

## FRANCHISE DISCLOSURE DOCUMENT



N ZONE SPORTS OF AMERICA, LLC, a Florida Limited Liability Company

11705 Boyette Rd, Ste 209

Riverview, FL 33569

888-557-2459 [info@nzonesports.com](mailto:info@nzonesports.com) [www.nzonesports.com](http://www.nzonesports.com)

The franchise that we offer is for the operation of an N ZONE SPORTS franchised business offering youth sports leagues and/or sporting related camps, and other related services for children ages 3 -17.

The total investment necessary to begin operation of an N ZONE SPORTS franchised business is from \$54,400 to \$87,450. This includes \$39,750 to \$54,750 that must be paid to franchisor.

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 contained in the document.**

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

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

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

Issuance date: April 9, 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
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits D & E.
<b>How much will I need to invest?</b>	Items 6 and 7 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 8 lists the initial investment to open. Item 9 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only N Zone Sports business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be an N Zone Sports franchisee?</b>	Item 20 or Exhibits D & E lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

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.

## MICHIGAN

**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 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, logo type, 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 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 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 obligation to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

Any questions regarding this notice should be directed to Department of the Attorney General's Office, Consumer Protection Division, Franchise Section, G. Mennen Williams Building, 525 W. Ottawa Street, Lansing, Michigan 48913; telephone number (517) 373-7117.

**THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN**

**TABLE OF CONTENTS**

<b>ITEM 1:</b>	<b>THE FRANCHISOR, AND ANY PARENT, PREDECESSORS AND AFFILIATES.....</b>	<b>1</b>
<b>ITEM 2:</b>	<b>BUSINESS EXPERIENCE.....</b>	<b>3</b>
<b>ITEM 3:</b>	<b>LITIGATION.....</b>	<b>3</b>
<b>ITEM 4:</b>	<b>BANKRUPTCY.....</b>	<b>3</b>
<b>ITEM 5:</b>	<b>INITIAL FEES.....</b>	<b>4</b>
<b>ITEM 6:</b>	<b>OTHER FEES.....</b>	<b>5</b>
<b>ITEM 7:</b>	<b>ESTIMATED INITIAL INVESTMENT.....</b>	<b>9</b>
<b>ITEM 8:</b>	<b>RESTRICTIONS ON SOURCES.....</b>	<b>11</b>
<b>ITEM 9:</b>	<b>FRANCHISEE’S OBLIGATIONS.....</b>	<b>14</b>
<b>ITEM 10:</b>	<b>FINANCING.....</b>	<b>15</b>
<b>ITEM 12:</b>	<b>TERRITORY.....</b>	<b>23</b>
<b>ITEM 13:</b>	<b>TRADEMARKS.....</b>	<b>25</b>
<b>ITEM 14:</b>	<b>PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....</b>	<b>27</b>
<b>ITEM 15:</b>	<b>OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....</b>	<b>27</b>
<b>ITEM 16:</b>	<b>RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....</b>	<b>28</b>
<b>ITEM 17:</b>	<b>RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....</b>	<b>28</b>
<b>ITEM 18:</b>	<b>PUBLIC FIGURES.....</b>	<b>32</b>
<b>ITEM 19:</b>	<b>FINANCIAL PERFORMANCE REPRESENTATIONS.....</b>	<b>32</b>
<b>ITEM 20:</b>	<b>OUTLETS AND FRANCHISEE INFORMATION.....</b>	<b>35</b>
<b>ITEM 21:</b>	<b>FINANCIAL STATEMENTS.....</b>	<b>39</b>
<b>ITEM 22:</b>	<b>CONTRACTS.....</b>	<b>39</b>
<b>ITEM 23:</b>	<b>RECEIPT.....</b>	<b>40</b>

**EXHIBITS**

Exhibit A	Financial Statements
Exhibit B	List of State Agencies/Agents for Service of Process
Exhibit C	Franchise Agreement
Exhibit D	Operations Manual Table of Contents
Exhibit E-1	List of Franchise Owners
Exhibit E-2	List of Franchisees Who Have Left the System
Exhibit F	State Specific Addenda
Exhibit G	Form of General Release
Exhibit H	State Effective Dates
Exhibit I	Receipt Page

## **ITEM 1: THE FRANCHISOR, AND ANY PARENT, PREDECESSORS AND AFFILIATES**

To simplify the language in this disclosure document, the terms “Franchisor”, or “we” or “us” means **N ZONE SPORTS OF AMERICA, LLC.**, the Franchisor. The terms “we”, “us” and “Franchisor” do not include you, the “Franchisee”. We refer to the purchaser(s) of a N ZONE SPORTS franchise, as “you” or “Franchisee”, whether an individual, a partnership, corporation, or limited liability company, including any guarantors. If you are a corporation, partnership or other entity, our Franchise Agreement also will apply to your owners, officers and directors. If you are married and your spouse is not a partner in the franchise business, certain provisions of our Franchise Agreement will also apply to that spouse.

We are a Florida Limited Liability Company, formed on December 31, 2015, as a conversion and successor-in-interest to NZone Sports of America, Inc., a Florida corporation formed on December 13, 2010. Our current principal business address is 11705 Boyette Rd, Suite 209, Riverview, FL 33569. Our agent in this state for service of process is, if applicable, disclosed in Exhibit “A.” We conduct business under our corporate name and under the trade and service marks “N ZONE SPORTS” and associated logos, designs, symbols and trade dress. See Item 13. We have been offering franchises since April 30, 2011. We do not engage in other business activities and have not offered franchises in other lines of business.

Our registered agent in the State of Florida is Anthony Westbrook 11705 Boyette Rd. Suite 209, Riverview, FL 33569. The principal business addresses of our agents for service of process in certain other states are shown on Exhibit B.

### **Our Predecessors and Affiliates**

We have no parent, predecessors or affiliates required to be disclosed in Item 1.

### **The Franchise Offered**

We have expended considerable time and effort developing a system for operating an organized youth sports league and/or sporting related camp which currently include soccer, flag football, basketball, T-ball and cheerleading, as well as other sports, and related services and products which may be added in the future (an “N ZONESPORTS”, **N ZONE junior**” or an “N ZONE SPORTS **Business**”). We use, promote and license in the operation of an N ZONE SPORTS Business, the service marks and trade name “N ZONE SPORTS”, “N ZONE SPORTS stylized”, “N ZONESPORTS JR”, “N ZONE junior stylized” and other associated logos, designs, artwork and trade dress, trademarks, service marks, commercial symbols, and e-names, which have gained and continue to gain public acceptance and goodwill, and may create, use and license additional trademarks, service marks, e-names and commercial symbols in conjunction with the operation of N ZONE SPORTS Businesses (collectively, the “**Marks**”). N ZONE SPORTS businesses operate under the Marks and under distinctive business formats, methods, procedures, designs, layouts,

signs, equipment, standards and specifications, all of which we may improve, further develop or otherwise modify from time to time (the "**System**").

In the N ZONE SPORTS System, our franchisees operate N ZONE SPORTS youth sports leagues and or sporting related camps for children ages 2-18, and N ZONE junior youth sports program and sporting related camp at participating childcare centers and pre-school programs(the "**Franchised Business**") within a protected territory.

The System has adopted strict guidelines pertaining to league operations, standards, conduct, rules, equipment, uniforms, scheduling software, and recruitment of coaches and participants. Our sports programs promote positive values such as sportsmanship, teamwork, mutual respect, and leadership. We assist you in operating your Franchised Business and design an on-going marketing program to reach potential customers within your protected territory.

Franchisees are required to sign a franchise agreement a pay certain fees for the right to operate a Franchised Business. Our current form of franchise agreement is attached to this disclosure document as Exhibit C (the "Franchise Agreement").

### **Market and Competition:**

The market for your Franchised Business consists of children ages 2-18 and you will primarily market to the parents of children ages 2-18. The youth sports league and camp industry is highly competitive. You will compete with other businesses, including national, regional and local businesses, offering products and services similar to those offered by your Franchised Business. These included independent and franchised businesses. You may also compete with government, municipality or non-profit programs. The market for our products and services may experience seasonal variations, and may be affected by economic conditions, which may vary based on the location you select to develop the Franchised Business.

### **Regulations.**

At all times during the operation of your Franchised Business, you must comply with all laws, rules, ordinances, and regulations ("Laws") imposed on the federal, state or local level, which apply specifically organizations that provide sports instruction, athletic, and recreational services to children and apply to businesses generally. Some state statutes mandate background checks for volunteers of organizations that provide sports instruction, athletic, and recreational services to children. Certain municipal ordinances and administrative regulations also require background checks.

Regardless of whether your state mandates background checks, we require you to conduct background checks on coaches, referees and any staff who have contact with children. You will also be required to comply with workers' compensation, equal protection and workplace safety laws and regulations, including Title VII and the ADA.

You should investigate whether there are any state or local regulations or requirements that may apply in the geographic area in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. You are responsible for obtaining all licenses and permits, and for obtaining all background checks and permissions, which may be required for your business.

## **ITEM 2: BUSINESS EXPERIENCE**

### **Tony Westbrook - Chief Executive Officer and Founder**

Tony Westbrook has served as our Chief Executive Officer since January 2024. He has also served as our Director since our inception in December 2010. Mr. Westbrook previously served as our President from January 2008 until December 2023.

### **Dana Hansen - President**

Dana Hansen has served as our President since January 2024. He previously served as the Director of Franchise Development for College Hunks Hauling Junk & Moving, located in Tampa, Florida, from November 2018 through December 2023.

### **Denise Westbrook- Vice President**

Denise Westbrook has served as our Vice President since May 1, 2015.

### **Shane Larkin - Director of Franchise Support**

Shane Larkin has been with N Zone Sports since April of 2013 and has served as our Director of Franchise Support since August 2016.

## **ITEM 3: LITIGATION**

No 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

You must pay us an initial fee (“Initial Franchise Fee”) when you sign a Franchise Agreement. A Franchise Agreement grants you the right to operate one (1) Franchised Business within a single Territory. Your Initial Franchise Fee varies depending on the population size of the Territory. We offer two primary Options as follows:

<b>Territory Option</b>	<b>Initial Franchise Fee Amount</b>	<b>Population Up To:</b>
Option 1	\$39,750	150,000
Option 2	\$54,750	300,000

We may permit you to increase the size of your Territory beyond the limits set forth in Option 1 and Option 2 when you sign the Franchise Agreement or during the term of your Franchise Agreement (each an "Expansion"). However, increases in the size of a territory will be considered on a case-by-case basis and will be subject to availability and our approval. Regardless, the rate for an Expansion will be \$1,000 per population up to 10,000. For example, if you choose Option 1 and desire a population of up to 200,000 then your Initial Franchise Fee would be \$44,750.

### Discounts

We offer a discount of 10% off the Initial Franchise Fee for eligible military personnel and first responders. This discount applies to:

- Active-duty and retired military personnel (including all branches of the U.S. Armed Forces);
- Veterans with honorable discharge; and,
- First responders, including firefighters, law enforcement officers, paramedics, and emergency medical technicians (EMTs)

To qualify for this discount, the prospective franchisee must provide valid documentation of their status, such as a military ID, DD-214 form, or proof of service/employment as a first responder. This discount applies only to the Initial Franchise Fee.

Except as described in this Item 5, the Initial Fees are uniformly imposed and non-refundable.

**ITEM 6: OTHER FEES**

<b>Type of Fee (Note 1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty	The greater of: 8% of Gross Sales or Minimum Royalty Amount equal to (a) \$300 per month if your Territory is for a population of up to 150,000; or (b) \$450 per month if your Territory is for a population of up to 300,000.	Payable the 10 <sup>th</sup> day of each month	The Royalty fee shall begin 60 days after completion of training.  See Note 2 for the definition of Gross Sales.
Advertising Fund	The greater of: 2% of Gross Sales or \$50 per month	Payable the 10 <sup>th</sup> day of each month	The Advertising Fund fee shall begin 60 days after the execution of the Franchise Agreement.
Digital Marketing Spend	\$300/month	As incurred	We require you to spend at least \$300 per month on digital marketing to promote your Franchised Business. You will pay these amounts directly to suppliers; however, we have the right to collect the monthly amount from you and spend on your behalf if you do not meet the minimum expenditure requirement.
Software and Website	Our then-current fee (presently, \$50 per month) up to a maximum of \$100 per month.	Payable on or before the 10 <sup>th</sup> day of each month	We will provide and you will utilize our proprietary management and scheduling software. We will also provide you with a customized Website page. This fee is payable monthly beginning 60 days after the execution of the Franchise Agreement. Monthly payments will occur by automatic debt to your credit card.

Additional and Manager Training	\$250 per person	5 days before training begins	We train you and 1 other person (or 2 of your owners) free of charge (See Item 11) – Additional training is provided if necessary.
Conference Fee	\$500 - \$2,500	Prior to Conference	We require you or a staff member to attend 1 national or regional conference as designated by us per year (the "Annual Convention"). The Annual Convention be held at a specific location, or by webinar, or telephone conference, as we designate. We charge an Annual Convention Fee which is set on an annual basis and ranges from \$500 to \$2,500. You will also have to pay your own travel, food and lodging and for any employees you may bring. If you do not attend the Annual Convention, without our prior written approval, then you will pay us a fine equal to the then-current Annual Convention Fee.
Training of Transferee	\$1,500	Prior to consummation of transfer	Payable when the Franchise is transferred. We reserve the right to increase this fee based on our current rates for similar services.
Transfer	\$2,000	Prior to consummation of transfer	Payable when the Franchise is transferred.
Exemption of Transfer Fee (business classification change)	\$100	Prior to consummation of transfer	Payable when the Franchise business classification is changed. The fee is waived if requested within one year of execution of Franchise Agreement.
Early Termination Fee	\$1,000	Only payable if you provide less than 90 days' written notice	You may submit a request to terminate the Franchise Agreement at any time, with 90 days' written notice. All requests are subject to our approval.

Late Payment Fee	\$35	Only if you fail to timely make a payment to us when due	We impose a late fee of \$35 upon any late or declined payment.
Late Report Fee	\$50	Only if you fail to timely deliver a report to us	You are required to submit certain reports to us within five (5) days after the end of each calendar month. If you are late, we may impose a late fee of \$50 for each report.
Replacement Manual	\$250	At time of purchase	Cost of replacement copy. (Note: your copy of the Manual is only on loan to you.)
Renewal Fee	\$500	At time of renewal	New franchise agreement, which may have different terms or conditions, must be signed by you and us.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable upon your failure to comply with the Franchise Agreement.
Indemnification	Will vary under circumstances	As incurred	You have to reimburse us if we are held liable for claims arising from your N ZONE SPORTS Franchised Business's operations.

**Note 1:** All fees are imposed by and payable to us. All fees are non-refundable. All fees are uniformly imposed. We require payment of all payments due to us using a Debit or Credit card. If we elect to other payment forms, you must authorize your bank to accept automatic withdrawals of the amounts due to us from your bank into our bank account on a monthly basis. You must provide us with all documents necessary to direct your bank to honor these pre-authorized bank debits.

**Note 2:** The term "Gross Sales", shall mean the gross receipts of every kind and nature for sales of all products and services made in, upon, from or through operation of the Franchised Business, and income of every other kind and nature related to the Franchised Business, whether for products, services, exchange, credit, cash, or check regardless whether such sale is conducted in compliance with or in violation of the terms of this Agreement. Gross Sales shall not include the amount of refunds, tax collections, or allowances or discounts to customers, including discounts attributable to coupon sales. Gross sales shall also include all insurance proceeds received by you for loss of business due to a casualty to or similar event pertaining to the Franchised Business.

[Remainder of Page Intentionally Blank]

**ITEM 7: ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure (*)	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Initial Franchise Fee (Note 1)	\$39,750	\$54,750	Check or Wire transfer	Upon signing the Franchise Agreement.	Us
Real Estate (Note 2)	\$0	\$0	NA	NA	NA
Traveling for Initial Training (Note 3)	\$0	\$5,000	As Incurred	As required by suppliers of transportation, lodging & meals.	Suppliers of transportation, lodging & meals.
Miscellaneous Opening Season and Opening Day Costs (Note 4)	\$2,000	\$5,000	Check or Wire transfer	Thirty days prior to opening.	Us
Computer Hardware and Software (Note 5)	\$650	\$1,700	As agreed	As incurred	Third Parties
Professional Fees (Note 6)	\$1,000	\$3,500	As required by providers.	As incurred.	Attorney, Accountant, Other Professional Service Providers
Business Licenses and Permits (Note 7)	\$500	\$1,000	As required by government agencies.	Before opening, as required by government agencies.	Government Agencies
Insurance (Note 8)	\$1,500	\$2,500	As required by insurer.	Before opening.	Insurer
Operating Expenses / Additional Funds – 3 months (Note 9)	\$9,000	\$14,000	As incurred.	Payroll weekly, other purchases according to agreed-upon terms.	Employees, utilities, suppliers, etc.
<b>TOTAL</b>	<b>\$54,500</b>	<b>\$87,450</b>			

## Notes:

\* These estimated initial expenses reflect our current best estimate of the costs you may incur in establishing and operating your Franchised Business. We do not offer direct or indirect financing for these items. Our estimates are based on our experience, the experience of our owners and our officers, the experience of our affiliates, and our current requirements for Franchised Businesses. The factors underlying our estimates may vary depending on several variables, and the actual investment you make in developing and opening your Franchised Business may be greater or less than the estimates given, depending upon the location of your Franchised Business, and current relevant market conditions. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to vendors or third parties are non-refundable, except as you may arrange for utility deposits and other payments, or as otherwise negotiated in your agreements between you and the vendor or third party.

**Note 1: Initial Franchise Fee.** The Initial Franchise Fee is based on the population of the territory you select. The low-end estimate is for a territory with a population of up to 150,000 people. The high-end estimate is for a territory with a population of up to 300,000 people. See Item 5.

**Note 2: Real Estate.** We presume you will operate your N ZONE SPORTS Franchised Business from your home. We do not require you to rent or lease a business premises. If you do rent a business premises we do not approve of the location or provide specifications. We do not estimate any real estate or office space costs. Real estate expenses vary dramatically based on numerous factors.

**Note 3: Traveling for Initial Training.** You must complete our pre-opening training program before opening your Franchised Business. There is no separate fee for attending our pre-opening initial training. This estimate is for estimated travel and lodging expenses that you will incur if you elect to attend our pre-opening initial training program in person. See Item 11.

