Dave Hunt	South Jordan	UT	Dave.hunt@d1training.com	1
Julian Carrington	Brambleton	VA	Julian.carrington@d1training.com	1
Kazi Rahman & Dan Choi	Chantilly	VA	Kazi.rahman@d1training.com	1
Marvin Brown	East Chesapeake	VA	Marvin.brown@d1training.com	1
Chip & Susan Kruger	Fairfax	VA	Chip.kruger@d1training.com	1
Jennifer Bodner	Virginia Beach	VA	Jennifer.bodner@d1training.com	1
Jamaal & Carla Lofton	West Arlington	VA	Jamaal.lofton@d1training.com	1
Marvin Brown & Leland Clelland	West Chesapeake	VA	Marvin.brown@d1training.com	1
Waterboys, LLC	Winchester	VA	Shawn.twigg@d1training.com	1
Gralynn Ventures, LLC	Martinsburg	WV	Shawn.twigg@d1training.com	1

FRANCHISEES THAT LEFT THE SYSTEM IN THE PRECEDING FISCAL YEAR OR THAT HAVE NOT COMMUNICATED WITH US WITHIN 10 WEEKS OF THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT

Franchisee	City	State	Phone Number / Email	Reason
Ranakawai, Inc.	Ahwatukee/Tempe and Queen Creek	AZ	Michael.weigl@d1training.com	Termination – Never Opened
Justin and Lorilee Gassmann	Carmel Valley Olathe	CA KS	Jgassmann88@gmail.com	Termination – Never Opened
TRUTH Holdings LLC	Northridge	CA	Jason.vallas@d1training.com	Transfer
Michael Davis & On Your Left Sports, LLC	Palo Alto and San Mateo Sparks	CA NV	Mdavis.databuddy@gmail.com	Termination-Never Opened Ceased Operations-Other Reasons
Hittle Fitness, Inc.	Danbury	CT	Todd.hittle@d1training.com	Termination-Never Opened
Ascend Athletic Performance, LLC	Broomfield	CO	Jason.carmichael@d1training.com	Termination – Never Opened
SHB Development, LLC	Greenwood Village and Parker Englewood and Lone Tree	CO	Not available	Transfer Termination – Never Opened
Jonathan Schumacher	Apollo Beach, Brandon Saginaw, South Tampa, Wautauga Eden Prairie, Edina, Prior Lake, Lakeville Farmingdale, Roslyn, Syosset	FL MN NY	Not available	Termination-Never Opened
D1 Sports Training and Therapy of Orlando, LLC	Orlando	FL	Not available	Transfer
Alex Nicholas, Francesco Amati, Joel	Parker	FL	Chasehowardlaw@gmail.com	Termination-Never Opened

Waldman, and Chase Howard				
Conor Blount and Angela Blount	St. Johns	FL	Conor.blount@d1training.com	Termination – Never Opened
John Simmons	Tallahassee and South Tallahassee	FL	Not available	Transfer
Pat Cornelius	Sandy Springs	GA	patcornelius@gmail.com	Transfer
45 Sports Training, LLC	Sandy Springs Mequon	GA WI	Austin.clark@d1training.com	Transfer Ceased Operations-Other Reasons
Y&S Enterprises, LLC	Peachtree City	GA	Yuki.braxton@d1training.com	Ceased Operations-Other Reasons
Jeff Cantieri and Paul Bullard	Downers Grove	IL	Jeff.cantieri@d1training.com	Termination-Never Opened
Fight 6:12 Fitness, LLC	Finch Creek Fort Wayne Carmel	IN	Tayt.odom@fight612.com	Ceased Operations-Other Reasons Termination-Never Opened Reacquired by Franchisor
Pro Partner Training LLC	Ascension	LA	Eric.bascom@d1training.com	Ceased Operations-Other Reasons
Victor Viktorav	Wellesley	MA	Vic.viktorav@d1training.com	Termination-Never Opened
AGC Management LLC	Bethesda Ashburn	MD VA	Pablo.smiraglia@d1training.com	Termination-Never Opened
Russell and Sarah Ming	Bloomfield Hills	MI	russming@gmail.com	Transfer
Jeremy and Leah Mourey	Lansing	MI	Jmourey13@gmail.com	Termination-Never Opened
Kris Nelson	Maple Grove	MN	Not available	Termination-Never Opened
John Schultz and Fitness STP, LLC	Otsego St. Paul	MN	Joh.w.schultz7@gmail.com	Termination-Never Opened Ceased