**Note 4: Miscellaneous Opening Season and Opening Day Costs.** This item estimates your initial startup season and opening day expenses based on 120 players. These expenses include sports equipment, supplies, uniforms, medals, field rental, field paint, banners and signs, promotional materials, payroll costs, coach, referee and staff background checks, CPR and First Aid Training. It also includes a bouncy house and stereo equipment rentals, which are optional. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period. This estimate also includes a travel and hotel accommodations expense for our corporate representative if you request and we agree to assist you in-person with your opening day launch and activities.

**Note 5: Computer Hardware and Software.** You are required to purchase, license and use the computer system hardware and software that we designate. We also require Franchised Businesses to use our proprietary scheduling software to streamline processes in four major areas: Participant and team management, scheduling, billing, and payroll

**Note 6: Initial Inventory and Supplies.** This item estimates your initial startup season and opening day expenses based on 120 players. These expenses include sports equipment, supplies, uniforms, medals, field rental, field paint, banners and signs, promotional materials, payroll costs, coach, referee and staff background checks, CPR and First Aid Training.

**Note 7: Professional Fees.** This estimate is for costs associated with the engagement of professionals such as attorneys and accountants for advisories consistent with the start-up of a Franchised Business. We 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 form a new entity for operation of the Franchised Business and review any other contracts that you will enter into as part of the development and operation of your Franchised Business

**Note 8: Business License and Permits.** You must apply for, obtain, and maintain all required permits and licenses necessary to operate a Franchised Business. The licenses will vary depending on local, municipal, county and state regulations.

**Note 9: Insurance.** You are required to maintain certain insurance coverage. Your actual payments for insurance and the timing of those payments will be determined based on your agreement with your insurance company and agent. This estimate is for the cost of an initial deposit to obtain the minimum required insurance, and we estimate this deposit to be equal to the amount of three months of monthly insurance premium payments. We recommend that you consult with your insurance agent before signing a Franchise Agreement.

**Note 10: Operating Expenses / Additional Funds - 3 Months.** This is an estimate of the minimum recommended levels of additional funds that may be required to cover operating expenses such as marketing, staff wages, inventory, equipment, and required payments to us, and is only for the initial three-month period following the opening of your Franchised Business. This estimate does not include compensation to you or your owners and does not include interest, finance charges, or payments that may be incurred by you if you financed the development of your Franchised Business. We base these figures on the number or years experience our management team has in the industry.

## **ITEM 8: RESTRICTIONS ON SOURCES**

We have developed our System and we want to ensure that our high level of quality and customer satisfaction is maintained with each franchised outlet. We have documented our process to ensure that each Franchised Business follows the same methods, standards, and specifications in our operations manual(s) (“Operations Manual”), which may exist in various parts, locations, and formats, and may include a combination of audio, video, written material, electronic media, website content, and/or software components.

Each franchisee receives the Operations Manual and is required to act in strict compliance with the methods, standards, specifications and guidelines in our Operations Manual. We can and expect

to modify or add to these methods, standards, specifications, and guidelines as we deem necessary. Any changes will be made through amendments, supplements, or updates in our Operations Manual or through written communication directly with you as we continue to improve the System. We will issue copies of our standards and specifications to you and approved and proposed suppliers.

You must not: (i) deviate from these methods, standards, and specifications without our prior written consent, or (ii) otherwise operate in any manner which reflects adversely on our Marks or the System. Our Operations Manual states our standards, specifications, and guidelines for all products and services we require you to obtain in establishing and operating your Franchised Business. You must manage all customer complaints and requests for returns in a manner that will not detract from our Marks and goodwill.

You must purchase equipment, furnishings, fixtures and signs for the Franchised Business. You are required to purchase certain equipment, goods or services from approved suppliers and vendors in accordance with our specification. You must use only types or brands of equipment, signs and supplies that we have approved as meeting our specifications and standards. Specifications may include minimum standards for the quality of equipment and other restrictions. You will be required to purchase or lease approved types, brands, or models of equipment, signs and supplies only from vendors approved by us.

We maintain written lists of approved the above-referenced items, products and services, and a list of designated suppliers and vendors for those items. We will update these lists periodically and issue the updated lists to all franchisees. Our officers own an interest in us, but do not own an interest in any other supplier.

Additionally, you must obtain and maintain, at your own expense, such insurance coverage as we require in the Operations Manual and as required by federal, state, or local laws. You may elect to obtain higher coverage or obtain any other insurance to cover any risk associated with your activity. Our current specifications are:

Type	Minimum Amount
Comprehensive General Liability	\$1,000,000 per occurrence, \$2,000,000 aggregate
Workers Compensation	\$500,000 each accident/incident
Any other insurance required by federal, state, or local law	

All insurance policies must name us as an “additional insured” party and contain a waiver by the franchisee and its insurer of any subrogation right against us and our officers, employees, and agents. On execution of a Franchise Agreement, and thereafter 30 days before the expiration of any policy, you must deliver to us the Certificates of Insurance and Endorsements evidencing the existence and continuation of proper coverage with limits not less than those we require. In addition, if we request, you must deliver to us a copy of the insurance policy or policies we require. Further, all insurance policies must expressly provide that no less than 30 days’ prior written notice will be given to us in the event of a material alteration to or cancellation of the policies. Should you, for any reason, fail to procure or maintain the insurance we require, as these requirements

may be revised occasionally by us in writing, we will have the right and authority, but not the obligation, to immediately procure the insurance and charge you, which you must pay immediately on notice. The foregoing remedies are in addition to any other remedies we may have at law or in equity.

### **Alternative Suppliers**

You must not use, offer, or sell any products or services in connection with your Franchised Business that do not meet our System standards and specifications, or that we have discontinued or otherwise notified you that you are no longer able to use or offer in connection with your Franchised Business. If you wish to propose an alternative supplier, you must submit a request in writing to us. If we are not familiar with the product or service we may require you to provide us with a sample of the supplier's products or services at your own expense. We will review the products or services within thirty (30) days of our receipt and determine whether to consider adding the supplier to our list of approved vendors. We may impose any reasonable fees to cover our costs for supplier and vendor approval. We currently have no history to provide an estimate of these fees. We may impose limits on the number of suppliers or brands for any product. We do not provide franchisees with any specific criterion for approving suppliers, but we generally consider the specifications and quality of the product. We will test products and may inspect the premises of suppliers. After our review, we will notify you if we approve or disapprove of an alternative supplier in writing. We reserve the right to approve or revoke approval of any supplier. If we revoke approval for a supplier, we will provide written notice to you.

### **Purchase Arrangements**

We have negotiated purchase agreements with suppliers and distributors, including price terms, for the benefit of franchisees, for items such as sports equipment, uniform apparel, trophies/medals/awards, field paint and striping equipment, print and hard good marketing materials. We will continue to negotiate such purchase agreements with various suppliers and vendors. These discounts will be for us and our franchisees. If we negotiate purchase agreements, it is possible that some suppliers may only offer products and services on a regional or local basis and that you may not be eligible for products from these suppliers as a result of your geographic location.

### **Purchasing or Distribution Cooperatives**

We do not have purchasing and distribution co-operatives as of the Issuance Date of this Franchise Disclosure Document.

### **Right to Derive Revenue from Required Purchases**

Currently, we do not receive rebates or other benefits from any third-party suppliers for our franchisees' transactions with them. However, in the future, we may receive rebates or other benefits from suppliers for our franchisees' transactions with them. We also derive revenue from certain items supplied by us and reserve the right to continue deriving revenue from such items. We are an approved supplier of branded/trademarked marketing materials, and we include an initial

supply of N ZONE SPORTS or N ZONE JUNIOR merchandise upon purchase of a franchise from us (see Franchise Agreement, Schedule II).

We mark up the marketing materials purchased from franchisees by us at a rate of approximately 10% to 12% to cover handling costs. As of our fiscal year end December 31, 2024, we received \$14,780 in revenue from franchisee purchases which accounted for 0.1% of our total revenue of \$1,387,626.

You may use any vendor you choose if they can produce our trademarked materials to our specifications and are approved by our office. Except for trademarked items, there are currently no other items or services for which we or our affiliates are approved suppliers or the only approved suppliers.

**Required Purchases as a Proportion of Costs**

We estimate that required purchases described above will be 85-95% of all purchases and leases by you of goods and services to establish a franchise and approximately 85 to 95% of your operating costs after the initial start-up phase.

We provide no material benefits based on your use of designated sources; however, failure to use approved items or designated suppliers and vendors may be a default under the Franchise Agreement. Additionally, when there is any default under the Franchise Agreement, we reserve the right, in addition to other remedies available under the Franchise Agreement, to direct suppliers to withhold furnishing products and services to you.

**ITEM 9: FRANCHISEE’S OBLIGATIONS**

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

<b>Obligation</b>	<b>Section in Franchise Agreement</b>	<b>Item in Disclosure Document</b>
(a) Venue Site selection and acquisition/lease	Not applicable	Item 11
(b) Pre-opening purchases/leases	Articles II and VII	Items 5, 6, 7, 8, 11 and 16
(c) Site development and other pre-opening requirements	Section 7.1	Items 11
(d) Initial and ongoing training	Article V	Item 11
(e) Opening	Section 7.2	Item 11

(f) Fees	Articles II and VII	Items 5, 6 and 7
(g) Compliance with standards and policies/Operations Manual	Article VIII	Items 8, 11
(h) Trademarks and proprietary information	Articles VIII, X, and XV	Items 13 and 14
(i) Restrictions on products/services offered	Section 7.10	Item 8
(j) Warranty and customer service requirements	Not applicable	Not applicable
(k) Territorial development and sales quotas	Not applicable	Not applicable
(l) On-going product/service purchases	Section 7.10	Item 8
(m) Maintenance, appearance and remodeling requirements	Not applicable	Not applicable
(n) Insurance	Section 7.11	Item 7
(o) Advertising	Sections 6.2, 6.3 and Article 7	Items 6, 7 and 11
(p) Indemnification	Section 17.3	Item 6 and 14
(q) Owner's participation/management/staffing	Sections 7.7 and 9.1	Items 11 and 15
(r) Records and reports	Article XI	Item 6
(s) Inspections and audits	Sections 8.4 and 11.2	Items 6, 11
(t) Transfer	Article XIV	Items 6 and 17
(u) Renewal	Article III	Items 6 and 17
(v) Post-termination obligations	Article XIII	Item 17
(w) Non-competition covenants	Articles IX and Section 13.7	Item 17
(x) Dispute resolution	Article XVI	Item 17
(y) Guaranty	Not Applicable	Item 15

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

We do not offer direct or indirect financing. We do not guarantee any note, lease, or obligation on your behalf.

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

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

**1. Pre-Opening Obligations**

Before you open your Franchised Business, we will:

- a. Provide you with the Franchise Package. (Franchise Agreement, Section 4.1 and Schedule I)
- b. Loan you one copy of each of our Operations Manuals and other manuals and training aids we designate for use in the operation of your Franchised Business, as they may be revised from time to time. (Franchise Agreement, 4.6, 8.2)
- c. Provide initial training for up to 2 owners. We will determine, in our sole judgment, whether you satisfactorily complete the initial training. (Franchise Agreement - Section 4.2 and Article V).
- d. Provide guidance and the names of approved vendors or specifications for equipment, signs, fixtures, opening inventory, and supplies. We do not deliver or install these items, except for initial merchandise we provide to you as part of the the Franchise Package (Franchise Agreement, Sections 4.7, 7.10 and Schedule II)
- e. Provide pre-opening and opening assistance as we, in our reasonable business judgment, deems appropriate. This will include assistance in selecting and procuring a venue for operation of a sports league and/or preschool program, but will not include site selection for a location to manage your business. (Franchise Agreement, Section 4.3).
- f. If you request, and subject to our availability, we will also provide one (1) representative for on-site opening assistance for your opening day (if you agree to pay reasonable travel and accommodation expenses). (Franchise Agreement, Section 4.3).

For avoidance of doubt, we will not:

- a. Provide you with site selection assistance for a location to manage your business. You may operate your Franchised Business from your home or, at your option you may lease commercial office space from which to operate your Franchised Business. If you choose to operate your Franchised Business from a location, other than your home, you are not required to obtain our approval. However, due to the nature of an N ZONE SPORTS business, management and the actual provision of N ZONE SPORTS leagues and programs do not occur at the same location. You are strictly prohibited from hosting any N ZONE SPORTS leagues and programs at your own home or office location. N ZONE SPORTS leagues are played on fields and courts in your Territory that are leased or rented, and any preschool programs are offered on-site at preschools in your Territory. (Franchise Agreement - Section 7.15).
- b. Assist you with hiring, firing, compensating, supervising, or controlling your employees before or after opening.

**2. Time to Open**

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Franchised Business is thirty (30) days. Factors that may affect this time period include the delivery schedule for the initial Franchise Package, delays in securing financing arrangements and completing training and your compliance with local laws and regulations. You must open within ninety (90) days of executing a Franchise Agreement. If you are unable to open before the deadline despite making diligent efforts to open, then you may request an extension for additional time to open. We will not unreasonably without our approval for an extension. However, if you are not making earnest efforts to open and have abandoned the business, then we have the right to terminate the Franchise Agreement. (Franchise Agreement - Section 7.2).

You may not open the Franchised Business for business until: (1) our pre-opening training has been completed to our satisfaction; (2) the initial Franchise Fee and all other amounts then due to us have been paid, and (3) you submit proof of insurance in the amounts required under the Franchise Agreement. (Franchise Agreement - Section 7.1).

### **3. Obligations After Opening**

During your operation of your Franchised Business, we will:

- a. Be available for unlimited telephone support to discuss operating problems and any issues you may encounter during business hours. (Franchise Agreement - Section 4.4)
- b. Hold conference calls to discuss sales techniques, bookkeeping, performance standards and advertising programs. (Franchise Agreement – Section 4.4).
- c. Loan you one copy of each of our Manuals (Franchisee Manual, Marketing Plan) consisting of such materials (which may include audiotapes, videotapes, magnetic media, computer software and written materials) that we generally furnish to franchisees for use in operating N ZONE SPORTS Businesses. The Manuals contain mandatory and suggested specifications, standards, operating procedures and rules (“**System Standards**”) that we prescribe from time to time for operation of an N ZONE SPORTS Business and information relating to your other obligations under the Franchise Agreement and related agreements. The Manuals may be modified, updated and revised periodically to reflect changes in System Standards. (Franchise Agreement - Sections 4.6, 7.6 and 8.2)
- d. We may periodically modify System Standards, which may accommodate regional or local variations as we determine, and these modifications may obligate you to invest additional capital in the N ZONE SPORTS Business and/or incur higher operating costs. However, these modifications will not alter your fundamental status and rights under the Franchise Agreement. (Franchise Agreement -Sections 7.6, 8.3, and 8.4).
- e. Provide certain advertising and promotion materials, and maintain a website on the world wide web (our "Website") that will include a list of all N ZONE SPORTS locations that are in good standing with us. Our Website will have a link to your customized Website Page (your “Sitelet”). Your Sitelet will include information relating to your specific business location and select content that we provide from our website. Your Sitelet will also showcase the N ZONE SPORTS Services and products. You may not establish or maintain any other Website without our prior written approval. We reserve the right to change the requirements relating to your Sitelet at any time. (Franchise Agreement- Section 4.5)

For avoidance of doubt, we will not:

- a. Establish your prices. However, we may make pricing recommendations based on industry wide standards and the going rates in the particular market as part of the initial and ongoing training. We may also include such pricing recommendations in the Operations Manual. This information is solely for training and educational purposes. Each franchisee is solely responsible for establishing their own prices.

#### **4. Advertising**

##### **Local Advertising**

We require you to spend at least Three Hundred Dollars (\$300.00) every month on digital marketing and recommend that you spend a total of Five Hundred Dollars (\$500.00) every month on approved local paid advertising within your Territory. If you fail to spend the minimum amount on digital marketing, then we have the right to require you to pay Three Hundred Dollars (\$300.00) to us each month so that we can spend this amount on digital marketing on your behalf.

You may develop and use your own advertising materials but samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted for our approval before you use them. If you do not receive written approval within 30 days after we receive the materials, we will be deemed to have approved your request. You may not use any advertising, promotional or marketing materials that we have disapproved.

We do not provide for placement of local advertising on your behalf, and we have no obligation to spend any amount on advertising in your area or territory. You are responsible for local advertising placement. You must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, you may do cooperative advertising with other franchisees in your area, with our prior written approval. You may not maintain any business profile on Facebook, Twitter, LinkedIn, YouTube or any other social media and/or networking site except as provided or approved by us. (Franchise Agreement - Section 6(I)).

You must maintain an active dedicated telephone line in connection with the operation of your N ZONE SPORTS Business. You agree that upon termination, transfer, or expiration of the franchise, you must immediately assign to us any interest that you may have in the telephone numbers and telephone listings used by you in connection with the operation of the N ZONE SPORTS Business. You shall promptly transfer all telephone calls by call-forwarding to us or to such other party or entity as we shall direct; to execute any such instruments and take such actions as we may deem necessary to affect such transfer and call-forwarding of telephone calls. You acknowledge that this Agreement shall be conclusive evidence of N ZONE SPORTS' rights to such telephone numbers and directory listings and its authority to direct this transfer. You will be responsible for payment in full of all amounts due and owing in connection with your telephone numbers and telephone directory listing accounts through the date of termination, expiration, or transfer of the Franchised Business; including any advertising accounts associated telephone numbers, directory listings, and internet advertising for your N ZONE SPORTS Franchised Business.

You agree that upon termination, transfer, or expiration of this Agreement, you will immediately remove all advertising that you control and notify all advertising sources that your advertising

must be removed and/or canceled immediately. For advertising that cannot be immediately canceled, you are responsible for any and all costs related to such advertising until such time as it can be canceled or it expires.

### **Systemwide Advertising Fund.**

We have established and administer an Advertising Fund for the creation and development of marketing, advertising and related programs and materials on a system-wide basis. You must contribute 2% of your Gross Sales or \$50.00 a month, whichever is greater, to the Advertising Fund. The advertising fee is non-refundable. (Franchise Agreement Section 5(b)) (See Items 6, 7 and 9) The Advertising Fund is administered by our Officers. As the N ZONE SPORTS franchise system expands, we may create an advertising council.

The Advertising Fund will prepare income and expense statements at least once each calendar quarter, and at such time as is practical, the entire Fund will be audited annually. Income and expense statements and audit results, as prepared, are available to any franchisee upon written request. Excess funds not spent in any given fiscal year will be carried forward to the next fiscal year. Although once established the Fund is intended to remain in existence, we reserve the right to terminate the Fund only after all monies have been spent for advertising and promotion.

In our most recent fiscal year ending December 31, 2024, we did not collect ad fund contributions, but subsidized the Advertising Fund spending \$14,400 as follows: Pay-Per-Click 4%, Search Engine Optimization 28%, Web Development 23%, Art Department 39%, and Administrative Expense 6%.

The Advertising Fund will develop and place advertising for the N ZONE SPORTS system; decide whether to use advertising agencies and which ones; and to decide which media to use, which may include print, radio, television, or direct mail. It may also include further development of a national web site. You are prohibited from producing any website for use with the Franchised Business unless specific written permission is given by us.

All franchisees contribute to the Advertising Fund on the same basis, and the expenditure of funds will be limited to advertising, promoting and marketing the goods and services offered by the N ZONE SPORTS system. Franchisees who are not yet contributing to the Advertising Fund may be excluded from receiving benefits from the activities of the Advertising Funds. Except incidentally, no portion of the Advertising Funds will be used to sell franchises. We receive reimbursement from the Fund for our advertising related administrative costs, indirect expenses and subsidizing costs. The Advertising Fund's operating rules and guidelines will be determined by our Officers. We will spend funds to benefit the N ZONE SPORTS Franchise System. This does not mean, however, that advertising expenditures will be made in your territory, nor will be equivalent or proportionate to your contribution. We may place additional regional or national advertising at our own expense, but are not obligated to do so.

### **Regional Advertising**

We do not currently have a regional advertising fund or cooperative and we do not have the power to require such funds or cooperatives to be formed, changed, dissolved or merged.

## **Advertising Council**

The Franchise Agreement does not preclude us from creating a franchisee advisory council to communicate ideas, including proposed advertising policies. If created, we will determine in advance how franchisees are selected to the council, which may include factors such as a franchisee's level of success, superior performance and outlet profitability. The council will serve in an advisory capacity only. We have the right to form, change or dissolve the council at any time.

### **5. Website/Social Media (Franchise Agreement - Section 7.13)**

You may not establish your own website or use social media platforms for the promotion of your Franchised Business without our prior written consent. You must sign such documents as we may require, that grant us the right to change, transfer or terminate your email addresses, domain names, social media platforms and comparable electronic identities that use our trademarks if the Franchise Agreement expires or is terminated, or if your franchise is not renewed. Likewise, if you establish any website or social media associated with our trademarks despite our prohibitions then you will assign all rights to such accounts to us upon our request.

Except for the social media presence that we will establish on your behalf or permit you to establish, you are not permitted to promote your Franchised Business or use any of the Marks in any manner on any social or networking websites, including, but not limited to: Facebook, Instagram, FourSquare, LinkedIn, Pinterest, Snapchat, Telegram, TikTok, Twitch, X (formerly Twitter), personal blogs, virtual worlds, audio and video-sharing sites, and other similar social networking or media sites or tools presently existing or developed in the future (collectively, "Social Media") without our prior written consent.

We alone will be, and at all times will remain, the sole owner of the intellectual property rights to all material which appears on any Social Media or website we establish or maintain. We may permit you to utilize such accounts subject to our standards and control. We reserve the right to conduct advertising on Social Media accounts on your behalf.

You must comply with our System standards regarding the use of Social Media in your Franchised Business's operation, including prohibitions on your employees posting or blogging comments about the Franchised Business or the System, other than on a website established or authorized by us.

### **6. Hardware and Software Requirements.**

You are required to have a computer. You must purchase or lease a computer if you do not have a computer which meets the following specifications. Currently we do not require our franchisee to use any specific brand of computer hardware as long as it is PC based using a minimum of the Windows 7 platform. The cost of a computer varies widely but we estimate you may purchase a computer for between \$500 and \$1,500. You are required to have Microsoft Word, Microsoft Excel, Microsoft Outlook, QuickBooks Online, and Internet Explorer or equivalent on this PC in order to access our website. You may purchase the hardware and software from any source. The computer is not proprietary and does not require maintenance, support or service contracts. You

are responsible for purchasing and arranging delivery of this equipment with the vendor. The PC system manages your sales activities and general business operations.

You will be required to use our scheduling and management software that will assist you with your day-to-day business operations. This proprietary software will streamline processes in four major areas: players and coaches' management, scheduling, billing, and payroll. The management aspect of the proprietary software will allow you to manage contact information, schedules, sports, fields, and standings, etc. schedules and personality types. You will be charged a monthly fee of \$50 to utilize the proprietary software and your Sitelet.

Although not required, we do highly recommend a broadband connection for your computer. We reserve the right to require you, at your expense and in the time frame determined by us, to update or upgrade the hardware and/or software you use to conform to new standards or specifications. There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems or programs. Likewise, we have no obligation to maintain, repair, update or upgrade your computer and software.

We have visibility for all transactions that occur through our website and require you to provide visibility to your authorization/payment gateway. We also have the right to audit your financial records.

## **7. Table of Contents of Operations Manual.**

The table of contents of our Operations Manual ("Manual" or "Operations Manual") is attached in Exhibit "D." The Manual has approximately 118 pages.

## **8. Training.**

You must attend and successfully complete to our satisfaction the initial training program that we provide to franchisees (the "**Initial Training**"). We may extend the Initial Training for anyone who fails to successfully complete the program, until training is successfully completed. Your manager, if any, may attend training but must sign a confidentiality agreement and non-competition agreement prior to attendance. The Initial Training lasts for approximately 2 days and is presently conducted either Via Zoom teleconferencing software or, at our headquarters in Tampa, Florida, on-line. Successful completion consists of attending the 2-day training program outlined below. Training programs are scheduled and run as needed. Your training will be scheduled so that is completed at least seven days before you open for business. You may not open your business until you have completed mandatory pre-launch training. There is no charge for the Initial Training of up to two persons. You are responsible for your compensation, travel, lodging and living expenses incurred in connection with your attendance at any training program. Any person attending training is required to execute our current confidentiality agreement (if not named on the Franchise Agreement). (Franchise Agreement - Section 4) Currently our Initial Training consists of the following:

The following tables provide additional information about our initial training programs:

### INITIAL TRAINING PROGRAM

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On The Job Training</b>	<b>Location</b>
Introduction to N ZONE SPORTS	2	N/A	Tampa, FL or Virtual Conference
N ZONE SPORTS Youth Sports Programs	1.5	N/A	Tampa, FL or Virtual Conference
N Zone Jr	2	N/A	Tampa, FL or Virtual Conference
Coaches, Players and Parents	2	N/A	Tampa, FL or Virtual Conference
Advertising and Marketing	2	N/A	Tampa, FL or Virtual Conference
Venue Selection	1	N/A	Tampa, FL or Virtual Conference
Website Operations	2	N/A	Tampa, FL or Virtual Conference
Miscellaneous	1.5	N/A	Tampa, FL or Virtual Conference
<b>TOTAL</b>	<b>14 Hours</b>		

It is the nature of the N ZONE SPORTS Business that all aspects of training are integrated, that is, there are no definitive starting and stopping times.

Instructors:

Shane Larkin leads our initial training program: Guest Instructors may also assist with Initial Training, with at least five (5) year's experience in the subject taught. We set forth the length of the Instructors' experience in the industry and with the franchisor below:

<b><u>Instructor</u></b>	<b><u>Years of Experience in Subject Taught</u></b>	<b><u>Years of Experience with the Franchisor*</u></b>
Shane Larkin	11	11

Additionally, we conduct optional training programs and conference. If you participate you must pay the costs and expenses for yourself and anyone attending with you. We may charge for optional training programs. We may require you to attend additional training or refresher courses.

Following the initial phase of in-person training, you will be assigned to a dedicated support specialist from our corporate office to assist you in completing two additional phases of pre-opening training. This assistance includes but is not limited to rate setting, establishing an advertising and marketing campaign, coach recruitment and staffing, concessionaire services and marketing, role playing and setting up back-office functions. Following successful completion of these training modules, you will be granted approval to market and accept players. During this phase, you will submit applicable documentation to your dedicated support specialist to confirm that you are operating within our System Standards and meeting expectations for all N ZONE SPORTS franchisees.

During the course of coaching Franchise Owners, we may be asked various questions regarding employment classifications. We may provide suggestions or discuss options available but the decisions made are in no way requirements or suggestions. Employment classifications are entirely determined and decided upon by the Franchise Owner.

## **ITEM 12: TERRITORY**

Under the Franchise Agreement, we will grant you the right to develop and operate a Franchised Business within a designated geographic region (your “**Territory**”).

The Territory is for a location to be approved by us. The scope and size of your Territory will vary from the scope and size of the operating territories of other franchisees in our System and will be determined by us based on population density, demographics, and geographical boundaries. While there is no minimum size for an operating territory, your Territory will, generally, be a geographic area that contains a population of either (a) approximately 150,000 people or (b) approximately 300,000 people (see Item 5). Our determination as to population within your Territory will be made at the time of signing your Franchise Agreement and will be based on estimates provided by a commercially available mapping tool that utilizes data, demographics, estimates, projections, and other factors to define a geographical region. We may identify your Territory by zip code, boundary streets, highways, county lines, census tracts, designated market area, and/or other recognizable demarcations. We will provide you with a territory report as a supplement to this disclosure document during the territory selection process and your selected Territory will be defined and attached to the Franchise Agreement.

Your Franchised Business may be operated from anywhere within the Territory. You do not need our permission to relocate as long as you remain within the Territory.

We do not grant you options, rights of first refusal, or similar rights to acquire additional franchises. However, you may ask us at any time to purchase additional franchises. When evaluating your ability to purchase additional franchises we will consider factors such as your financial history,

performance, and adherence to the terms of the Franchise Agreement. Additionally, you may ask to expand your Territory to add a contiguous geographical area containing an additional population of 10,000 or more, subject to availability and at our discretion. If granted by us, the cost of an expansion will be \$1,000.00 per 10,000 people and all other terms of your Franchise Agreement will remain the same.

During the term of your Franchise Agreement, and provided that you are not in default of your Franchise Agreement, we will not open another N ZONE SPORTS outlet or grant the right to anyone else to open a N ZONE SPORTS outlet within your Operating Territory. Likewise, there is no minimum sales quota, and you maintain your rights to your area as long as you abide by your Franchise Agreement. We may not alter your Territory without your consent. Despite these limited protections, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Except when advertising cooperatively with other N ZONE SPORTS franchisees, you are not permitted to advertise, market, promote or solicit services anywhere outside of your Territory, nor may you use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside your Territory, unless you enter into a written agreement with us which addresses specific terms, policies and procedures for temporarily operating outside of your Territory. (See Rider A to the Franchise Agreement). Additionally, your right to operate a Franchised Business in the Territory are subject to certain rights reserved by us. We reserve all rights not expressly granted in the Franchise Agreement. For example, we have the right to:

- (a) use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to sell and provide N ZONE SPORTS and N ZONE Junior products to consumers within your Territory using our principal trademarks (or another trademark) without any compensation to you;
- (b) to implement cross-territorial protocols and other guidelines applicable to such situations as group advertising buys by multiple franchisees which may extend into multiple territories, solicitation of orders of individuals who may reside in one Territory, yet work in another, and other cross-territorial situations;
- (c) to establish and operate, and grant rights to others to establish and operate a Franchised Business or similar businesses at any locations outside of the Territory and on any terms and conditions we deem appropriate;
- (d) to own, develop, acquire, be acquired by, merge with, or otherwise engage in any transaction with another businesses (competitive or not), which may offer products and services like your Franchised Business and may have one or more competing outlets within your Territory, however, we will not convert any acquired business in your Territory to a franchise using our primary trademarks during the Term of your Franchise Agreement;

(e) conduct or assign any N ZONE SPORTS business within your Territory that you refuse to perform, you are unable to perform or offer or while you are in default of your Franchise Agreement;

(f) to negotiate purchase agreements with vendors and suppliers which we reasonably believe are for the benefit of our franchisees; and,

(g) to engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere.

### ITEM 13: TRADEMARKS

The Franchise Agreement will license to you the right to operate your Franchised Business under the following principal trademarks ("Marks") registered or applied for with the United States Patent and Trademark Office ("USPTO"):

Description of Mark	Registration Number	Principal or Supplemental Register of the USPTO	Registration Date
N ZONE SPORT	N/A Serial Number: 99117032	Application filed April 2, 2025	Application filed April 2, 2025
N ZONE JUNIOR	N/A Serial Number: 99121113	Application filed April 4, 2025	Application filed April 4, 2025
	N/A Serial Number: 99117153	Application filed April 2, 2025	Application filed April 2, 2025
	N/A Serial Number: 99121104	Application filed April 4, 2025	Application filed April 4, 2025

We have filed all required affidavits. No renewals have been filed. We do not have a federal trademark for our principal trademark. Therefore, our trademark does not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by the franchisor. There are no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

There are no currently effective agreements that significantly limit our rights to use or license the use of our trademarks listed in this section. We are not aware of any superior rights or infringing uses that could materially affect your use of our trademarks.

### **Use of the Marks.**

You must follow our rules when you use the Marks. You cannot use any Mark as part of your corporate or legal business name or with modifying words, designs or symbols (except for those we license to you). You cannot use any Mark in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing.

### **Infringements.**

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and you may not communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim and cooperate with us fully in pursuing, defending or settling the litigation. We have no affirmative obligation to preserve and protect the ownership and validity of our trademarks. However, we will take all steps that we deem reasonably appropriate. We have sole discretion to take such action as we deem appropriate and the right to control exclusively any litigation, USPTO proceeding or any other administrative proceeding arising from such infringement, challenge or claim or otherwise relating to any Mark licensed by us to you. You must sign any instruments and documents, provide such assistance and take any action that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain our interests in the Marks. We will have no obligation to defend or indemnify you for your expenses or damages if the claim against you relates to your use of the trademarks in violation of the Franchise Agreement. Nothing in the Franchise Agreement requires us to take affirmative action upon notice of infringement.

### **Changes to the Mark.**

If it becomes advisable at any time for us and/or you to modify or discontinue use of any Mark, and/or use one or more additional or substitute trademarks or service marks, you must comply

within a reasonable time after our notice to you, and our sole liability and obligation to you in the event of such change will be to reimburse you for your out-of-pocket costs of compliance. We will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark.

**ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We do not hold any patents and there are no pending patent applications that are material to the franchise. We claim a copyright on certain materials developed by us, such as our Operations Manual, marketing and promotional material, and other printed material. However, we have not presently filed a registration of those copyright with the United States Copyright Office.

The Manual, which is described in Item 11, and other materials we possess contain our confidential information and trade secret. This information includes site selection criteria; methods, formats, specifications, standards, systems, procedures and sales and marketing techniques used, and knowledge of, and experience in, developing and operating N ZONE SPORTS Businesses; marketing and advertising programs for N ZONE SPORTS Businesses; knowledge of specifications for and suppliers of certain fixtures, furnishings, equipment, products, materials and supplies; and knowledge of the operating results and financial performance of N ZONE SPORTS Businesses other than your N ZONE SPORTS Business.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. Nor are there any agreements currently in effect which significantly limit our right to use or authorize franchisees to use the copyrighted materials. Furthermore, there are no infringing uses actually known to us which could materially affect a franchisee's use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights or confidential information, although we intend to do so when this action is in the best interests of the N ZONE SPORTS Business System.

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

You must at all times faithfully, honestly and diligently perform your obligations under the Franchise Agreement, continuously exert your full time and best efforts to promote, enhance and encourage patronage of all N ZONE SPORTS businesses and not engage in any other business or activity that conflicts with your obligations to operate the N ZONE SPORTS Business in compliance with the Franchise Agreement. You (or your owners/manager) are obligated to participate personally in the direct operation of the N ZONE SPORTS Business. If you do hire a manager, that manager is not required to have an equity interest in the Franchise. However, that manager cannot have an interest or business relationship with any competing business. The manager is required to attend and complete training to our satisfaction within 30 days of hire. It will be our choice whether to train the manager using our computerized on-line training program, by telephone, or by other comparable method. There will be a \$250.00 charge for each manager's training.

Managers must sign a written agreement (acceptable to us) to maintain confidentiality of our proprietary rights and confidential information prior to the release of any confidential information. The agreement must also contain non-competition provisions (acceptable to us). We must receive a copy of this signed written agreement within 48 hours of the manager's hire.

You will be required to conduct background checks on coaches, referees and any staff who has contact with children. We must receive a copy of this report within 48 hours of the person's hire. Any person attending training is required to execute a confidentiality and non-competition agreement (acceptable to us) if they are not a party to the Franchise Agreement prior to attending training. We do not require you or your spouse to sign a personal guaranty.

You must have any and all persons, who are not a party to the Franchise Agreement, which you authorize to contact us on your behalf, or who will have access to confidential information, sign a written agreement (acceptable to us) to maintain confidentiality of our proprietary rights and confidential information prior to the release of any confidential information. The agreement must also contain non-competition provisions (acceptable to us). We must receive a copy of this signed written agreement within 3 days of the person's hire.

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

You must offer for sale all products, and perform all services, that we require from time to time for N ZONE SPORTS Businesses. You may not offer for sale any products or perform any services that we have not authorized. Our System Standards may regulate required or authorized products, services and supplies. We have the right to change the types of required and/or authorized goods and services from time to time. There are no limits on our right to do so. You are specifically limited to provide services to customers who are located in your Territory.

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

**THE FRANCHISE RELATIONSHIP**

**This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.**

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(a) Length of the Franchise Term	3.1	7 Years.
(b) Renewal or extension of the term	3.2	If you are in good standing, you can sign successor agreements for additional seven (7) year terms.