				Operations-Other Reasons
D1 Sports Training Midwest, LLC	STL Earth City	MO	Ryan.roth@d1training.com	Termination-Never Opened
Ironcreek Athletics, Inc.	Holly Springs	NC	Richard.adams@d1training.com	Transfer
Jordan Gay	Huntersville	NC	Jordan.gay@d1training.com	Termination-Never Opened
D1 Sports Training MIL, LLC	Mount Holly	NC	Garrett.moyer@d1training.com	Termination-Never Opened
Michael Garrett	Chatham	NJ	Mike.garrett@d1training.com	Termination-Never Opened
First Team Sports, LLC and Jason King	Reno Sparks	NV	jaking@washoeschools.net	Termination-Never Opened Transfer
Jason King and Shaun Wardle	Summerlin	NV	Shaun.wardle@d1training.com	Transfer
Chris Witzgall and Troy McCracken	Cincinatti 3 West Cincy North	OH	cwitzgall@gmail.com	Termination-Never Opened Ceased Operations-Other Reasons
Hatfield Anthem Training, LLC	Tualatin and Hazedale	OR	Micah.hatfield@d1training.com	Termination-Never Opened
Jason and Victoria Goodrich	Limerick	PA	Jgoodrich630@gmail.com	Termination-Never Opened
Stephanie and Brain Gleason	Indian Land	SC	brian@superroofingcompany.com	Transfer
Kilravock Performance, Inc.	Alamo Ranch	TX	John.rose0312@gmail.com	Ceased Operations-Other Reasons
Power of Three, Inc.	Allen	TX	Parks_jonathan@yahoo.com	Transfer
Felicia Esters	Fulshear	TX	Not available	Transfer
Texas Athletic Performance, LLC	Katy Cypress and New Braunfels	TX	Shaun.wardle@d1training.com	Transfer Termination-Never Opened

WE Training, LLC	Waco	TX	Jeff.a.wooley@gmail.com	Ceased Operations-Other Reasons
Fourcon, Inc.	South Jordan	UT	Not available	Termination-Never Opened
Randy Greene	Short Pump	VA	Randy.greene@d1training.com	Termination-Never Opened

EXHIBIT H

STATE SPECIFIC ADDENDA AND AGREEMENT RIDERS

D1 SPORTS FRANCHISE, LLC

CALIFORNIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 et seq. the Franchise Disclosure Document for D1 Sports Franchise, LLC for use in the State of California shall be amended as follows:

Item 3 of the FDD is supplemented to include the following:

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

Item 5 of the FDD is supplemented to include the following:

> Due to our financial condition, please be advised that we have secured a surety bond in the amount of $284,000 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees/developers under the Franchise Agreement and/or Area Development Agreement that are subject to the jurisdiction of the California Franchise Investment Law, which is on file with the California Department of Financial Protection & Innovation.

Item 17 of the FDD shall be supplemented to include the following:

> California Business & Professions Code Sections 20000 through 20043 provides rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the franchise agreement and/or area development agreement contains a provision that is inconsistent with the law, the law will California Business & Professions Code Sections 20000 through 20043 provide rights control.
>
> The franchise agreement and/or area development agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).
>
> The franchise agreement and/or area development agreement contains a covenant not to compete, which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business & Professions Code Section 16600.
>
> The Franchise Agreement and/or area development agreement requires application of the law of the State of Tennessee. This provision may not be enforceable under California law.

Before the franchisor can ask you to materially modify your existing franchise agreement, Section 31125 of the California Corporations Code requires the franchisor to file a material modification application with the Department that includes a disclosure document showing the existing terms and the proposed new terms of your franchise agreement. Once the application is registered, the franchisor must provide you with that disclosure document with an explanation that the changes are voluntary.

You must sign a release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business Professions Code 2000 through 20043).

As per California Rule 310.156.3(a)(3):

> OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfpi.ca.gov.

The franchise agreement requires binding arbitration. The arbitration will occur in such location to be determined according to the franchise agreement with the costs being borne by such party as according to the franchise agreement. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The financial performance representation does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your (franchised business). Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

Under California law, an agreement between a seller and buyer regarding the price at which the buyer can resell a product (known as vertical price-fixing or resale price maintenance) is illegal. Therefore, requirements on franchisees to sell goods or services at specific prices set by the franchisor may be unenforceable.

Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

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

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.

D1 SPORTS FRANCHISE, LLC

CALIFORNIA ADDENDUM TO THE FRANCHISE AGREEMENT

ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE STATE OF CALIFORNIA ARE HEREBY AMENDED AS FOLLOWS:

1. Section 31125 of the California Corporation Code requires the Franchisor to give you a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to solicitation of a proposed material modification of an existing franchise.
2. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
3. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec 101 et seq.).
4. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This may not be enforceable under California law.
5. The Franchise Agreement requires non-binding mediation followed by litigation. This provision may not be enforceable under California law.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

6. Both the governing law and choice of law for franchisees operating outlets located in California will be the California Franchise Investment Law and the California Franchise Relations Act, regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.

D1 SPORTS FRANCHISE, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date Signed:_____	Date Signed:_____

D1 SPORTS FRANCHISE, LLC

HAWAII ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

WE ARE REQUIRED TO DEFER COLLECTION OF FRANCHISE FEES OWED BY FRANCHISEES TO US UNTIL WE HAVE COMPLETED OUR PRE-OPENING OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND THE FRANCHISE IS OPEN FOR BUSINESS.

THE FOLLOWING LANGUAGE IS ADDED TO THE RISK FACTOR PAGE: THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU DUE TO THEIR NEGATIVE EQUITY.

NO STATEMENT, QUESTIONNAIRE, OR ACKNOWLEDGEMENT SIGNED OR AGREED TO BY A FRANCHISEE IN CONNECTION WITH THE COMMENCEMENT OF THE FRANCHISE RELATIONSHIP SHALL HAVE THE EFFECT OF (I) WAIVING ANY CLAIMS UNDER ANY APPLICABLE STATE FRANCHISE LAW, INCLUDING FRAUD IN THE INDUCEMENT, OR (II) DISCLAIMING RELIANCE ON 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.

D1 SPORTS FRANCHISE, LLC

HAWAII ADDENDUM TO THE FRANCHISE AGREEMENT

ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE STATE OF HAWAII ARE HEREBY AMENDED AS FOLLOWS:

No release language set forth in the Franchise Agreement shall relieve PDRI or any other party, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

WE ARE REQUIRED TO DEFER COLLECTION OF FRANCHISE FEES OWED BY FRANCHISEES TO US UNTIL WE HAVE COMPLETED OUR PRE-OPENING OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND THE FRANCHISE IS OPEN FOR BUSINESS.

Article 17 of the Franchise Agreement is hereby supplemented with the following provision (Section 17.3 in Franchise Agreement):

> Hawaii Law. Pursuant to Section 482E-6(3) of the Hawaii Revised Statutes, for so long as such statute remains in effect and so provides, upon termination or refusal to renew the franchise, Franchisee shall be compensated for the fair market value, at the time of termination or expiration of the franchise, of Franchisee's inventory, supplies, materials and furnishings purchased from the Franchisor or a supplier designated by the Franchisor, exclusive of personalized materials which have no value to the Franchisor. If the Franchisor refuses to renew a franchise for the purpose of converting the franchised business to one owned by the Franchisor, the Franchisor, in addition to the remedies provided in this paragraph, shall compensate Franchisee for the loss of goodwill. The Franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of Franchisee's inventory, supplies, materials and furnishings pursuant to this paragraph, and may offset from such compensation any moneys due to the Franchisor.

NO STATEMENT, QUESTIONNAIRE, OR ACKNOWLEDGEMENT SIGNED OR AGREED TO BY A FRANCHISEE IN CONNECTION WITH THE COMMENCEMENT OF THE FRANCHISE RELATIONSHIP SHALL HAVE THE EFFECT OF (I) WAIVING ANY CLAIMS UNDER ANY APPLICABLE STATE FRANCHISE LAW, INCLUDING FRAUD IN THE INDUCEMENT, OR (II) DISCLAIMING RELIANCE ON 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.

D1 SPORTS FRANCHISE, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date Signed:_____	Date Signed:_____

D1 SPORTS FRANCHISE, LLC

ILLINOIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

For franchises and franchisees subject to the Illinois statutes and regulations, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the D1 Sports Franchise, LLC Franchise Disclosure Document.

Illinois law governs the agreements between the parties to this franchise.

Please be advised that we have secured a surety bond in the amount of $60,000 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees/developers under the Franchise Agreement and/or Area Development Agreement. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial status. A copy of the Surety Bond is on file with the Office of the Illinois Attorney General.

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

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

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.

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

D1 SPORTS FRANCHISE, LLC

ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

This addendum is entered into this ___day of _____, 20__, between D1 Sports Franchise, LLC and _____(Franchisee); is made a part of; and where relevant, qualifies or supersedes certain provisions of the Franchise Disclosure Document and the Franchise Agreement between the parties of today's date, which are amended as follows:

1. Nothing in the Franchise Agreement shall limit or prevent the enforcement of any cause of action otherwise enforceable in Illinois or arising under the Illinois Franchise Disclosure Act of 1987, as amended. Any condition, stipulation or provision in the Franchise Agreement purporting to bind Franchisee to a waiver of compliance with the Illinois Franchise Act of 1987, as amended, is void.

2. The choice of law provision in Article XIV(L) of the Franchise Agreement should not considered a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act and the Rules and Regulations under the Act with respect to the offer and sale of a franchise and the franchise relationship. Where required under Illinois law, the laws of the State of Illinois will control.

3. The conditions under which this Franchise can be terminated and the Franchisee's rights upon non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

4. Notwithstanding the language contained in Article XII.E of the Franchise Agreement or Item 17 V&W of the Franchise Disclosure Document, pursuant to 815 ILCS 705/4, any action brought by either the Company or the Franchisee against the other shall be instituted in the courts of the State of Illinois or may be mediated in the state within which the principal office of the Company is located.

5. Notwithstanding the language contained in Article XIV.J of the Franchise Agreement, Section 20.14 of the Franchise Agreement is modified as follows: “The representations made in the Franchise Disclosure Document are not excluded from that on which the franchisee may rely”.