(c) Requirements for franchisee to renew or extend	3.2	You must be in full compliance with your Franchise Agreement, complete any training we require, and you must sign our then-current form of franchise agreement which may contain materially different terms and conditions than your original Agreement including territory and royalties, sign a general release and pay the applicable fee.
(d) Termination by franchisee	12.5	If you give 90 days notice and we approved your written request, you must be in full compliance with your Franchise Agreement, sign a mutual termination agreement containing a general release and pay the applicable fee.
(e) Termination by franchisor without cause	Not applicable	Not Applicable
(f) Termination by franchisor with cause	12.1, 12.2	We can terminate only if you commit one of several violations.
(g) "Cause" defined – curable defaults	12.1	(a) your offer of any unauthorized products or services; (b) your failure to begin operation of your N ZONE SPORTS Business within the time required; (c) you or your designated manager fail to complete to our reasonable satisfaction any of the training required; (d) your material breach of any representation, promise, warranty, or agreement contained in this Agreement; (e) your failure to comply with the N ZONE SPORTS System Standards or Policies/Procedures; (f) you understate by five percent (5%) or more your Gross Sales in any report to us.
(h) "Cause" defined – non-curable defaults	12.2	(a) you knowingly maintain false books or records or submit any false statements or reports to us; (b) you are convicted of a felony or any crime or offense or any claim of misconduct which results in or is reasonably likely, in our sole opinion, to affect adversely the N ZONE SPORTS System or its associated goodwill; (c) you misuse our Marks, confidential information and/or Proprietary Rights; (d) you transfer your Business without our permission; (e) you disparage, interfere with or disrupt our business or the business of any area franchisee of ours; (f) you abandon or cease to operate your N ZONE SPORTS

		<p>Business for a period of sixty (60) days; (g) you violate any covenant of confidentiality or otherwise disclose, use or copy any manuals, materials or information created or used by us without our prior approval or violate any applicable non-compete; you engage in any act(s) that is so dishonest, untrustworthy, self-dealing, and/or fraudulent, that it goes to the essence of the Franchise Agreement and/or frustrates one of the principal purposes of the Franchise Agreement and/or irreparably damages the trust between us; you become insolvent; (i) you fail, for thirty (30) days after notice, to comply with any applicable law or regulation applicable to your N ZONE SPORTS Business.</p> <p>This provision is subject to state law. Additionally, the provision in the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).</p>
(i) Franchisee's obligations on termination /non-renewal	Article XIII	Obligations include ceasing operations, payment of outstanding amounts, complete de-identification, pay advertising and telephone obligations, removal of advertising return of confidential information, and adherence to a post-term restrictive covenant.
(j) Assignment of contract by franchisor	14.1	No restrictions on our right to assign the Franchise Agreement.
(k) " Transfer" by franchisee-definition	14.2	Your (or your owners') voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) the Franchise; (b) you or (c) the N ZONE SPORTS Business
(l) Franchisor's approval of transfer by franchisee	14.2	We have the right to approve all transfers.
(m) Conditions for franchisor's approval of transfer	14.2	Assumption of your obligations by transferee, payment of transfer fee, and the training and transfer fees are paid. Transferee must qualify and must sign our

		then current franchise agreement, which may contain material changes.
(n) Franchisor's right of first refusal to acquire franchisee's business	Not Applicable.	We can match the terms of any attempted transfer for a period of 14 days after receipt of notice of such proposed transfer.
(o) Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
(p) Death or disability of franchisee	Not Applicable	Not Applicable
(q) Non-competition covenants during the term of the franchise	9.2	No diversion of business, no involvement in a similar business, and no solicitation of other franchisees employees. Subject to state law.
(r) Non-competition covenants after the franchise is terminated or expires	13.7	No solicitation, recruitment or hiring of players, coaches or referees of your N ZONE SPORTS Business, any other N ZONE SPORTS businesses or any other current or former N ZONE SPORTS franchisees for a period of 2 years. No involvement in a similar business for a period of 2 years. Subject to state law.
(s) Modification of the agreement	20.11	No modifications except by written agreement, but Manual and System Standards are subject to change
(t) Integration/merger clause	20.8	Only the terms of the Franchise Agreement, Exhibits and all Agreements signed with it are enforceable (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the Franchisor's representations made in this Disclosure Document.
(u) Dispute resolution by arbitration or mediation	Article XVI	Except for certain claims, all disputes must be arbitrated at the office of the American Arbitration Association closest to our headquarters. This provision is subject to state law.
(v) Choice of forum	20.3	Florida, subject to applicable state law.
(w) Choice of law	20.2	Florida, subject to applicable state law.

## **ITEM 18: PUBLIC FIGURES**

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

## **ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS**

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

The following Tables present the Gross Sales from player/participant registration reported by N ZONE SPORTS for certain franchisees from January 1, 2024 through December 31, 2024. Average Gross Sales was determined by dividing the number of franchisees into the total Gross Sales. The Median is the middle figure, with fifty percent (50%) being both above and below that figure. Each Table presents Gross Sales for "Full-Time" and "Part-Time" franchisees. The term "Full Time" is defined to mean include all franchisees who devote their primary professional efforts to their N ZONE SPORTS Franchised Business and do not maintain another full-time job. The term "Part Time" is defined to include all franchisees who do not dedicate their primary professional efforts to their N ZONE SPORTS Franchised Business and maintain a separate full-time job. All figures are based upon information provided to us by franchisees. The information has not been audited, nor has it been independently verified.

As of December 31, 2024, there were a total of 68 outlets. We have excluded 22 outlets (32%) from these financial performance representations because they did not meet our criteria, as they were either were not yet open at the start of the measurement period, transferred to a new owner, or ceased operations and therefore did not operate for the entire year.

As of December 31, 2024, there were 4 outlets that were opened for their first full year in 2024 ("Sales Year 1"), which are reported in Table 1. As of December 31, 2024, there were 42 outlets that were opened for their second or greater full year in 2024 ("Sales Year 2+"), which are reported in Table 2.

[Remainder of Page Intentionally Blank]

**FRANCHISEES IN SALES YEAR 1**

Table 1 contains historical financial information for franchisees who signed a franchise agreement in 2023 and operated their N ZONE SPORTS outlet for their first full year in 2024 ("Sales Year 1"). A total of 4 outlets in Sales Year 1 operated during the measurement period from January 1, 2024 through December 31, 2024. One (25%) of these outlets were operated Full-Time and three (75%) of these outlets were operated Part-Time. Table 1 excludes two franchisees because they ceased operations during the calendar year 2023. Table 1 excludes all Sales Year 2+ outlets, which are reported in Table 2.

<b>TABLE 1: 2024 Gross Sales (Outlets in Sales Year 1)</b>		
	Full-Time	Part-Time
Average Gross Sales	\$122,855	\$64,450
Count	1	3
# at/above average	1	2
% at/above average	100%	67%
Median Gross Sales	\$122,855	\$73,623
Highest Gross Sales	\$122,855	\$93,118
Lowest Gross Sales	\$122,855	\$26,609

**FRANCHISEES IN SALES YEAR 2+**

Table 2 contains historical financial information for franchisees who signed a franchise agreement in 2022 or earlier and operated an N ZONE SPORTS outlet for two or more full years as of December 31, 2024 ("Sales Year 2+"). A total of 42 outlets in Sales Year 2+ operated from January, 2024 through December 31, 2024. Eighteen (43%) of these outlets were operated Full-Time and twenty-four (57%) of these outlets were operated Part-Time. Table 1 excludes two franchisees because they closed operations during the calendar year 2023. Table 2 also excludes all Sales Year 1 outlets, which are reported in Table 1.

<b>TABLE 1: 2024 Gross Sales (Outlets in Sales Year 2+)</b>		
	Full-Time	Part-Time
Average Gross Sales	\$258,753	\$94,330
Count	18	24
# at/above average	8	13
% at/above average	44%	54%
Median Gross Sales	\$194,125	\$98,965
Highest Gross Sales	\$894,575	\$282,512
Lowest Gross Sales	\$45,770	\$17,294

**NOTES APPLICABLE TO ALL TABLES:**

1. The term "Gross Sales" includes all revenue, excluding only sales tax, refunds and discounts.
2. Written substantiation for the financial performance representations described above will be made available to you on reasonable request. Please carefully read all of the information in these financial performance representations, and the notes following the tables, in conjunction with your review of the historical data. The information presented above has not been audited.
3. Some outlets have earned this much. Your individual results may differ. There is no assurance that you'll earn as much.
4. We strongly urge you to consult with your financial advisor or personal accountant concerning the financial analysis that you should make in determining whether or not to purchase a N ZONE SPORTS Franchised Business.
5. Results may vary among N ZONE SPORTS businesses depending on prevailing economic or market area conditions, demographics, geographic location, interest rates, your capitalization level, the amount and terms of any financing that you may secure, the property values and lease rates, your business and management skills, staff strengths and weaknesses, the cost and effectiveness of your marketing activities and weather/seasonal factors.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of any company-owned or franchised outlets. We also do not authorize our employees or representative to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Tony Westbrook, 11705 Boyette Rd, Ste 209, Riverview, FL 33569, 888-557-2459, the Federal Trade Commission, and the appropriate state regulatory agencies.

[Remainder of Page Intentionally Blank]

**ITEM 20: OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1

**Systemwide Outlet Summary**

**For Years 2022 to 2024**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	38	42	+4
	2023	42	44	+2
	2024	44	68	+24
Company Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	38	42	+4
	2023	42	44	+2
	2024	44	68	+24

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)**

**For Years 2022 to 2024**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Texas	2022	0
	2023	1
	2024	1
Total	2022	0
	2023	1
	2024	1

Table No. 3

**Status of Franchised Outlets  
For Years 2022 to 2024**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Arizona	2022	0	0	0	0	0	0	1
	2023	1	1	0	0	0	1	1
	2024	1	0	0	0	0	0	1
Arkansas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Colorado	2022	1	0	0	0	0	0	1
	2023	2	1	0	0	0	1	2
	2024	2	0	0	0	0	0	2
Connecticut	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Delaware	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Florida	2022	9	1	0	0	0	2	8
	2023	8	4	2	0	0	0	10
	2024	10	1	0	0	0	0	0
Georgia	2022	3	3	0	0	0	2	4
	2023	5	2	0	0	0	2	5
	2024	5	2	0	0	0	0	7
Kansas	2022	0	1	0	0	0	1	0
	2023	0	0	0	0	0	1	0
	2024	0	1	0	0	0	0	1
Maryland	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Massachusetts	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Minnesota	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
Missouri	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0

Nebraska	2022	0	0	0	0	0	1	1
	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
Nevada	2022	1	0	0	0	0	1	1
	2023	1	0	0	0	0	1	0
	2024	0	1	0	0	0	0	1
New Jersey	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
New Mexico	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
North Carolina	2022	3	0	0	0	0	1	2
	2023	2	1	0	0	0	1	2
	2024	2	3	0	0	0	0	5
North Dakota	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Ohio	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	1	0	0	0	0	0	1
Oklahoma	2022	2	1	0	0	0	1	2
	2023	2	0	0	0	0	1	1
	2024	1	2	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	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
South Carolina	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Tennessee	2022	1	2	0	0	0	0	3
	2023	3	1	0	0	0	1	3
	2024	3	0	0	0	0	0	3
Texas	2022	10	1	0	0	0	3	8
	2023	8	4	1	0	0	3	8
	2024	8	4	1	0	0	3	8
Washington	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
TOTALS	2022	38	5	0	0	0	1	42
	2023	42	4	0	0	0	2	44
	2024	44	26	0	0	0	2	68

Table No. 4

**Status of Company-Owned Outlets\***  
**For Years 2022 to 2024**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
All	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Table No. 5

**Projected Openings as of December 31, 2024**

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	0	2	0
Arizona	0	1	0
Arkansas	0	1	0
California	0	7	0
Colorado	0	2	0
Florida	0	4	0
Georgia	0	2	0
Hawaii	0	0	0
Idaho	0	0	0
Illinois	0	2	0
Indiana	0	1	0
Iowa	0	0	0
Kansas	0	0	0
Kentucky	0	0	0

Louisiana	0	1	0
Missouri	0	1	0
Nebraska	0	1	0
Total	0	25	0

Exhibit E lists the location of each N ZONE SPORTS outlet in our System.

The names of franchisees and the addresses and telephone numbers of their franchises are listed in Exhibit E-1. The name and last known address and telephone number of every franchisee who has had a unit terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or has not communicated with us within 10 weeks of the disclosure document issuance date is listed in Exhibit E-2.

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

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with N ZONE SPORTS. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you. During the last three fiscal years, we have not signed confidentiality clauses with any current or former franchisees. However, our franchise agreements have confidentiality clauses which prevent current and former franchisees from disclosing proprietary, confidential and trade secret information regarding our system.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

**ITEM 21: FINANCIAL STATEMENTS**

Our audited financial statements as of December 31, 2024, 2023 and 2022 are included in Exhibit A. Our fiscal year end is December 31.

**ITEM 22: CONTRACTS**

Copies of all proposed agreements regarding the franchise offering are included as exhibits to this disclosure document, as follows:

- EXHIBIT C                      Franchise Agreement
- Schedule I                Territory
- Schedule II               Package
- Rider A                    Optional Zip Code Rental Agreement
- EXHIBIT G                    Form of General Release

**ITEM 23: RECEIPT**

Exhibit I contains two copies of a Receipt of our Disclosure Document. You must sign, date and deliver one copy of the Receipt Page to us for our records.

**EXHIBIT A**

**FINANCIAL STATEMENTS**

**N Zone Sports of America, LLC**

**Audited Financial Statements**

**For the year ended December 31, 2024**

**N Zone Sports of America, LLC**

Table of Contents

INDEPENDENT AUDITORS' REPORT.....	1
Balance Sheets.....	3
Income Statements and Statements of Changes in Members' Equity.....	4
Statements of Cash Flows.....	5
Notes to the Financial Statements.....	6

## **Etiendem CPA**



Etiendem CPA  
Certified Public Accountant  
11357 Nuckols Rd #2113  
Glen Allen, VA 23059

Tel: +1 (804) 807-4602  
Email: [bmbecha@etiendemcpa.com](mailto:bmbecha@etiendemcpa.com)  
Website: [www.etiendemcpa.com](http://www.etiendemcpa.com)

### **INDEPENDENT AUDITORS' REPORT**

To the Members of  
N Zone Sports of America, LLC

#### ***Opinion***

We have audited the accompanying financial statements of N Zone Sports of America, LLC which comprise the balance sheets as of December 31, 2024, and the related statements of income, changes in members' equity, and cash flows for the year 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 N Zone Sports of America, LLC as of December 31, 2024, and the changes in member's equity and its cash flows the for the year ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit 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 N Zone Sports of America, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 N Zone Sports of America, 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 N Zone Sports of America, 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 N Zone Sports of America, 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.



Glen Allen, Virginia  
February 24, 2025

**N ZONE SPORTS OF AMERICA, LLC**  
**Consolidated Balance Sheets**  
**December 31st, 2024, 2023, and 2022**

Assets	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current Assets			
Cash and Cash Equivalents	\$11,668	\$9,386	\$7,921
Deferred Franchise Broker Fees-Current	<u>28,848</u>	<u>3,099</u>	<u>7,270</u>
Total Current Assets	40,515	12,485	15,191
Other Assets			
Website	13,488	11,290	41,750
Security Deposit	615	1,000	0
Right-of-Use Asset (ROU)	20,903	13,218	9,765
Deferred Franchise Broker Fees	57,695	0	0
Total Other Assets	<u>92,701</u>	<u>25,508</u>	<u>51,515</u>
Total Assets	<u>\$133,217</u>	<u>\$63,501</u>	<u>\$118,221</u>
Liabilities and Member's equity			
Current Liabilities			
Line of Credits Used	\$30,266	\$20,050	\$26,812
Accounts Payable	0	0	0
Deferred Franchise Fee-Current	<u>104,727</u>	<u>18,012</u>	<u>28,400</u>
Total Non Current Liabilities	134,993	38,062	55,212
None Current Liabilities			
SBA Loan	117,800	117,800	16,600
Lease Liability	\$20,903	\$0	\$0
Deferred Franchise Fee	<u>133,872</u>	<u>82,600</u>	<u>100,515</u>
Total Non Current Liabilities	272,575	200,400	117,115
Member's equity	(274,351)	(155,243)	(192,180)
Total Liabilities and Member's Equity	<u>\$133,217</u>	<u>\$147,501</u>	<u>\$181,221</u>

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

**N ZONE SPORTS OF AMERICA, LLC**  
**Consolidated Statements of Income**  
**Years Ended December 31, 2024, 2023, 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Revenue</b>			
Franchise Fee	\$1,031,891	\$128,250	\$306,750
Royalties	353,469	279,670	145,725
Total Revenue	<u>1,385,360</u>	<u>407,920</u>	<u>452,475</u>
<b>Less Cost of Sales</b>			
Franchise Broker Fees	(490,408)	(18,750)	(14,675)
Production Supplies	(9,150)	(4,885)	(5,812)
Gross Profit	<u>885,803</u>	<u>384,285</u>	<u>431,988</u>
<b>Operating Expenses</b>			
Advertising & Marketing	29,491	14,420	26,685
Bank & Credit Card Fees	5,672	585	1,412
Professional and Contractors' Fees	434,992	19,030	16,875
Meetings and Entertainment	119,776	93,320	104,717
Insurance	22,573	3,950	4,308
Supplies and Equipments	80,997	12,265	25,597
Postage & Delivery	5,172	432	2,310
Training & Coaching	1,375	975	3,800
Transportation and Related Exper	37,632	4,311	13,308
Charitable Contributions	1,220	775	1,110
Rent & Lease	5,209	0	0
Taxes & License	504	700	385
Repairs & Maintenance	1,216	472	505
Interest Expense	12,850	2,994	7,720
Utilities	28,185	6,484	7,206
Total Operating Expenses	<u>786,865</u>	<u>160,713</u>	<u>215,938</u>
<b>Net Income</b>	<u>\$98,938</u>	<u>\$223,572</u>	<u>\$216,050</u>
<b>Member's Equity, Beginning of Year</b>			
Prior Period Adjustments	(238,869)	(126,437)	(19,747)
Member's Contributions(Distributions), Net	(289,663)	(185,711)	(38,550)
Net Income	98,938	133,646	39,109
<b>Member's Equity, End of Year</b>	<u>\$ (274,351)</u>	<u>\$ (155,243)</u>	<u>\$ (192,980)</u>

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

**N ZONE SPORTS OF AMERICA, LLC**  
**Consolidated Statements of Cash Flows**  
**For years ended December 21, 2024, 2023 and 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Operations</b>			
Net Income (loss)	\$98,938	\$223,572	\$194,526
Adjustments to reconcile net income to net cash from operations:			
Prior period adjustments	(432,923)	(217,318)	(432,923)
Video Series	3,821	3,821	3,821
Changes in operating assets and liabilities:			
Accounts receivable	28,221	13,910	17,724
Security deposit	(615)	(1000)	0
Deferred franchise broker fees	(86,543)	(8,835)	(3411)
Inventory	34,330	62312	
Accounts payable	(6,109)	(8010)	(4,949)
deferred franchise fee	238,599	14,190	18,944
Net cash from operations	<u>(122,281)</u>	<u>(41,080)</u>	<u>(68,455)</u>
<b>Financing</b>			
Line of credits used	30,266	20,050	26,812
Net cash used by financing	<u>30,266</u>	<u>20,050</u>	<u>26,812</u>
<b>Investing</b>			
Members' contributions/(distributions)	22,203	13,090	18,855
Net cash used by investing	22,203	13,090	18,855
Net change in cash and cash equivalents	(69,812)	(9574)	(7,812)
Cash and cash equivalents, beginning of period	181,440	83,812	63109
Cash and cash equivalents, end of period	<u>\$111,668</u>	<u>\$93,386</u>	<u>\$70,921</u>

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

**N ZONE SPORTS OF AMERICA, LLC**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

**Note 1 – Organization and Business**

There are several reasons contributing to the success of the N Zone Sports franchise concept. For starters, we serve a growing market of over 60 million youth sports participants who generate billions in revenue annually. Even more impressive, the market is projected to continue to grow in the coming years. While there is no such thing as a “recession-proof” business, youth sports is as close as you’ll find. Parents understand that participation in organized youth sports programs fosters positive growth like building social skills, learning important life lessons like how to win and lose and maintaining an active, healthy lifestyle. At N Zone Sports, one of our greatest responsibilities lies in not only providing an organized, fun and structured environment, but also in helping teach kids important values like teamwork, leadership, effort and sportsmanship.