6. Due to our financial condition, please be advised that we have secured a surety bond in the amount of $60,000 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial status. A copy of the Surety Bond is on file with the Office of the Illinois Attorney General.

7. Our agent for service of process in the State of Illinois is the Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706, (217) 782-4465.

8. 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.

This addendum is entered into on the date above referenced.

D1 SPORTS FRANCHISE, LLC

By:_____

Name:_____

Title:_____

Date Signed:_____

FRANCHISEE

By:_____

Name:_____

Title:_____

Date Signed:_____

D1 SPORTS FRANCHISE, LLC

INDIANA ADDENDUM TO THE FRANCHISE AGREEMENT

ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE STATE OF INDIANA ARE HEREBY AMENDED AS FOLLOWS:

1. Any agreement executed in and operative within the State of Indiana shall be governed by applicable Indiana franchise laws and the right of any franchisee to institute a civil action within the State of Indiana shall not be deemed to have been abridged in any form or manner by any provisions contained in this Agreement.

2. In compliance with Indiana Code 12-2-2.7-1(9), any provisions in this Franchise Agreement relating to non-competition upon the termination or non-renewal of the Franchise Agreement shall be limited to a geographic area not greater than the Franchise Area granted in this Franchise Agreement and shall be construed in accordance with Indiana Code 23-2-2.7-1(9).

3. Indiana Code section 23-2-2.7-1(10) prohibits the choice of an exclusive forum other than Indiana.

4. Indiana Code section 23-2.2.7-1(10) prohibits the limitation of litigation. The Indiana Secretary of State has interpreted this section to prohibit provisions in contracts regarding liquidated damages. Accordingly, any provisions in the Franchise Agreement regarding liquidated damages may not be enforceable.

5. In compliance with Indiana Code 23-2-2.7-1(10), any inference contained in this Franchise Agreement to the effect that the Franchisor "is entitled" to injunctive relief shall, when applicable to a Franchise Agreement executed in and operative within the State of Indiana, hereby be deleted, understood to mean and replace the words "may seek".

6. Indiana Code section 23-2-2.5 and 23-2-2.7 supersedes the choice of law clauses of the Franchise Agreement.

7. Indiana Code section 23-2.2.7-1 makes it unlawful for a franchisor to terminate a franchise without good cause or to refuse to renew a franchise on bad faith.

8. Any reference contained in this Franchise Agreement to a prospective franchisee's "exclusive Franchise Area" shall, in any Franchise Agreement executed in and operative within the State of Indiana, hereby be deleted and replaced with the words "non-exclusive Franchise Area".

9. In compliance with Indiana Code 23-2-2.7-1(5), any requirement that the Franchisee must execute a release upon termination of this Agreement shall not be mandatory and is hereby made discretionary. However, Franchisee shall execute all other documents necessary to fully rescind all agreements between the parties under this Agreement.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

D1 SPORTS FRANCHISE, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date Signed:_____	Date Signed:_____

D1 SPORTS FRANCHISE, LLC

MARYLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

For franchises and franchisees subject to the Maryland Franchise Registration and Disclosure Law, the following information replaces or supplements, as the case may be, the corresponding disclosures in the main body of the text of the D1 Sports Franchise, LLC Franchise Disclosure Document:

Please be advised that we have secured a surety bond in the amount of $344,500 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees/developers under the Franchise Agreement and/or Area Development Agreement. This financial assurance requirement was imposed by the Maryland Division of Securities due to Franchisor's financial status. A copy of the Surety Bond is on file with the Maryland Division of Securities.

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

Item 17.

The Franchise Agreement provides that D1 Sports Franchise, LLC may terminate the Franchise Agreement if you voluntarily or involuntarily file for bankruptcy, as described in the "Summary of Cause Defined" (provision (h.)). This provision may not be enforceable under federal bankruptcy law.

Code of Maryland Regulations Section 02.02.08.16L requires that any general release required of the franchisee as a condition of renewal, sale, assignment and/or transfer shall not apply to any release from liability under the Maryland Franchise Registration and Disclosure Law.

Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law requires the franchisor to file an irrevocable consent to be sued in Maryland. Accordingly, the Summary of the Choice of Forum (provision (v.)) is amended to provide that you may file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction within the State of Maryland.

Section 14-227 of the Maryland Franchise Registration and Disclosure Law provides that any action brought under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

Item 19.

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to agree to any release, estoppel or waiver of liability as a condition of purchasing a franchise. To the extent that the Franchise Agreement may require you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would

constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase your franchise, it is amended to state that such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

D1 SPORTS FRANCHISE, LLC

MARYLAND ADDENDUM TO THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT (AS APPLICABLE) TO WHICH THIS ADDENDUM IS ATTACHED AND INCORPORATED IS HEREBY AMENDED AS FOLLOWS:

1. Despite anything to the contrary contained in the Franchise Agreement, the general release required as a condition of the resale of an existing franchise by a franchisee shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Despite anything to the contrary contained in the Franchise Agreement, the Franchisee may sue in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The acknowledgements and representations contained in the Franchise Agreement are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred by D1 Sports Franchise, LLC under the Maryland Franchise Registration and Disclosure Law.