N Zone Sports began proving the Ultimate Sports Experience in 2008 in Tampa, Florida. With traditional leagues focusing too much on winning, N Zone Sports saw the opportunity to provide an organized alternative, combining competition with an extremely fun environment, allowing all kids the opportunity to receive ample playing time. In 2011, N Zone Sports began franchising and quickly expanded into markets in Michigan, Pennsylvania, Indiana, Georgia, Virginia, Texas and Nevada. While operating youth sports leagues can provide a terrific income, we realized the need to add a second revenue stream to complement our weekend leagues; something that franchisees could focus on during the week. In March of 2014, N Zone Junior was created. Targeted specifically to preschools and preschool age children, the N Zone Junior program created an explosive combination. In two short years, our franchise model gained incredible traction, surpassing an established top-seated youth sports franchise in the annual Franchise 500 rankings.

Offering multiple revenue streams has served us well and has allowed N Zone Sports to stake its place at the top of the youth sports industry. Exclusive franchise territories are offered. Once an area is sold, it is no longer available. Our reach is currently in over 18 states and 50 markets throughout the United States. So if you love the idea of owning your very own sports company and you have a desire to make a difference in your community, don’t wait another day. Begin the journey today and start the Discovery Process by receiving a free information packet.

---

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Accounting**

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

**Revenue Recognition**

The company recognizes revenue from three primary sources: Advertising Fees, Franchise Fees, and Royalty Fees, in accordance with ASC 606, “Revenue from Contracts with Customers.”

- **Franchise Fees:** These consist of initial fees paid by franchisees for the right to operate under the company’s brand and receive initial support services. The company recognizes 85% of the initial franchise

fee at the time of sale, with the remaining 15% deferred as a contract liability and recognized over a three-year period. This period represents the time required for franchisees to establish a stable book of business.

- **Royalty Fees:** Royalty fees are calculated as a percentage of the franchisee's gross sales and are recognized as revenue in the period in which the corresponding franchisee sales occur. The company applies to the sales-based royalty exception for licenses of intellectual property.
- **Other Fees:** Other fees include advertising fees that are collected from franchisees as a percentage of their gross sales and are recognized as revenue when received. The funds are dedicated to system-wide marketing and promotional efforts intended to benefit all franchisees. Technology Fees (a fixed monthly fee of \$50–\$100 are also charged to cover the cost of using the proprietary N Zone Sports Management & Scheduling Software.

#### **Intangible Assets (Website development)**

The company have intangible fixed assets (Website development) of \$13,488. This is review for impairments annually. Management estimated impairments as of December 31, 2024, is \$0.

#### **Franchise Broker Fees**

Franchise broker fees are the percentage of franchise fees that the company pay to brokers for franchise sales made on behalf of the company. To match franchise broker fees with the corresponding franchise fees, the company recognizes 85% of the initial franchise broker fees at the time of sale, with the remaining 15% deferred as an asset and recognized over a three-year period.

#### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and deposits held with financial institutions. As of December 31, 2024, the Company's cash is maintained at a FDIC-insured bank, ensuring protection up to the applicable insurance limits. The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. There are no restrictions on the Company's cash balances as of the reporting date. Management regularly monitors the financial stability of banking institutions to mitigate potential risks associated with cash deposits.

#### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from these estimates.

---

#### **Note 3 – Income Taxes**

N Zone Sports of America, LLC is a limited liability company treated as a disregarded entity for tax purposes. As such, the company does not pay income taxes directly. Instead, the members report and pay income taxes individually. Consequently, no provision for income taxes is included in these financial statements.

The company has evaluated its tax positions for filings with the Internal Revenue Service (IRS) and state jurisdictions, particularly in Florida, where it operates. No reserves or related accruals for uncertain tax positions have been recorded as of December 31, 2024. The company is subject to routine audits by tax jurisdictions; however, there are no ongoing audits or known issues as of the date of these financial statements.

---

#### **Note 4 – Franchise Fees**

Franchise fees represent payments from franchisees for the right to operate under the N Zone Sports of America, LLC brand, which are recognized over time as the performance obligations are satisfied. The revenue from these fees is recognized in accordance with the company's revenue recognition policy, with 85% recognized upfront and 15% deferred over a three-year period. The deferred amount will be recognized in future periods as the related franchisees establish their business and use the company's operational systems.

---

#### **Note 5 – Related Party Transactions**

During the year, the Owner of N Zone Sports of America, LLC and the Company utilized both personal and business credit and debit cards to pay for various expenses, some of which were of a personal nature and others related to the business.

Business expenses that were paid using the Owner's personal credit and debit cards and not reimbursed by the Company have been recorded as Member's contributions in the equity section of the financial statements. Conversely, personal expenses paid using the Company's credit and debit cards have been recorded as Member's distributions.

These transactions were not conducted under a formal agreement, and no interest or other charges were applied to amounts contributed or distributed. Management regularly reviews and reconciles these transactions to ensure proper classification.

Member's Contribution/(Distributions), Net as of December 31, 2024, was (\$238,869).

---

#### **Note 6: Long-Term Debt**

The Company has an outstanding Small Business Administration (SBA) loan with an original principal amount of \$117,800. The loan carries an interest rate of 3.75% per annum. Under the terms of the loan agreement, the Company is required to make installment payments, including principal and interest, of \$574 monthly. The balance of principal and interest will be payable Thirty (30) years from the date of the promissory note of May 5, 2020.

As of December 31, 2024, the outstanding principal and interest balance of the loan is \$117,800. The loan collateral includes the following property that Borrower now owns or shall acquire or create immediately upon the acquisition or creation thereof: all tangible and intangible personal property, including, but not limited to: (a) inventory, (b) equipment, (c) instruments, including promissory notes (d) chattel paper, including tangible chattel paper and electronic chattel paper, (e) documents, (f) letter of credit rights, (g) accounts, including health-care insurance receivables and credit card receivables, (h) deposit accounts, (i) commercial tort claims, (j) general intangibles, including payment intangibles and software and (k) as-extracted collateral as such terms may from time to time be defined in the Uniform Commercial Code. and is subject to the terms and conditions outlined in the loan agreement.

Management intends to comply with all required payments under the loan agreement and does not anticipate any issues in meeting future obligations.

---

**Note 7: Line of credit**

	Line of Credit	Drawn portion	interest rate
Allways Rewards Visa	\$ 10,300	\$ 8,675	22.24%
Business Advantage Travel Rewards	35,000	21,591	21.49%
<b>Total</b>	<b>\$ 45,300</b>	<b>\$ 30,266</b>	

**Note 8: Rent and Lease Commitments**

**Lease Classification:** The Company owner, together with his brother, has a lease agreement for its office located at 1361 Oakfield Drive, Brandon, FL 33511, which has been classified as an operating lease under ASC 842. The lease is shared equally between the Company and the business of the tenant's brother.

**Lease Term:** The lease commenced on August 15, 2024, and will terminate on August 31, 2027, with an automatic extension for one additional three-year term unless the Company provides written notice 90 days prior to the lease end.

**Lease Payments:** The monthly lease payments are as follows:

- **09/01/24 – 08/31/25:** \$1,230.70
- **09/01/25 – 08/31/26:** \$1,273.78
- **09/01/26 – 08/31/27:** \$1,318.36

**Security Deposit:** A security deposit of \$1,230.70 was paid at the lease commencement.

**Right-of-Use Asset and Lease Liability:** At the lease commencement date, the Company recognized a right-of-use (ROU) asset and a corresponding lease liability of approximately \$21,500, representing the present value of future lease payments, discounted at an implicit rate of 5% per annum.

**Lease Expense:** For the year ended December 31, 2024, the Company recognized lease expenses on a straight-line basis over the lease term. The total lease expense for the period from September 1, 2024, to December 31, 2024, amounted to \$4,922.80. The company also pay \$2,748 for office storage which was treated as short term lease and expense as rent & lease.

**Amortization of ROU Asset:** The ROU asset is amortized on a straight-line basis over the lease term. For the year ended December 31, 2024, the amortization was approximately \$597. This amount reduces the Right-of-Use Asset and Lease Liability to \$20,903 as of December 31, 2024.

**Note 9 – Prior Period Adjustments**

During the current year, the Company identified errors in the previously issued financial statements related to the accounting treatment of its SBA loan and deferred franchise fees. These errors resulted in the omission of certain liabilities and revenue recognition adjustments in prior years.

- **SBA Loan:** The Company determined that the SBA loan of \$117,800 was not properly recorded in prior periods. As a result, a prior period adjustment was made to recognize the loan liability and related interest accruals in the financial statements.
- **Deferred Franchise Fees:** Franchise fees received in prior periods were incorrectly recognized as revenue in full, instead of being deferred and recognized over the applicable period. A prior period adjustment was recorded to defer the appropriate portion of the franchise fees and adjust retained earnings accordingly.

The cumulative effect of these adjustments of \$238,869 has been recorded as a correction to beginning members' equity as of January 1, 2024. The cumulative effect of these adjustments has an impact of (\$432,923) on the statement of cashflow. The impact of these adjustments on previously reported financial statements has been disclosed to ensure accurate reporting and compliance with generally accepted accounting principles (GAAP).

Management has implemented additional review procedures to ensure the accurate recognition of loan obligations and revenue in future periods.

---

**Note 10 – Liquidity and going concern consideration**

As of December 31, 2024, the company has cash and cash equivalents of \$11,668 and cash flow from operations of negative (\$122,281), mainly driven by prior period adjustments of (\$432,923). Management has evaluated the company's financial position and cash flow projections and believes that it will have sufficient resources to meet its obligations for at least the next 12 months from the date these financial statements are issued.

---

**Note 11 – Risk Disclosures**

The company faces various operational risks, including:

- **Franchisee Compliance:** As the company expands its franchise network, it must ensure that franchisees comply with the company's operational standards. Non-compliance could impact the brand reputation and financial performance.
- **Market Risks:** The sport and wellness market are competitive, and the company faces risks related to changing consumer preferences, economic downturns, and market saturation.
- **Operational Expansion:** The rapid expansion of franchises presents challenges in maintaining consistency in service quality and product delivery across locations.

Management is actively monitoring these risks and is implementing strategies to mitigate them, such as providing extensive training and support to franchisees and focusing on marketing efforts to maintain brand loyalty.

---

**Note 12 – Subsequent Events**

In preparing these financial statements in accordance with Accounting Standards Codification (ASC) No. 855 – Subsequent Events, the company evaluated events and transactions for potential recognition or disclosure through February 24, 2025, the date the financial statements were available to be issued. As of this date, the company has no knowledge of any subsequent events that would require adjustment to or disclosure in the financial statements.

## EXHIBIT B

### AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Administrator	Agent for Service of Process
California	Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013 1515 K Street, Suite 200 Sacramento, CA 95814 1-866-275-2677  <a href="http://www.dfpi.ca.gov">www.dfpi.ca.gov</a> <a href="mailto:Ask.DFPI@dfpi.ca.gov">Ask.DFPI@dfpi.ca.gov</a>	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013  <a href="http://www.dfpi.ca.gov">www.dfpi.ca.gov</a> <a href="mailto:Ask.DFPI@dfpi.ca.gov">Ask.DFPI@dfpi.ca.gov</a>
Connecticut	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299
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, HI 96813 (808) 586-2722	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, HI 96813
Illinois	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706

Indiana	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204
Kentucky	Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 (502) 696-5300	Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 (502) 696-5300
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Department of Attorney General Consumer Protection Division – Franchise Unit 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913 (517) 373-7117	Department of Attorney General 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198
Nebraska	Nebraska Department of Banking and Finance 1200 N Street-Suite 311 Post Office Box 95006 Lincoln, Nebraska 68509 (402) 471-3445	Nebraska Department of Banking and Finance 1200 N Street-Suite 311 Post Office Box 95006 Lincoln, Nebraska 68509 (402) 471-3445
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21 <sup>st</sup> Floor New York, NY 10005 212-416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510

	(701) 328-4712	
Rhode Island	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588
South Dakota	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-773-3563	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501
Texas	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769
Utah	Department of Commerce Division of Consumer Protection 160 East 300 South Salt Lake City, Utah 84111-0804 (801) 530-6601	Department of Commerce Division of Consumer Protection 160 East 300 South Salt Lake City, Utah 84111-0804 (801) 530-6601
Virginia	State Corporation Commission Division of Securities and Retail Franchising, 9 <sup>th</sup> Floor 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Securities Division, Department of Financial Institutions PO Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Securities Administrator Washington State Department of Financial Institutions 150 Israel Road SW Tumwater, WA 98501
Wisconsin	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703 (608) 266-8557	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703

EXHIBIT C TO THE DISCLOSURE DOCUMENT

**FRANCHISE AGREEMENT**



<b>ARTICLE I. Grant.</b>	<b>2</b>
<b>ARTICLE II. INITIAL FEE.</b>	<b>3</b>
<b>ARTICLE III. TERM AND RENEWAL.</b>	<b>3</b>
<b>ARTICLE IV. OUR OBLIGATIONS.</b>	<b>4</b>
<b>ARTICLE V. INITIAL AND ONGOING TRAINING.</b>	<b>5</b>
<b>ARTICLE VI. ONGOING FEES.</b>	<b>5</b>
<b>ARTICLE VII. YOUR OBLIGATIONS.</b>	<b>6</b>
<b>ARTICLE VIII. OPERATION AND SYSTEM STANDARDS.</b>	<b>9</b>
<b>ARTICLE IX. IN-TERM CONVENANTS.</b>	<b>11</b>
<b>ARTICLE X. CONFIDENTIAL INFORMATION.</b>	<b>12</b>
<b>ARTICLE XI. ACCOUNTING AND REPORTS.</b>	<b>13</b>
<b>ARTICLE XII. DEFAULTS AND TERMINATION.</b>	<b>13</b>
<b>ARTICLE XIII. OBLIGATIONS AFTER TERMINATION, TRANSFER, OR EXPIRATION.</b>	<b>15</b>
<b>ARTICLE XIV. TRANSFERS.</b>	<b>17</b>
<b>ARTICLE XV. USE OF MARKS.</b>	<b>18</b>
<b>ARTICLE XVI. DISPUTE RESOLUTION.</b>	<b>19</b>
<b>ARTICLE XVII. INDEPENDENT CONTRACTOR AND INDEMNIFICATION.</b>	<b>20</b>
<b>ARTICLE XVIII. NOTICE.</b>	<b>21</b>
<b>ARTICLE XIX. ACKNOWLEDGMENTS AND REPRESENTATIONS.</b>	<b>21</b>
<b>ARTICLE XX. GENERAL PROVISIONS.</b>	<b>22</b>

**FRANCHISE AGREEMENT**

This Franchise Agreement (this “**Agreement**”) is entered into on \_\_\_\_\_ (the "Effective Date"), by and between:

**N ZONE SPORTS OF AMERICA, LLC.**

11705 Boyette Rd  
Riverview, FL 33569

(hereinafter referred to as “we,” “us,” “our,” or “N ZONE SPORTS”)

**and**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(“you,” “your,” or “Franchisee”)

**Background**

Franchisor has expended time, skill, effort, and money to develop, and continues to develop, a distinctive system for the establishment, operation, and promotion of N ZONE SPORTS businesses (the "System") to offer youth sports leagues and/or sporting related camps, and other related services for children ages 3 -17, all of which may be changed, improved and further developed by us from time to time.

The System utilizes distinguish characteristics, including, without limitation, distinctive design, décor, color scheme, standards and specifications for products and supplies; uniform standards, specifications, and procedures for operations; procedures for screening, recruiting and training personnel; training and assistance; marketing methods; and advertising and promotional programs; all of which may be changed, improved and further developed by us from time to time;

The System is identified by certain trade names, service marks, trademarks, trade dress, logos, emblems, and indicia of origin, including, but not limited to, the name "N ZONE SPORTS" and "N ZONE Junior" as are now designated and may in the future be designated by us in writing for use in connection with the System (the "Proprietary Marks");

Franchisee desires to use our System and Proprietary Marks to operate an N ZONE SPORTS business ("Franchised Business"), and wishes to execute this Agreement with us for that purpose, and to receive the training and other assistance provided by us in connection with the operation of its Franchised Business; and

Franchisee understands and acknowledges the importance of N ZONE SPORTS' high standards of quality and service and the necessity of operating the business franchised under this Agreement in conformity with N ZONE SPORTS' standards and specifications, and commits to delivering an outstanding customer experience.