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

5. Due to our financial condition, please be advised that we have secured a surety bond in the amount of $344,500 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees. This financial assurance requirement was imposed by the Maryland Division of Securities due to Franchisor's financial status. A copy of the Surety Bond is on file with the Maryland Division of Securities.

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

7. Section 10(I) (Acknowledgments) of the Area Development Agreement is hereby removed in its entirety.

[Signatures to appear on the following page.]

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

D1 SPORTS FRANCHISE, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date Signed:_____	Date Signed:_____

D1 SPORTS FRANCHISE, LLC

MICHIGAN ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

NOTICE

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

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

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchises from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

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

(ii) The fact that the proposed transferee is competitor of the franchisor o subfranchisor.

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

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

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation or endorsement by the attorney general.

Any questions regarding the notice should be directed to the Michigan Department of Attorney General, 525 W. Ottawa Street, G. Mennen Williams Building, 1st Floor, Lansing, MI 48933, (517) 373-7117.

D1 SPORTS FRANCHISE, LLC

MINNESOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

For franchises and franchisees subject to the Minnesota Franchise Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the D1 Sports Franchise, LLC Franchise Disclosure Document.

Please be advised that we have secured a surety bond in the amount of $60,000 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees/developers under the Franchise Agreement and/or Area Development Agreement. This financial assurance requirement was imposed by the Minnesota Department of Commerce due to Franchisor's financial status. A copy of the Surety Bond is on file with the Minnesota Department of Commerce.

Item 5

Due to our financial condition, please be advised that we have secured a surety bond in the amount of $60,000 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees. This financial assurance requirement was imposed by the Minnesota Department of Commerce due to Franchisor's financial status. A copy of the Surety Bond is on file with the Minnesota Department of Commerce.

Item 6

Minnesota Statute 604.113 provides that the maximum amount you can be charged for an NSF check is $30.00.

Item 13

D1 Sports Franchise, LLC will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

Item 17.

Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Franchise Disclosure Document, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 provides that any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of Minnesota or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance or which has the effect of waiving compliance with any provision of §§80C.01 to 80C.22 of the Minnesota Franchises Act, or any rule or order thereunder, is void.

Minn. Stat. §80.C.21 and Minn. Rule 2860.4400J prohibits D1 Sports Franchise, LLC requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

To the extent you are required to execute a general release in favor of D1 Sports Franchise, LLC, such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat.

§80C.01 *et seq*. as provided by Minn. Rule 2860.4400J.

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.

Notwithstanding anything in this Disclosure Document to the contrary, according to Minn. Rule 2860.4400J, you cannot consent to us obtaining injunctive relief. We may seek injunctive relief. A court will determine if a bond is required.

D1 SPORTS FRANCHISE, LLC

MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT

This Amendment shall pertain to franchises sold in the State of Minnesota and shall be for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement shall be amended as follows:

1. Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Agreement, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Franchise Agreement.

2. D1 Sports Franchise, LLC will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

3. The Franchise Agreement shall be supplemented by the following provision:

Pursuant to Minn. Stat. Sec. 80C.21, nothing in this Agreement shall, in any way abrogate or reduce any of your rights as provided in Minnesota Statutes, Chapter 80C, including but not limited to the right to submit matters to the jurisdiction of the courts of Minnesota.

4. Minn. Stat. '80.C.21 and Minn. Rule 2860.4400J prohibit D1 Sports Franchise, LLC from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

5. Notwithstanding anything in the Franchise Agreement to the contrary, according to Minn. Rule 2860.4400J, you cannot consent to us obtaining injunctive relief. We may seek injunctive relief. A court will determine if a bond is required.

6. To the extent you are required to execute a general release in favor of D1 Sports Franchise, LLC, such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. '80C.01 *et seq*. as provided by Minn. Rule 2860.4400J.

7. Any claims brought pursuant to the Minnesota Franchises Act, '80.C.01 *et seq*. must be brought within 3 years after the cause of action accrues. To the extent that any provision of the Franchise Agreement imposes a different limitations period, the provision of the Act shall control.

8. 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.

9. Due to our financial condition, please be advised that we have secured a surety bond in the amount of $60,000 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees. This financial assurance requirement was imposed by the Minnesota Department of Commerce due to Franchisor's financial status. A copy of the Surety Bond is on file with the Minnesota Department of Commerce.