For mutual promises expressed in this Agreement, along with other valuable consideration, the receipt of which is acknowledged, N ZONE SPORTS and Franchisee (collectively “the Parties”) will be bound as follows:

## **ARTICLE I. Grant.**

- 1.1. Grant of Franchise.** Subject to the terms and conditions of this Agreement, we appoint you as an authorized Franchisee to offer N ZONE SPORTS services and related merchandise as well as new products and services as they become available to us, under the Proprietary Marks and System (the "Franchised Business"), and to use the Proprietary Marks and the System, as they may be changed and improved from time to time at N ZONE SPORT's sole judgment, solely in connection with the operation of the Franchised Business during the term of this Agreement.
- 1.2. Territory Description.** You will establish and operate the Franchised Business solely within the geographic boundaries identified in Exhibit A (the " Territory"). Except when advertising cooperatively with other N ZONE SPORTS franchisees, you are not permitted to advertise, market, promote or solicit services anywhere outside of your Territory without our written permission. You are also not permitted to perform services at any location that is situated outside of your Territory without our written permission. Permission will not be unreasonably withheld. If we grant you permission, you must enter into a written agreement with us which addresses specific zip codes, terms, and pay us the applicable royalty fees for services conducted outside of your protected territory, as set forth on Rider “A”.
- 1.3. Scope of Territory Rights.** Except as otherwise provided in this Agreement, during the term of this Agreement, we will not establish or operate, nor license any other person to establish or operate, an N ZONE SPORTS business under the System and the Proprietary Marks at any location within your Territory. However, we and our affiliates retain the rights, among others, on any terms and conditions we deem advisable, and without granting any rights to you, to:
  - (a) use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to sell and provide N ZONE SPORTS and N ZONE Junior products to consumers within your Territory using our principal trademarks (or another trademark) without any compensation to you;
  - (b) to implement cross-territorial protocols and other guidelines applicable to such situations as group advertising buys by multiple franchisees which may extend into multiple territories, solicitation of orders of individuals who may reside in one Territory, yet work in another, and other cross-territorial situations;
  - (c) to establish and operate, and grant rights to others to establish and operate a Franchised Business or similar businesses at any locations outside of the Territory and on any terms and conditions we deem appropriate;
  - (d) to own, develop, acquire, be acquired by, merge with, or otherwise engage in any transaction with another businesses (competitive or not), which may offer products and services like your Franchised Business and may have one or more

competing outlets within your Territory, however, we will not convert any acquired business in your Territory to a franchise using our primary trademarks during the Term of your Franchise Agreement;

- (e) conduct or assign any N ZONE SPORTS business within your Territory that you refuse to perform, you are unable to perform or offer or while you are in default of your Franchise Agreement;
- (f) to negotiate purchase agreements with vendors and suppliers which we reasonably believe are for the benefit of our franchisees; and,
- (g) to engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere.

**1.4. Scope of Territory Rights.** You acknowledge that the System may be supplemented, improved, and otherwise modified from time to time by us; and you agree to comply with all reasonable requirements of us in that regard, including, without limitation, offering and selling new or different products or services as specified by us.

**1.5. Additional Franchises.** This Agreement does not convey any option, right of first refusal, or similar right to acquire additional franchises. However, you may ask Franchisor at any time to purchase additional franchises. When evaluating your ability to purchase additional franchises we will consider factors such as your financial history, performance, and adherence to the terms of the Agreement. You will pay our then-current fees. Additionally, you may ask to expand the boundaries of your Territory to encompass contiguous areas under this Agreement which are not owned by another franchisee of ours. If we approve, you will pay an expansion fee equally to \$1,000 per 10,000 population and execute an Amendment to this Agreement.

## **ARTICLE II. INITIAL FEE.**

**2.1. Payment Amount.** Upon the execution of this Agreement, you agree to pay us the initial Franchise Fee (the “**Franchise Fee**”) set forth on Schedule 1 of this Agreement, which includes the Franchise Package described in Schedule 2. The Franchise Fee is fully earned upon receipt and is non-refundable.

**2.2. Payment Method.** You will pay the full Franchise Fee identified in Schedule 1 by: (i) certified or cashier’s check; (ii) wire transfer; or (iii) such other method of payment mutually agreed upon by both of us. Payments by check must be made payable to N ZONE SPORTS OF AMERICA, LLC.

## **ARTICLE III. TERM AND RENEWAL.**

**3.1. Initial Term.** The initial term (the “**Term**”) of this Agreement shall be for a period of seven (7) years, commencing on the date of the Agreement.

**3.2. Renewal.** This Agreement is renewable for successive periods of seven (7) years as long as you have complied in all material respects with the provisions of this Agreement during the Initial and any Renewal Term, including the timely payment of all fees, and you are

not in default under any other agreement between you and us or any of our affiliates. To renew you must:

- (a) sign the then current franchise agreement used for franchisees at that time;
- (b) sign a general release of any and all claims you may have against us;
- (c) pay a renewal fee of Five Hundred Dollars (\$500) to us prior to consummation of renewal; and,
- (d) you (or a manager of yours approved by us) must satisfactorily complete any new training and refresher programs as we may reasonably require.

#### **ARTICLE IV. OUR OBLIGATIONS.**

- 4.1. Franchise Package.** We will diligently procure and deliver the merchandise you select in Schedule II (the "Franchise Package") of this Agreement. Our goal is to provide the Franchise Package within thirty (30) business days of the Effective Date; however, we are not responsible for delays in shipping.
- 4.2. Training.** We will provide the initial and ongoing training as set forth in Article V of this Agreement.
- 4.3. Opening Assistance.** We will provide pre-opening and opening assistance as we, in our reasonable business judgment, deems appropriate. This will include assistance in selecting and procuring a venue for operation of a sports league. Upon your timely request and subject to our availability, we will also provide one (1) representative for on-site opening assistance for your opening day (if you agree to pay reasonable travel and accommodation expenses).
- 4.4. Additional Assistance.** We will provide unlimited phone support to you on the proper implementation of the System and operation of the Franchised Business during normal business hours. Additionally, during the initial ninety (90) day period after you begin operating your N ZONE SPORTS Franchise, you will telephone the corporate office, so we can discuss any operational problems and offer you solutions. We will also hold conferences, either telephonically or electronically, to discuss sales techniques, bookkeeping, performance standards, advertising programs and other topics we feel may be appropriate.
- 4.5. Advertising and Promotional Materials.** Franchisor will make available to Franchisee certain advertising and promotional materials. We will also maintain a website on the world wide web that will include a list of all N ZONE SPORTS locations that are in good standing with us.
- 4.6. Confidential Operating Manual.** We will provide you, on loan, one copy of our Manuals.
- 4.7. Vendor List.** We will, at all times during the Term, provide information pertaining to sources of supply of any products, materials, supplies and services which must be used in the System.

## ARTICLE V. INITIAL AND ONGOING TRAINING.

- 5.1. Initial Training Program.** Within thirty (30) days of your signing this Agreement, you will attend and complete to our reasonable satisfaction the initial training program offered by us ("Initial Training"). Any person attending training is required to execute our then current confidentiality agreement and non-competition agreement if they are not a party to this Agreement. We may extend the Initial Training for you if you fail to successfully complete the program. You may not open your business until you have completed training. N ZONE SPORTS training is included in your Franchise Fee, but you must pay travel and living expenses. We also make available our instructor lead computerized on-line training for you if you are unable to attend our classroom training.
- 5.2. Initial Training Location.** Initial Training will occur either by (i) video conference, or (ii) Training at the N ZONE SPORTS Corporate Headquarters in Tampa, FL.
- 5.3. Additional Training.** Franchisor may offer from time to time, in its discretion, mandatory or optional additional training programs. We recommend, but do not require, you attend 1 national or regional conference as designated by us per year. The conference shall be held at a specific location, or by webinar, or telephone conference, as we designate. If you attend, we can charge you a conference fee between \$50.00 and \$500.00 for the conference and you will have to pay your own travel, food and lodging and for any employees you may bring.
- 5.4. Training Expenses.** For all training courses, seminars and programs, you will be responsible for any and all expenses incurred by you and your employees in connection with attendance, including, without limitation, the costs of transportation, lodging, meals, and wages.

## ARTICLE VI. ONGOING FEES.

- 6.1. Royalty.** You will pay us a continuing royalty fee in the amount shown in Schedule 1, which is based on Gross Sales for the month. Gross Sales shall mean the gross receipts of every kind and nature for sales of all products and services made in, upon, from or through operation of the Franchised Business, and income of every other kind and nature related to the Franchised Business, whether for products, services, exchange, credit, cash, or check regardless whether such sale is conducted in compliance with or in violation of the terms of this Agreement. Gross Sales shall not include the amount of refunds, tax collections, or allowances or discounts to customers, including discounts attributable to coupon sales. Gross sales shall also include all insurance proceeds received by you for loss of business due to a casualty to or similar event pertaining to the Franchised Business. This royalty fee shall begin sixty (60) days from the date of this Agreement and shall continue through the term of this Agreement. Royalty fees are due on or before the tenth (10<sup>th</sup>) day of the next calendar month, based on the preceding month's Gross Sales payable by credit card. Late charge may be applied if not paid on time.
- 6.2. Advertising Fund.** You will pay us a continuing advertising contribution equal to two percent (2%) of your Gross Sales or Fifty Dollars (\$50.00) a month, whichever is greater. The advertising contribution will go into a separate account and be used for regional or national advertising programs for the benefit of N ZONE SPORTS businesses as we see

fit. We receive reimbursement from the Fund for our advertising related administrative costs, indirect expenses and subsidizing costs. Your advertising contribution shall begin sixty (60) days from the date of this Agreement and shall continue through the term of this Agreement. Advertising fees are due on or before the tenth (10<sup>th</sup>) day of the next calendar month, based on the preceding month's receipts payable by credit card.

- 6.3. Local Advertising.** You are required to spend a minimum of Three Hundred Dollars (\$300.00) every month on digital marketing, and we recommend that you spend a total of Five Hundred Dollars (\$500.00) every month on approved local paid advertising withing your Territory. Upon our request, you will provide us with a report detailing your monthly minimum advertising expenditures. If you fail to spend the minimum amount on digital marketing, then we have the right to require you to pay \$300 to us each month so that we can spend this amount on digital marketing on your behalf.
- 6.4. Technology Fees.** During the term of this Agreement, we will provide to you, and you will utilize, our proprietary management and scheduling software. We will also provide you with a customized Website Page (your "Sitelet"), a dedicated N Zone Sports email account and a subscription to the Constant Contact email marketing program. You will be charged the then-current "Technology Fee" for these services, which shall be paid on or before the tenth (10th) day of each month by automatic debt to your credit card. As of the Effective Date, the Technology Fee is Fifty Dollars (\$50.00) per month and may be increased up to a maximum of \$100 per month to address increases in costs or services added.
- 6.5. Annual Convention Fee.** We require you or a staff member to attend 1 national or regional conference as designated by us per year (the "Annual Convention"). The Annual Convention be held at a specific location, or by webinar, or telephone conference, as we designate. You will pay an Annual Convention Fee as set by us on an annual basis and ranges from \$500 to \$2,500 per year. You will also have to pay your own staff wages, travel, food and lodging and for you any employees you may bring. If you do not attend the Annual Convention, without our prior written approval, then you will pay us a fine equal to the then-current Annual Convention Fee.
- 6.6. Late or Declined Payments.** You will pay a late fee of \$35 upon any late or declined payment.

## **ARTICLE VII. YOUR OBLIGATIONS.**

- 7.1. Pre-Opening Obligations.** You may not open your N ZONE SPORTS business until: (1) Initial Training has been completed to our satisfaction; (2) the initial Franchise Fee and all other amounts then due to us have been paid in full, and (3) you submit proof of insurance in the amounts stated in subsection (h) below.
- 7.2. Opening Deadline.** You must open your N ZONE SPORTS business within ninety (90) days of the Effective Date. If you are unable to open before the deadline despite making diligent efforts to open, then you may request an extension for additional time to open. We will not unreasonably without our approval for an extension. However, if you are not making earnest efforts to open and have abandoned the business, then this Agreement may be terminated.

- 7.3. Authorizations.** You will be responsible, at your expense, for complying with any laws, ordinances, and regulations (environmental or otherwise), and for obtaining all licenses, permits, and clearances, which may be required by federal, state or local laws, ordinances, or regulations, or which may be necessary or advisable.
- 7.4. Safety Certification.** You (or your owners and any manages) must complete a CPR/First Aid training and submit certification of completion to us prior to the start of any sports league. This certification must be maintained through the term of this Agreement.
- 7.5. Safety Checks.** You are required to conduct background checks on any and all coaches, referees and any staff who may have contact with children. We must receive a copy of each background report within forty-eight (48) hours of the person's hire.
- 7.6. Operating Standards.** To ensure that the highest degree of quality and service is maintained, you will operate the Franchised Business in conformity with the methods, standards, and specifications that we may from time to time prescribe in the Manuals and as set forth in Article VIII of this Agreement entitled Operation and System Standards.
- 7.7. Management.** You (or your owners/managers) are obligated to participate personally in the direct operation of the N ZONE SPORTS Business. If you hire a manager, that person cannot have an interest or business relationship with any of N ZONE SPORTS' business competitors. The manager need not have an ownership interest in a corporate or partnership franchisee. The manager is required to attend and complete training to our satisfaction within thirty (30) days of hire. It will be our choice whether to train the manager with our computerized on-line training program, by telephone or by other comparable method. There will be a Two Hundred and Fifty Dollar (\$250.00) charge for each manager's training. You must have any and all persons employed by or hired by you who will have access to confidential information sign a written agreement (acceptable to us) to maintain confidentiality of our proprietary rights and confidential information prior to the release of any such confidential information. The agreement must also contain non-competition provisions (acceptable to us) for all personnel. All signed confidentiality agreements must be submitted to us within forty-eight (48) hours of hire and before you release any confidential information to the signatory. It is hereby expressly understood between the parties that you, your assignees, and your employees, servants or agents, will become privy to the proprietary rights, trademarks, trade secrets, business skills, techniques and other confidential information developed and utilized by us (hereafter referred to as Proprietary Rights) and, therefore, you agree that you shall have each of them sign a written agreement (acceptable to us) to maintain confidentiality of our proprietary and related rights. Further, as a result of this exposure to our proprietary and related rights, you agree that you (including your owners, shareholders, officers, directors, members, principals, or partners) shall not during the Term of this Agreement or any renewal thereof become associated with any business which is the same, or similar to the N ZONE SPORTS business or in competition with us or our franchisees.
- 7.8. Advertising Materials.** All advertising and promotion (including without limitation any design, advertisement, sign, or form of publicity) by you will be in such media and of such type and format as we may approve, will be conducted in a dignified manner, and will conform to such standards and requirements as we may specify. You expressly agree that you will make no representations or warranties which tend to misrepresent or falsify the

specifications, qualities or uses of the Services or Products We will make pre-approved advertising materials to you. You may also develop and use your own advertising materials but samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted for our approval before you use them. If you do not receive written approval within 30 days after we receive the materials, we will be deemed to have approved your request. You may not use any advertising, promotional or marketing materials that we have disapproved.

- 7.9. Geocentric Advertising.** Except when advertising cooperatively with other N ZONE SPORTS franchisees, you are not permitted to advertise, market, promote or solicit N ZONE SPORTS services and or programs anywhere outside of your Territory without written permission from us. You agree that if you become involved in an advertising cooperative that we have no responsibility or liability to you with regard to such cooperative.
- 7.10. Products and Services.** You must offer for sale all products, and perform all services, that we require from time to time for N ZONE SPORTS Businesses (collectively, the "**Products**" or "**Services**"). You may not offer for sale any products or perform any services that we have not authorized. We reserve the right to modify any one or more of the Products or Services, to substitute modified goods or services in lieu of any one or more of the Products or Services, and to add new goods or services to the Products or Services. We will give you as much notice as possible if we or the manufacturer decides to discontinue any Product or Service after such decision is made where no other source of comparable items is reasonably available. In the event we provided Products to you, each delivery is subject the following terms:
- (a) You must inspect the merchandise immediately upon receipt, and promptly notify us in writing of any evident defects.
  - (b) You will be deemed to accept the merchandise if you do not notify us of any defect within five (5) business days after your receipt.
  - (c) If you report a defect within five (5) business days after your receipt, we will provide replacement merchandise and pay reasonable return transportation costs.
  - (d) If you do not report a defect within five (5) business days after your receipt, then we are not required to purchase or exchange any of your inventory.
- 7.11. Insurance Requirements.** You will procure, prior to the commencement of any operations under this Agreement, and will maintain in full force and effect at all times during the term of this Agreement, at your sole expense, an insurance policy or policies protecting you, N ZONE SPORTS, and their respective officers, directors, partners, agents and employees against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Franchised Business, including, but not limited to, comprehensive general liability insurance, statutory workers' compensation insurance, and any other coverage required by local, state or federal law. Such policy or policies will be written by a responsible carrier, will name us as an additional insured, and will provide at least the types and minimum amounts of coverage specified in the Operations Manual.

- 7.12. Duty Not to Interfere.** You covenant, represent and warrant that you will not, in any manner, interfere with, disturb, disrupt, or jeopardize the N ZONE SPORTS System or its Services or Products, your N ZONE SPORTS Business, our Business or any business of our other franchisee of ours or our customers.
- 7.13. Online Presence.** You shall not establish a web site on the Internet using any domain name containing the words “N ZONE” in it or any variation thereof. You must also not create, maintain or operate any blogs, Internet web sites or other online activities advertising, promoting or discussing the services of the N ZONE SPORTS Business, any competitive business or any youth sports program or camp or youth sports-related business, including the sending of bulk e-mail or facsimiles, other than in accordance with our Manuals or as we otherwise specify in writing. You shall, within forty-eight (48) hours of a demand to do so by us, dismantle and/or deactivate any frames and/or links between your web pages and any other web sites or violating domains, or any other items appearing on the Internet or elsewhere in violation of our policies and procedures.
- 7.14. Telephone.** You must maintain at all times an active, dedicated telephone line in connection with the operation, advertising and marketing of your N ZONE SPORTS Business.
- 7.15. Annual Convention.** You or at least one member of your staff must attend our Annual Convention.
- 7.16. Separation of Business Operations from Provision of Products and Services.** You may operate your Franchised Business from your home or, at your option you may lease commercial office space from which to manage the day-to-day business of your Franchised Business. If you choose to manage the day-to-day business from a location, other than your home, you are not required to obtain our approval. However, due to the nature of an N ZONE SPORTS business, management and the actual provision of N ZONE SPORTS leagues and programs do not occur at the same location. You are strictly prohibited from hosting any N ZONE SPORTS leagues and programs at your own home or office location. N ZONE SPORTS leagues must at all times be played on fields and courts in your Territory that are leased or rented, and any preschool programs must at all times be offered on-site at preschools in your Territory.