D1 SPORTS FRANCHISE, LLC
By:_____
Name:_____
Title:_____
Date Signed:_____

FRANCHISEE
By:_____
Name:_____
Title:_____
Date Signed:_____

D1 SPORTS FRANCHISE, LLC

NEW YORK ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

STATEMENT REQUIRED BY THE STATE OF NEW YORK

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS

In recognition of the requirements of the New York General Business Law, Article 33, Section 68O through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 the Franchise Disclosure Document for D1 Sports Franchise, LLC for use in the State of New York shall be amended as follows:

1. Item 3 shall be supplemented by the following:

   Neither we, our predecessor, nor any person identified in Item 2 or an affiliate offering franchises under our principal trademark has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

   Neither we, our predecessor, nor any person identified in Item 2 or an affiliate offering franchises under our principal trademark has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property; unfair or deceptive practices or comparable allegations; or pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

   Neither we, our predecessor, any person identified in Item 2 or an affiliate offering franchises under our principal trademark is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

2. Item 5 shall be supplemented by the following:

All franchisee fees are applied to the franchisor's general operating fund. All obligations of franchisor, whether to franchisees or otherwise, are paid out of this fund.

3. Item 4 shall be supplemented by the following:

During the 10-year period immediately before the issuance date of this disclosure document, neither we nor our affiliate, any predecessor, current officers or general partner has: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

4. Paragraph "d" under the section in Item 17 titled "termination by you" shall be supplemented by the following provision:

However, the franchisee may terminate the agreement on any grounds available by law.

5. Paragraph "j" under the section in Item 17 titled "assignment of contract by us" shall be supplemented by the following provision:

However, no assignment shall be made except to an assignee who, in our good faith judgment, is willing and able to assume your obligations under the Franchise Agreement.

6. Paragraph "m" under the section in Item 17 titled "conditions for our approval of transfer" shall be supplemented as follows with respect to your execution of a general release:

Provided, however, that all rights you enjoy and any causes of action which arise in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder remain in force; it being the intent of this proviso that the nonwaiver provisions of the GBL Sections 687.4 and 687.5 be satisfied.

7. Paragraph "w" under the section in Item 17 titled "choice of law" shall be supplemented as follows by the following provision:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

D1 SPORTS FRANCHISE, LLC

NEW YORK ADDENDUM TO THE FRANCHISE AGREEMENT

ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE STATE OF NEW YORK ARE HEREBY AMENDED AS FOLLOWS:

The foregoing choice of law should not be considered a waiver of any right conferred upon Franchisor or upon Franchisee by the General Business Law of the State of New York, Article 33.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

D1 SPORTS FRANCHISE, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date Signed:_____	Date Signed:_____

D1 SPORTS FRANCHISE, LLC

NORTH DAKOTA ADDENDUM TO THE FRANCHISE AGREEMENT

For franchises and franchisees subject to the North Dakota Franchise Investment Law, the following information supersedes on supplements, as the case maybe, the corresponding disclosures in the main body of the text of the Franchise Disclosure Document.

Due to our financial condition, please be advised that we have secured a surety bond in the amount of $59,500 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees/developers under the Franchise Agreement and/or Area Development Agreement that are subject to the jurisdiction of the North Dakota Franchise Investment Law, which is on file with the North Dakota Securities Department.

1. Item 17 is amended by the addition of the following language to the original language that appears therein;

(a) Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in North Dakota, except in certain instances as provides by law.

(b) Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

(c) Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(d) Any provision requiring a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(e) Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

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

(g) Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(h) Any provision in the Franchise Agreement requiring a franchisee to consent to termination or liquidated damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(i) Any provision in the Franchise Agreement requiring a franchisee to consent to a waiver of exemplary and punitive damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

D1 SPORTS FRANCHISE, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date Signed:_____	Date Signed:_____

D1 SPORTS FRANCHISE, LLC

NORTH DAKOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

For franchises and franchisees subject to the North Dakota Franchise Investment Law, the following information supersedes on supplements, as the case maybe, the corresponding disclosures in the main body of the text of the D1 Sports Franchise, LLC Franchise Disclosure Document.

Due to our financial condition, please be advised that we have secured a surety bond in the amount of $59,500 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees/developers under the Franchise Agreement and/or Area Development Agreement that are subject to the jurisdiction of the North Dakota Franchise Investment Law, which is on file with the North Dakota Securities Department.

1. Item 17 is amended by the addition of the following language to the original language that appears therein;

(a) Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in North Dakota, except in certain instances as provides by law.

(b) Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

(c) Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(d) Any provision requiring a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(e) Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

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

(g) Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(h) Any provision in the Franchise Agreement requiring a franchisee to consent to termination or liquidated damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(i) Any provision in the Franchise Agreement requiring a franchisee to consent to a waiver of exemplary and punitive damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

D1 SPORTS FRANCHISE, LLC

RHODE ISLAND ADDENDUM TO THE FRANCHISE AGREEMENT

ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE STATE OF RHODE ISLAND ARE HEREBY AMENDED AS FOLLOWS:

1. Pursuant to the Rhode Island Franchise Investment Act, the choice of jurisdiction and venue provisions of this Franchise Agreement shall be governed by Section 19-28.1-14 of the Act.