## **ARTICLE VIII. OPERATION AND SYSTEM STANDARDS**

- 8.1. Marks.** We own certain trademarks, service marks, trade names and trade symbols, trade dress, indicia of origin, signs, slogans, associated logos, designs, emblems and URLs, domain names, website addresses, email addresses, digital cellular addresses, wireless web addresses and the like and copyrights (collectively, "Marks"), the distinctiveness and value of which you acknowledge. You will use only the Marks designated by us, and will use them only in the manner authorized and permitted by us, and only in the operation of your Franchised Business, as set forth in this Agreement, the Manuals and in accordance with our System Standards. We reserve the right, in our sole discretion, to modify, add to, or discontinue use of the Marks, or to substitute different proprietary marks, for use in identifying the System and the businesses operating thereunder. You agree promptly to comply with such changes, revisions and/or substitutions, and to bear all the costs of

modifying your advertising materials, graphics and any other items which bear the Marks to conform with our changes.

- 8.2. Manuals.** We will loan you, during the Term, one (1) copy of our manuals (Franchisee Manual, Marketing Plan) (the “**Manuals**”), consisting of such materials (including, as applicable, audiotapes, videotapes, computer software and written materials) that we generally furnish to franchisees from time to time for use in operating an N ZONE SPORTS businesses. The Manuals contain mandatory and suggested specifications, standards, trade secrets, methods, operating procedures, techniques, directives, the Marks, information and rules (“**System Standards**”) that we prescribe from time to time for the operation of an N ZONE SPORTS business and information relating to your other obligations under this Agreement and related agreements. You agree to follow the standards, specifications and operating procedures we establish periodically for the N ZONE SPORTS System that are described in the Manuals. You also must comply with all updates and amendments to the N ZONE SPORTS System as described in newsletters or notices we distribute, including via computer systems. You acknowledge and agree that your entire knowledge of the operation of a youth sports business including, without limitation, the contents of the Manuals is derived from information disclosed to you by N ZONE SPORTS and that such Manuals and such other information is confidential and a trade secret of N ZONE SPORTS. You agree to maintain the Manuals as confidential and maintain the information in the Manuals as secret and confidential. For purposes of this Agreement, all information, knowledge and know-how not known to the public about N ZONE SPORTS and our products, services, standards, procedures, techniques and other information or material as we may designate as confidential will be deemed confidential. You agree that you shall not use the Manuals and/or any other confidential information, knowledge, and/or know-how disclosed to you by N ZONE SPORTS in any other business or for any other pursuit or in any manner not specifically authorized or approved in writing by N ZONE SPORTS.
- 8.3. Modification to Manuals.** The Manuals may be modified, updated and revised from time to time to reflect changes in System Standards. These modifications may obligate you to invest additional capital in your N ZONE SPORTS Business and/or incur higher operating costs. However, these modifications will not alter your fundamental status and rights under this Agreement. We may distribute updates and changes electronically. You agree to keep your copy of the Manuals current and in a secure location. In the event of a dispute relating to its contents, the master copy of the Manuals we maintain at our principal office will be controlling. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Manuals. If your copy of the Manuals is lost, destroyed or significantly damaged, you agree to obtain a replacement copy at our then applicable charge. For avoidance of doubt, the provisions of this Article 7 shall survive any termination, transfer, or expiration of this Agreement.
- 8.4. System Standards.** You acknowledge and agree that your operation and maintenance of the N ZONE SPORTS Business in accordance with System Standards are essential to preserve the goodwill of the Marks and all N ZONE SPORTS businesses. Therefore, at all times during the Term, you agree to establish, operate and maintain your N ZONE SPORTS Business in accordance with each and every System Standard, as we periodically

modify and supplement them during the Term. System Standards may regulate any one or more of the following with respect to the N ZONE SPORTS Business:

- (a) required or authorized products and services;
- (b) designated or approved suppliers (which may be limited to or include us) of any products or services;
- (c) sales, marketing, advertising and promotional programs and materials and media used in such programs;
- (d) use and display of the Marks;
- (e) communication to us of the identities of the N ZONE SPORTS Business' personnel; and qualifications, training, dress and appearance of employees;
- (f) participation in market research and testing and product and service development programs;
- (g) bookkeeping, accounting, data processing and record keeping systems and requirements, including software, and forms; methods, formats, content and frequency of reports to us of sales, revenue, financial performance and condition and audits;
- (h) complying with applicable laws; obtaining required licenses and permits; adhering to good business practices; observing high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with customers, suppliers and us; and notifying us if any action, suit or proceeding is commenced against you or the N ZONE SPORTS Business; and
- (i) regulation of such other aspects of the operation and maintenance of the N ZONE SPORTS Business that we determine from time to time to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and N ZONE SPORTS Business.

**8.5. Use and Likeness.** You grant us the right to freely use, without your consent, any pictures or biographical material relating to you or your N ZONE SPORTS Business for use in promotional literature or in any other way beneficial to our System as a whole. You will cooperate in securing photographs, including obtaining consents from any persons appearing in photographs. If we publish anything you feel reflects unfairly or inaccurately on you or your N ZONE SPORTS Business, we will take all reasonable steps in our power to retract the material.

## **ARTICLE IX. IN-TERM CONVENANTS.**

**9.1. Best Efforts.** You must at all times faithfully, honestly and diligently perform your obligations under this Agreement, continuously exert your best efforts to operate your N ZONE SPORTS Business and to promote, enhance and encourage patronage of all N ZONE SPORTS businesses and not engage in any other business or activity that conflicts with your obligations to operate the N ZONE SPORTS Business in compliance with this Agreement.

- 9.2. In-Term Restrictions.** You specifically acknowledge that, pursuant to this Agreement, you will receive valuable, specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of N ZONE SPORTS and the System. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity:
- (a) Divert or attempt to divert any present or prospective business or customer of any N ZONE SPORTS business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;
  - (b) Employ or seek to employ any person who is at that time employed by us or by any other franchisee of N ZONE SPORTS, or otherwise directly or indirectly induce such person to leave his or her employment; or
  - (c) Own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in (as owner or otherwise) any business that offers or sells sports leagues, sports camps, or other sports programs.

## **ARTICLE X. CONFIDENTIAL INFORMATION.**

- 10.1. Confidential Information.** The term "Confidential Information" is defined as all non-public sensitive or proprietary information, knowledge, know-how, techniques and material related to the System or the operation of the Franchised Business. The disclosure of Confidential Information may be oral or written in any form including tangible, intangible and electronic media regardless of whether it is marked as "proprietary" or "confidential". Confidential Information may be communicated to you or you may become apprised by virtue of your operation of the Franchised Business. Confidential Information also includes any notes, summaries or other derivative works made by you.
- 10.2. Examples.** Examples of Confidential Information include, but are not limited to: customer lists, employee data, end-user information, development plans, instructional materials, know-how, financial statements, methods, processes, protocols, plans, pricing metrics, product mix, programing code, research and development, sales and technical information, standards and specifications, strategic plans, supplier and vendor relationships, techniques, unpatented ideas, and our Manuals.
- 10.3. Use.** You will use Confidential Information solely in connection with the operation of the Franchised Business and will divulge Confidential Information only to such of its employees as must have access to it in order to operate the Franchised Business. You will not, directly or indirectly, during the term of this Agreement or thereafter, communicate, divulge, publish, or share our Confidential Information with any third party, without our prior written consent. Further, you will not, directly or indirectly, during the term of this Agreement or thereafter, use any of ours Confidential Information for your own benefit or for the benefit of any other person, partnership, association, limited liability company or corporation any of our Confidential Information, without our prior written consent.

- 10.4. Confidentiality Agreements.** You will be bound by the covenants in this Agreement, and will require all managers, and other such personnel having access to any of our Confidential Information to execute certain non-competition covenants and covenants that they will maintain the confidentiality of information they receive in connection with their employment by you at the Franchised Business.
- 10.5. Irreparable Injury.** Franchisee acknowledges that any failure to comply with the requirements of this Article X will cause us irreparable injury, and you agree to pay all court costs and reasonable attorneys' fees incurred by us in obtaining specific performance of, or an injunction against violation of, the requirements of this Article X, or such other relief sought by us.

#### **ARTICLE XI. ACCOUNTING AND REPORTS.**

- 11.1. Accounting.** You shall maintain during the Term and shall preserve for the time period specified in the Manuals, full, complete, and accurate books, records, and accounts in accordance with the standard accounting system prescribed by us in the Manuals or otherwise in writing.
- 11.2. Audits and Inspections.** N ZONE SPORTS may, from time to time, request copies of your books and records to make sure you are complying with this Agreement. During the term of your Agreement, we and our designated agents will examine and audit your records, accounts, books and data at reasonable times with reasonable notice to you of an audit to insure that you are complying with the terms of this Agreement.
- 11.3. Reports.** You will submit to us within five (5) days after the close of each month the reports that we specify in the Manuals. As of the Effective Date, monthly reports include: Player Enrollment Form, Monthly Revenue Report and Monthly Advertising Report. These are required in order for your franchise to be in good standing.
- 11.4. Late Reports.** Late reports are subject to a \$50 late fee and are due on demand.

#### **ARTICLE XII. DEFAULTS AND TERMINATION**

- 12.1. Default with No Opportunity to Cure.** You shall be deemed to be in default and we may, at our option, terminate this Agreement immediately upon delivery of notice to you and without affording you any opportunity to cure the default if any of the following events occur:
- (a) you knowingly maintain false books or records or submit any false statements or reports to us.
  - (b) you are convicted of a felony or any crime or offense or any claim of misconduct which results in or is reasonably likely, in our sole opinion, to affect adversely the N ZONE SPORTS System or its associated goodwill.
  - (c) you misuse our Marks, confidential information and/or Proprietary Rights. iv) you transfer your Business without our permission.
  - (d) you disparage, interfere with or disrupt our business or the business of any area franchisee of ours.

- (e) you abandon or cease to operate your N ZONE SPORTS Business for a period of sixty (60) days.
- (f) you violate any covenant of confidentiality or otherwise disclose, use or copy any manuals, materials or information created or used by us without our prior approval or violate any applicable non-compete.
- (g) you engage in any act(s) that is so dishonest, untrustworthy, self-dealing, and/or fraudulent, that it goes to the essence of the Franchise Agreement and/or frustrates one of the principal purposes of the Franchise Agreement and/or irreparably damages the trust between us.
- (h) you become insolvent or make a general assignment for the benefit of creditors, or, unless otherwise prohibited by law, if you file a petition in bankruptcy, or a petition is filed against and consented to by you or not dismissed within 30 days, or if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you, or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part of your assets or property, is appointed; or you admit that you are unable to pay your obligations as they become due or if a final judgment in excess of \$5,000 remains unsatisfied or of record for 60 days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of the judgment in the relevant jurisdiction).
- (i) you fail, for thirty (30) days after notice, to comply with any applicable law or regulation applicable to your N ZONE SPORTS Business.

**12.2. Default with Thirty (30) Day Opportunity to Cure.** Except as provided in Section (a) above, you will have thirty (30) days from delivery of a written Notice of Default to remedy the default described in the notice. If any such default is not cured within that time, or such longer period as applicable law may require, we have the option of terminating this Agreement without any further notice to you upon the expiration of the applicable cure period. You shall be in default for any failure to comply substantially with any of the requirements imposed by this Agreement or our Manuals or for any failure to carry out the terms of this Agreement in good faith. Such defaults shall include, but are not limited to:

- (i) your failure to pay promptly any monies owing to us, our affiliates, your suppliers or any of your lenders when due, or to submit the financial information or other reports required by us.
- (a) your offer of any unauthorized products or services.
- (b) your failure to begin operation of your N ZONE SPORTS Business within the time required.
- (c) you or your designated manager fail to complete to our reasonable satisfaction any of the training required.
- (d) your material breach of any representation, promise, warranty, or agreement contained in this Agreement.
- (e) your failure to comply with the N ZONE SPORTS System Standards or Policies/Procedures.

- (f) you understate by five percent (5%) or more your Gross Sales in any report to us.
- 12.3. No Waiver.** Our failure to exercise our right of immediate termination shall not constitute a waiver of such right or any other right that we may have to terminate this Agreement in the future.
- 12.4. Our Additional Remedies.** Upon the occurrence of any event of default, we may, at our option, and without waiving our rights in this Agreement or any other rights available at law or in equity, including our rights to damages, suspend the services we provide to you while you are in default. In addition, we retain the right to conduct or assign any N ZONE SPORTS business within your Territory while you are in default of your Franchise Agreement.
- 12.5. Mutual Termination.** You may submit a request to terminate this Franchise Agreement at any time, with ninety (90) days written notice, for any reason or no reason, and be relieved of any and all obligations under this Agreement except as provided under Section 14. You must be in good standing at the time of your request. If you provide less than ninety (90) days written notice, you will be required to submit a One Thousand Dollars (\$1,000.00) early termination fee at the time you submit your request. All requests are subject to our approval at our sole discretion and the signing of a mutual termination agreement containing a general release of all claims. If the request is not approved, the early termination fee will be returned to you.

### **ARTICLE XIII. OBLIGATIONS AFTER TERMINATION, TRANSFER, OR EXPIRATION.**

Upon termination or expiration of this Agreement, all rights granted under this Agreement to Franchisee will immediately terminate, and:

- 13.1. Cease Operations.** You will immediately cease to operate the Franchised Business under this Agreement and shall not thereafter, directly or indirectly, represent yourself to the public or hold yourself out as a present or former franchisee of N ZONE SPORTS.
- 13.2. Cease Use of Confidential Information and Marks.** You will immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System; any Confidential Information; the Proprietary Mark "N ZONE SPORTS", "N ZONE JUNIOR" and all other Proprietary Marks and distinctive forms, slogans, signs, symbols and devices associated with the System. In particular, you will cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, products and any other articles which display the Proprietary Marks.
- 13.3. Cancellation of Registrations.** You will immediately cancel all fictitious, assumed name or equivalent registrations relating to your use of any of our marks. This includes the cancellation of any and all social media platforms that you may have created as a franchise owner.
- 13.4. Assignment of Telephone Number.** You will immediately assign to N ZONE SPORTS any interest that you may have in any telephone numbers and telephone listings used by you in connection with the operation of the N ZONE SPORTS Business. You shall

promptly transfer all telephone calls by call-forwarding to N ZONE SPORTS or to such other party or entity as we shall direct; to execute any such instruments and take such actions as we may deem necessary to affect such transfer and call-forwarding of telephone calls. You will be responsible for payment in full of all amounts due and owing in connection with your telephone numbers and telephone directory listing accounts through the date of termination, expiration, or transfer of the Franchised Business. You must pay all outstanding and/or ongoing obligations for any advertising accounts associated with telephone numbers, directory listings, internet advertising, etc. for your N ZONE SPORTS Franchised Business. You acknowledge that this Agreement shall be conclusive evidence of N ZONE SPORTS' rights to such telephone numbers and directory listings and its authority to direct this transfer.

- 13.5. Return Manuals.** You must immediately (within seven (7) days) turn over and return to us any and all originals and copies of the Manual, customer lists, rolodexes, records, files, instructions, correspondence, brochures, computer software, computer CDs, DVDs or diskettes and any and all Confidential Information in your possession, custody or control or relating to the operation of the N ZONE SPORTS Business and any and all supplies and materials containing the Marks. The only documents that you shall retain are your copy of this Agreement, any correspondence between you and us, and any other documents that you reasonably need for compliance with any provision of law.
- 13.6. Subsequent Use of Confidential Information Prohibited.** You will immediately cease to use any of the confidential information and will not use it in any business or for any other pursuit.
- 13.7. Post-Term Restrictive Covenants (After Termination, Transfer or Expiration).** You and if you are a business entity your officers, directors, members or partners, for a period of two (2) years from termination and within twenty-five (25) miles of the Territory, transfer, or expiration of this Agreement, you will not:
- (a) be involved in a similar type of business that markets, promotes or provides sports league and/or sporting related camps, and related services in your Territory or any territory that we have awarded to any other N ZONE SPORTS franchisee or within any zip codes in which you provided services while a N ZONE SPORTS franchisee; and/or
  - (b) solicit, recruit or hire employees, players, coaches and/or referees of your N ZONE SPORTS business within the prior year or those of any other N ZONE SPORTS businesses or any other current or former N ZONE SPORTS franchisees; and/or
  - (c) be involved in any way whatsoever in a business that owns or offers franchises or licenses in a business that markets, promotes or provides sports league and/or sporting related camps or any similar type business in your Territory or any territory that we have awarded to any other N ZONE SPORTS franchisee or within any zip codes in which you provided services while a N ZONE SPORTS franchisee; and/or
  - (d) offer youth sport services or related products to the past or current customers of the Franchised Business or any other N ZONE SPORTS business.

- (e) **Remove Advertising and Advise Advertisers.** You agree that upon termination, transfer, or expiration of this Agreement, you will immediately remove all advertising that you control and notify all advertising sources that your advertising must be removed and/or canceled immediately.
- 13.8. Payment.** You will promptly pay all sums owing to us and any affiliates. In the event of termination for any default of yours, such sums will include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us as a result of the default.
- 13.9. Enforcement.** Should legal proceedings have to be brought by N ZONE SPORTS against you to enforce any Non-Competition Covenant or for your failure to maintain confidentiality and protect against infringement, the period of restriction shall be deemed to begin running on the date of entry of an order granting N ZONE SPORTS injunctive relief and shall continue uninterrupted for the remainder of the period of restriction. The provisions of this Section shall survive the termination, transfer, or expiration of this Agreement.

#### **ARTICLE XIV. TRANSFERS.**

- 14.1. Transfer by Us.** We shall have the right to transfer or assign all or any part of our rights or obligations herein to any person or legal entity provided such person or legal entity agrees to be bound by all of the terms and conditions set forth herein and agrees to assume same. We will make a good faith effort to ascertain that any such assignee possesses the economic resources to fulfill our obligations to our franchisees.
- 14.2. Transfer by You.** You may not transfer or sell your franchise without our prior written consent, which shall not be unreasonably withheld provided you meet the following conditions:
  - (a) your proposed assignee must complete our franchisee application and meet our standards of qualification then applicable to all new applicants for franchises;
  - (b) the proposed Transfer is at a price and on terms and conditions, as we deem reasonable;
  - (c) your assignee shall assume all your duties, obligations and liabilities to N ZONE SPORTS;
  - (d) your assignee signs our then current franchise agreement;
  - (e) you or your assignee shall pay to us prior to consummation of transfer a transfer fee of Two Thousand Dollars (\$2,000.00) and a training fee of One Thousand Five Hundred Dollars (\$1,500.00);
  - (f) you must sign a general release releasing us for any and all existing claims you may have against us, our affiliates, and our respective officers, directors, agents and employees; and
  - (g) any attempted transfer in the Franchised Business shall trigger a right of first refusal by N ZONE SPORTS to match the terms thereof of any bona fide offer, which right may be exercised for a period of fourteen (14) days after receipt of notice.