2. Pursuant to Section 19-28.1-15 of the Act, any condition, stipulation or provision in this Franchise Agreement requiring a franchisee to waive compliance with or relieving a person of a duty of liability imposed by or a right provided by this Act or a rule or order under this Act is void. An acknowledgment provision, disclaimer or integration clause or a provision having a similar effect in the Franchise Agreement does not negate or act to remove from judicial review any statement, misrepresentations or action that would violate this Act or a rule or order under

this Act. This section shall not affect the settlement of disputes, claims or civil lawsuits arising or brought under this Act.

The undersigned hereby acknowledge and agree that this addendum is hereby made

part of and incorporated into the foregoing Franchise Agreement.

D1 SPORTS FRANCHISE, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date Signed:_____	Date Signed:_____

D1 SPORTS FRANCHISE, LLC

RHODE ISLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

For franchises and franchisees subject to the Rhode Island statutes and regulations, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the D1 Sports Franchise, LLC Franchise Disclosure Document.

Item 17:

1. §19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in the franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. The Rhode Island Franchise Investment Act requires a franchisor to deliver a copy of a disclosure document reflecting all material changes together with a copy of all proposed agreements relating to the sale of the franchise at the earlier of: (i) the prospective franchisee's first personal business meeting with the franchisor which is held for the purpose of discussing the sale or possible sale of the franchise, or (ii) ten business days prior to the execution of an agreement or payment of any consideration relating to the franchise relationship.

D1 SPORTS FRANCHISE, LLC

SOUTH DAKOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

Please be advised that we have secured a surety bond in the amount of $59,500 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees/developers under the Franchise Agreement and/or Area Development Agreement. This financial assurance requirement was imposed by the South Dakota Department of Labor and Regulation, Division of Insurance, Securities Regulation. A copy of the Surety Bond is on file with the South Dakota Department of Labor and Regulation.

D1 SPORTS FRANCHISE, LLC

SOUTH DAKOTA ADDENDUM TO THE FRANCHISE AGREEMENT

Neither D1 Sports Franchise, LLC, its Parent Corporation, its Predecessor nor any person identified in Item 2 has any material arbitration proceeding pending, or has during the 10-year period immediately preceding the date of this Disclosure Document been a party to concluded material arbitration proceedings.

Please be advised that we have secured a surety bond in the amount of $59,500 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees/developers under the Franchise Agreement and/or Area Development Agreement. This financial assurance requirement was imposed by the South Dakota Department of Labor and Regulation, Division of Insurance, Securities Regulation. A copy of the Surety Bond is on file with the South Dakota Department of Labor and Regulation.

Although the Franchise Agreement requires all litigation proceedings to be held in Tennessee, the site of any litigation started pursuant to the Franchise Agreement will be at a site mutually agreed upon by you and us.

We may not terminate the Franchise Agreement for a breach, for failure to meet performance and quality standards and/or for failure to make royalty payments unless you receive thirty (30) days prior written notice from us and you are provided with an opportunity to cure the defaults. Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota.

The laws of the State of South Dakota will govern matters pertaining to franchise registration, employment, covenants not to compete, and other matters of local concern; but as to contractual and all other matters, the Franchise Agreement will be subject to the applications, construction, enforcement and interpretation under the governing law of Florida.

Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside of the State of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act.

Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.

D1 SPORTS FRANCHISE, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date Signed:_____	Date Signed:_____

D1 SPORTS FRANCHISE, LLC

VIRGINIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for D1 Sports Franchise, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statement is added to Item 5:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

Additional Disclosure: The following statements are added to Item 17:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

D1 SPORTS FRANCHISE, LLC

VIRGINIA ADDENDUM TO THE FRANCHISE AGREEMENT AND/OR AREA DEVELOPMENT AGREEMENT

ALL FRANCHISE AGREEMENTS AND/OR AREA DEVELOPMENT AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE COMMONWEALTH OF VIRGINIA ARE HEREBY AMENDED AS FOLLOWS:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise and/or development agreement, as applicable.

D1 SPORTS FRANCHISE, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date Signed:_____	Date Signed:_____

D1 SPORTS FRANCHISE, LLC

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The State Risk Factor page is amended to include the following:

> **Use of Franchise Brokers**. The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information

provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

Due to our financial condition, please be advised that we have secured a surety bond in the amount of $100,000 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees. This financial assurance requirement was imposed by the Washington Department of Financial Institutions, Securities Division, due to Franchisor's financial status. A copy of the Surety Bond is on file with the Washington Department of Financial Institutions.

D1 SPORTS FRANCHISE, LLC
WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights**. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Due to our financial condition, please be advised that we have secured a surety bond in the amount of $100,000 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees. This financial assurance requirement was imposed by the Washington Department of Financial Institutions, Securities Division, due to Franchisor's financial status. A copy of the Surety Bond is on file with the Washington Department of Financial Institutions.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20_____.

D1 SPORTS FRANCHISE, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date Signed:_____	Date Signed:_____

D1 SPORTS FRANCHISE, LLC

WISCONSIN ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

For franchises and Franchisees subject to the Wisconsin Fair Dealership Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the D1 Sports Franchise, LLC Wisconsin Franchise Disclosure Document.

Item 17.

For Wisconsin Franchisees, ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract between Franchisor and Franchisee inconsistent with the Law.

D1 SPORTS FRANCHISE, LLC

WISCONSIN ADDENDUM TO THE FRANCHISE AGREEMENT

This Amendment shall pertain to franchises sold in the State of Wisconsin and shall be for the purpose of complying with the Wisconsin Fair Dealership Law. Notwithstanding anything which may be contained in the body of the Franchise Agreement to be contrary, the Agreement shall be amended as follows:

> Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between Franchisor and Franchisee inconsistent with the Law.

D1 SPORTS FRANCHISE, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date Signed:_____	Date Signed:_____

EXHIBIT I

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

The following states require that the 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 disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	Pending Registration
Hawaii	Pending Registration
Illinois	Pending Registration
Indiana	Pending Registration
Maryland	Pending Registration
Michigan	August 24, 2024
Minnesota	Pending Registration
New York	Pending Registration
North Dakota	Pending Registration
Rhode Island	Effective
South Dakota	April 18, 2025
Virginia	Pending Registration
Washington	Pending Registration
Wisconsin	Pending Registration

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.

EXHIBIT J

RECEIPTS

RECEIPT

(OUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and area development agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If D1 Sports Franchise, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, D1 Sports Franchise, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If D1 Sports Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is D1 Sports Franchise, LLC, 7115 S. Springs Drive, Franklin, TN 37067; (615) 933-5653. The franchise sellers for this offering are:

- ❑ Jeffrey Bryant Howell Jr
  D1 SPORTS FRANCHISE, LLC
  7115 S. Springs Drive
  Franklin, Tennessee 37067
  (888) 831-8724
- ❑ Andy Vickers
  D1 SPORTS FRANCHISE, LLC
  7115 S. Springs Drive
  Franklin, Tennessee 37067
  (615) 933-5653
- ❑ Chad Barribeau
  D1 SPORTS FRANCHISE, LLC
  7115 S. Springs Drive
  Franklin, Tennessee 37067
  (615) 933-5653
- ❑ Mischak Rivera
  D1 SPORTS FRANCHISE, LLC
  7115 S. Springs Drive
  Franklin, Tennessee 37067
  (615) 933-5653
- ❑ Richard Collins
  D1 SPORTS FRANCHISE, LLC
  7115 S. Springs Drive
  Franklin, Tennessee 37067
  (615) 933-5653
- ❑ Julie Bauer
  D1 SPORTS FRANCHISE, LLC
  7115 S. Springs Drive
  Franklin, Tennessee 37067
  (615) 933-5653
- ❑ Name of Franchise Seller:

  Principal Business Address:

  Telephone No.:

Issuance Date: April 18, 2025, as amended June 10, 2025
See Exhibit A for D1 Sports Franchise, LLC's registered agents authorized to receive service of process.
I have received a disclosure document dated April 18, 2025, as amended June 10, 2025, that included the following Exhibits:

Exhibit A -	State Administrators/Agents for Service of Process	Exhibit F-	Sample General Release
Exhibit B -	Franchise Agreement	Exhibit G -	List of Current Franchisees
Exhibit C -	Area Development Agreement	Exhibit H-	State Addenda and Agreement Riders
Exhibit D -	Financial Statements		
Exhibit E -	Operations Manual Table of Contents	Exhibit I -	State Effective Dates
		Exhibit J -	Receipts

Date	Signature	Printed Name

_____
Date Received, if different than date signed

Date	Signature	Printed Name

_____
Date Received, if different than date signed

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or facsimile, to D1 Sports Franchise, LLC, 7115 S. Springs Drive, Franklin, Tennessee 37067
Phone: (615) 933-5653, Facsimile: (615) 807-4711.

RECEIPT

(YOUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and area development agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If D1 Sports Franchise, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, D1 Sports Franchise, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If D1 Sports Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

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  D1 SPORTS FRANCHISE, LLC
  7115 S. Springs Drive
  Franklin, Tennessee 37067
  (615) 933-5653
- ❑ Julie Bauer
  D1 SPORTS FRANCHISE, LLC
  7115 S. Springs Drive
  Franklin, Tennessee 37067
  (615) 933-5653
- ❑ Name of Franchise Seller:

  Principal Business Address:

  Telephone No.:

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		Exhibit J -	Receipts

Date	Signature	Printed Name

_____
Date Received, if different than date signed

Date	Signature	Printed Name

_____
Date Received, if different than date signed

PLEASE SIGN THIS COPY OF THE RECEIPT, PRINT THE DATE ON WHICH YOU RECEIVED THIS DISCLOSURE DOCUMENT AND KEEP IT FOR YOUR RECORDS.