As used in this Agreement, the term “transfer” includes your (or your owners’) voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) this Agreement; (b) you; or (c) the N ZONE SPORTS Business.

- 14.3. Death or Incapacity.** Upon your death or the determination of your incapacity (if an individual), or dissolution or similar event (if a partnership or corporation), your interest in this Agreement shall pass to your heirs or beneficiaries. In such event, N ZONE SPORTS may terminate this Agreement upon sixty (60) days’ notice to your last business address unless such heirs or beneficiaries: (a) designate a person as being responsible for the performance of this Agreement and the Franchise within sixty (60) days after death or determination, and (b) provide adequate assurance, satisfactory to us, that such person’s qualifications and abilities are sufficient for the continued operation of the Franchise, the observance of all duties of Franchisee under this Agreement and the protection of N ZONE SPORTS’ valuable trademarks and copyrights. The individual assuming your responsibilities will be required to, at such individual’s sole expense, pay the then applicable training fee to N ZONE SPORTS.
- 14.4. Limited Exemption of Transfer Fee.** You may transfer this Agreement to a business entity that is under the majority control of the Franchisee for no additional fee if the transfer is requested within one (1) year of the date of this Agreement. If the transfer of the type provided for in this section is requested after the one (1) year period a fee of One Hundred Dollars (\$100.00) will be payable to us prior to consummation of transfer. There would be no training fee incurred for this transaction.

#### **ARTICLE XV. USE OF MARKS.**

- 15.1. Ownership and Goodwill.** Your right to use the trademark N ZONE SPORTS and any other trademarks, service marks, logos, designs or artwork that we authorize (the “Marks”) is derived solely from this Agreement. You may only use the Marks in connection with the operation of your N ZONE SPORTS Business and only in accordance with this Agreement. Any unauthorized use of the Marks by you constitutes an infringement of our rights in and to the Marks. Your usage of the Marks, and any goodwill established by your use of the Marks, inures to our exclusive benefit. You must not, at any time, contest, or assist anyone else in contesting, the validity or ownership of any of the Marks. All provisions of this Agreement applicable to the Marks applies to any additional trademarks, service marks, logo forms, trade dress and commercial symbols that we authorize for use by, and license to, you in connection with this Agreement.
- 15.2. Limitations on Use.** You must not use any Mark as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. You must not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized by us in writing. You must display the Marks prominently and in the manner prescribed by us on signs and forms. You must give such notices of trademark and service mark registrations and copyrights as we specify and you must obtain such fictitious or assumed name registrations as may be required under applicable law. You will not employ the Marks in any way that we have determined may result in liability to us for any debts or obligations of yours.

- 15.3. Infringements and Claims.** You must notify us immediately in writing if you become aware of any apparent infringement of, or challenge to, your use of any Mark, or claim by any person of any rights in any of the Marks. You must not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. We have sole right to take any action we deem appropriate and the right to exclusively control any litigation, administrative or other proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. You must sign any instruments and documents, provide such assistance and take any action that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or United States Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks.
- 15.4. Discontinuance of Use.** If it becomes advisable at any time for us and/or you to modify or discontinue use of any Mark, and/or use one or more additional or substitute trademarks or service marks, you must comply within a reasonable time after our notice to you, and our sole liability and obligation to you in the event of such change will be to reimburse you for your out-of-pocket costs of compliance. We will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark.

## **ARTICLE XVI. DISPUTE RESOLUTION**

- 16.1. Process.** Any disputes that Franchisee or Franchisor may have arising out of or related to this Agreement (“Matter”) will be resolved as described in this ARTICLE XVI.
- 16.2. Franchisee Must First Pursue Internal Resolution.** Prior to submitting any claim or dispute to arbitration, Franchisee shall give notice thereof to N ZONE SPORTS setting forth in reasonable detail the nature and basis of the claim or dispute. The parties shall then seek to negotiate and resolve the dispute by direct negotiation between Franchisee and N ZONE SPORTS over a period of not less than sixty (60) days.
- 16.3. Arbitration.** In the event of any controversy or claim is not internally resolved, then the initiating party must submit the Matter to binding arbitration in accordance with the rules of the American Arbitration Association (AAA) and will take place in the county in which our principal place of business is located, in accordance with the rules of the American Arbitration Association. The award of the arbitrator shall be final and judgment upon the award rendered may be entered in any court having jurisdiction. Notwithstanding the above, either of us may seek injunctive relief against the other party in any court of proper jurisdiction with respect to any and all preliminary injunctive or restraining procedures pertaining to this Agreement or the breach of this Agreement.
- 16.4. No Exclusivity.** No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.
- 16.5. Waiver of Right to Jury Trial and Punitive Damages.** FRANCHISOR AND FRANCHISEE HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY AGREE AS FOLLOWS: (A) FRANCHISOR AND FRANCHISEE HEREBY EXPRESSLY AND IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION,

PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING; AND (B) FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH WILL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

- 16.6. Limitation of Claims.** ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF FRANCHISEE AND FRANCHISOR, OR FRANCHISEE'S OPERATION OF THE FRANCHISED BUSINESS, BROUGHT BY FRANCHISEE AGAINST FRANCHISOR, WILL BE COMMENCED WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION WILL BE BARRED.
- 16.7. Injunctive Relief.** Nothing herein contained will bar Franchisor's right to obtain injunctive relief from a court of competent jurisdiction against threatened conduct that will cause it loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

## **ARTICLE XVII. INDEPENDENT CONTRACTOR AND INDEMNIFICATION.**

- 17.1. Independent Contractor.** You and we agree that this Agreement does not create a fiduciary relationship between the parties, that you will be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever. You acknowledge and agree that our usual business is offering and selling rights to operate N ZONE SPORTS franchised businesses using the Proprietary Marks and System, developing enhancements to the System, and providing assistance to franchisees, and, accordingly, our usual business is different from your usual business of operating the Franchised Business. During the term of this Agreement, you will hold yourself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise agreement from us.
- 17.2. No Authority to Contract.** Nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name; and we will in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action; nor will we be liable by reason of any act or omission of you in your operation of the Franchised Business or for any claim or judgment arising therefrom against you or us.
- 17.3. Indemnification.** You will defend at your own expense and indemnify and hold us and our affiliates, and their respective officers, directors and employees harmless from and against any and all losses, liabilities, damages, claims and causes of action (including attorneys' fees and other costs) arising or alleged to be arising, directly or indirectly, from, as a result of, or in connection with (a) your operation of the Franchised Business, (b) your breach of

this Agreement, (c) your failure to abide by any federal, state or local law or regulation, or (b) your negligent acts, omissions or the acts or omissions of your representatives, contractors, and agents.

## **ARTICLE XVIII. NOTICE**

Except as otherwise expressly provided herein, any and all notices and reports permitted or required to be delivered by the parties pursuant hereto shall be deemed so delivered at the time they are delivered by hand or by recognized courier service, one (1) business day after transmission by overnight delivery service, facsimile or Internet email or other electronic system, or three (3) business days after mailed by certified mail, postage prepaid, return receipt requested. Notices will be addressed as follows:

**If to Franchisor:**

N ZONE SPORTS OF AMERICA, LLC  
8402 Laurel Fair Circle, Suite 202  
Tampa, Florida 33610  
Attn: Tony Westbrook  
E-Mail: twestbrock@nzonesports.com

**If to Franchisee:**

or to such other address, fax or email as such party may designate by ten (10) days advance written notice to the other party.

## **ARTICLE XIX. ACKNOWLEDGMENTS AND REPRESENTATIONS**

**19.1. Independent Investigation.** Franchisee acknowledges that it has conducted an independent investigation of the business franchised under this Agreement, and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Franchisee (or, if Franchisee is a corporation, partnership or limited liability company, the ability of its principals) as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

**19.2. Acknowledgement of Receipt.** Franchisee acknowledges that it received Franchisor's current Franchise Disclosure Document at least fourteen (14) calendar days prior to the date on which this Agreement was executed or Franchisee paid any money to Franchisor. Franchisee further acknowledges that it received a complete copy of this Agreement, the attachments hereto, and all related agreements attached to the Franchise Disclosure

Document, and that Franchisee waited at least seven (7) calendar days prior to executing them if any changes to such agreements were unilaterally and materially made by Franchisor.

**19.3. Status.** FRANCHISEE ACKNOWLEDGES THAT IN ALL OF YOUR DEALINGS WITH US, OUR EMPLOYEES AND OTHER REPRESENTATIVES ACT ONLY IN A REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY. FRANCHISEE FURTHER ACKNOWLEDGES THAT THIS AGREEMENT, AND ALL BUSINESS DEALINGS BETWEEN YOU AND SUCH INDIVIDUALS AS A RESULT OF THIS AGREEMENT, ARE SOLELY BETWEEN YOU AND N ZONE SPORTS.

**19.4. Territory Approval.** Franchisee hereby acknowledges and agrees that Franchisor's approval of the Territory does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the Territory for the Franchised Business or for any other purpose. Franchisor's approval of a Territory indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that may have been effective with respect to other territories may not be predictive of potential for all territories and that, subsequent to Franchisor's approval of a territory, demographic and/or economic factors, included in or excluded from Franchisor's criteria could change, thereby altering the potential of a territory. Such factors are unpredictable and are beyond Franchisor's control. Franchisor will not be responsible for the failure of a territory approved by Franchisee to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Franchised Business in the Territory is based on its own independent investigation of the suitability of the site.

## **ARTICLE XX. GENERAL PROVISIONS**

**20.1. Acknowledgment of Risk.** You acknowledge and agree to the following:

- (a) YOUR SUCCESS IN OWNING AND OPERATING THE FRANCHISE IS SPECULATIVE AND WILL DEPEND ON MANY FACTORS INCLUDING, TO A LARGE EXTENT YOUR BUSINESS ABILITY. NO REPRESENTATION OR PROMISES, EXPRESSED OR IMPLIED HAVE BEEN MADE BY US OR ANY OF OUR EMPLOYEES OR REPRESENTATIVES TO INDUCE YOU TO ENTER INTO THIS AGREEMENT EXCEPT AS SPECIFICALLY INCLUDED IN THE AGREEMENT. N ZONE SPORTS OFFERS NO BUY-BACKS, MONEY-BACK GUARANTEES OR REFUNDS.
- (b) YOU ACKNOWLEDGE THAT IN ALL OF YOUR DEALINGS WITH US, OUR EMPLOYEES AND OTHER REPRESENTATIVES ACT ONLY IN A REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY. YOU FURTHER ACKNOWLEDGE THAT THIS AGREEMENT, AND ALL BUSINESS DEALINGS BETWEEN YOU AND SUCH INDIVIDUALS AS A RESULT OF THIS AGREEMENT, ARE SOLELY BETWEEN YOU AND N ZONE SPORTS.

- 20.2. Governing Law.** This Agreement and our relationship with you are governed by Florida law without regard to its conflict of laws provisions, excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this section. References to any law or regulation also refer to any successor laws or regulations and any implementing regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.
- 20.3. Jurisdiction and Venue.** All claims which, as a matter of law or public policy, cannot be submitted to arbitration in accordance with Article XVI shall be brought in the federal or state court in the county and state in which our principal office is located. We both (i) irrevocably consent to the jurisdiction of each such court in any proceedings; (ii) waive any objections which either party may have to venue of the proceedings in any such courts; and (iii) agree to service of process by any means permitted under applicable laws or court rules in the State of Florida.
- 20.4. Acts Beyond the Parties' Control.** Neither of us shall be liable for loss or damage or deemed to be in breach of this Agreement if either of us fails to perform our obligations as a result solely from the following causes beyond our reasonable control, specifically: (i) transporting shortages or inadequate supply of equipment, merchandise, supplies, labor, material or energy; (ii) compliance with any applicable law; or (iii) war, strikes, natural disasters or acts of God. Any delay resulting from any of these causes shall extend performance accordingly or excuse performance in whole or in part as may be reasonable, except that these causes shall not excuse payments of amounts owed to us for any reason.
- 20.5. Cumulative Remedies.** The rights and remedies provided in this Agreement are cumulative and neither you nor we will be prohibited from exercising any other right or remedy provided under this Agreement or permitted by law or equity.
- 20.6. Collection Costs, Expenses and Attorney Fees.** If a claim for amounts owed by you to us or any of our affiliates is asserted in any legal proceeding or if either you or we are required to enforce this Agreement in a judicial or arbitration proceeding, the party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including court costs, expert witness fees, discovery costs and reasonable accounting and attorneys' fees and costs on appeal together with interest charges on all of the foregoing. All such costs and expenses shall be prorated to properly reflect any partial prevailing or losing of the parties to the arbitration, as determined by the arbitrators.
- 20.7. Binding Effect.** This Agreement is binding on and will inure to the benefit of our successors and assigns. Except as otherwise provided in this Agreement, this Agreement will also be binding on your successors and assigns, and your heirs, executors and administrators.
- 20.8. Entire Agreement.** This Agreement, including its introduction, addenda and exhibits, constitutes the entire agreement between you and us. There are no other oral or written understandings or agreements between you and us concerning the subject matter of this Agreement. Nothing in this Agreement or any related agreement is intended to disclaim Franchisor's representations made in the Franchise Disclosure Document.

- 20.9. Severability.** If, for any reason, any section, part, term, provision, and/or covenant herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such will not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, provisions, and/or covenants of this Agreement as may remain otherwise intelligible; and the latter will continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, provisions, and/or covenants will be deemed not to be a part of this Agreement.
- 20.10. Survival.** Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause for termination), will survive such expiration, termination or assignment, including but not limited to Articles XII, X, XIII, XV, XVI, and XVII.
- 20.11. Amendment.** Any modification or change in or to this Agreement must be in writing and signed by each of the parties thereto and this Agreement and any modification or change thereto must be approved in writing by N ZONE SPORTS before this Agreement or any modification or change can take effect or bind either party.

**IN WITNESS WHEREOF**, the parties have executed this Agreement under seal, as of the day and year first above written.

**N ZONE SPORTS OF AMERICA, LLC.**

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

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

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

**FRANCHISEE**

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

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

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

**Schedule 1**

**TERRITORY AND FRANCHISE FEE**

1. **Franchisee's Territory.** Franchisee's Territory under this Agreement will consist of the geographic area identified by U.S. Zip Codes, as they exist on the Effective Date, indicated below:

---

---

---

---

2. **Approximate Territory Size:** \_\_\_\_\_
3. **Franchise Fee.** Franchisee will pay a Franchise Fee of: \_\_\_\_\_
4. **Monthly Royalty Amount:** \_\_\_\_\_

**N ZONE SPORTS OF AMERICA, LLC.**

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

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

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

**FRANCHISEE**

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

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

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

## Schedule II

### FRANCHISE PACKAGE

Franchisee may select one (1) of the following initial merchandise package:

Option 1, containing:

#### **N Zone Sports Logo Merchandise (*Value-\$950*)**

- 1 N ZONE SPORTS Branded Table Throw
- 1 N ZONE SPORTS Venue Canopy
- 1 N ZONE SPORTS Logo Polo Shirt
- 1 N ZONE SPORTS 4' x 8' Vinyl Banner

Option 2, containing:

#### **N Zone Junior Logo Merchandise (*Value- \$950*)**

- 1 N ZONE JUNIOR Equipment Bag (Up to \$250) OR 50 N Zone JUNIOR Road Signs
- 1 N ZONE SPORTS Branded Table Throw
- 1 N ZONE SPORTS 6' Teardrop Flag w/ Stand
- 1 N ZONE JUNIOR Polo Shirt
- 1 N ZONE JUNIOR Center Marketing Kit (Credit of \$300 or hard copy materials)

***N ZONE SPORTS Reserves the right to modify or replace items or services contained in this Package with items or services of equal or greater value as determined by N ZONE SPORTS OF AMERICA, LLC.***

## **RIDER A**

[EXAMPLE FORM, ONLY OFFERED TO EXISTING FRANCHISEES, SUBJECT TO  
AVAILABILITY AND FREELY REVOCABLE BY FRANCHISOR]

### **ZIP CODE RENTAL AGREEMENT RIDER**

**THIS ZIP CODE RENTAL AGREEMENT RIDER** (“Rider”) is made and entered into on \_\_\_\_\_ (“the Effective Date”), by and between NZone Sports of America, LLC., a Florida Limited Liability Company, with its principal place of business at 11705 Boyette Rd, Riverview, FL 33569 (hereinafter “Franchisor”) and \_\_\_\_\_ (hereinafter “Franchisee”).

### **BACKGROUND**

**WHEREAS**, Franchisor and Franchisee are parties to a Franchise Agreement dated \_\_\_\_\_ (hereinafter “the Franchise Agreement”) which is hereby incorporated by reference;

**WHEREAS**, under the Franchise Agreement, Franchisee has no rights to operate Franchisee's N ZONE SPORTS Business or to offer N ZONE SPORTS youth sports programs and camps and related services and merchandise outside of its protected territory as provided in the Franchise Agreement;

**WHEREAS**, Franchisee desires to offer youth sports programs and camps services and merchandise within zip codes that are not part of its protected territory and which do not currently belong to any other N ZONE SPORTS franchisee and Franchisor is willing to allow Franchisee to provide youth sports programs and camps outside of its protected territory under certain terms and conditions;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree to the following:

### **RENTAL AGREEMENT TERMS**

1. **Acknowledgement.** Franchisee expressly acknowledges, understands and agrees that this Rider is temporary in nature and is designed to allow Franchisee to attempt to develop its Franchised Business in up to five (5) contiguous zip codes without making the immediate investment of expanding its Territory. Franchisees rights in these zip codes are not exclusive and may terminate as provided in Paragraph at any time during the term of this Rider.
2. **Rider Territories.** This Rider grants rights in the geographic area identified by the following U.S. Zip Codes, as they exist on the Effective Date: \_\_\_\_\_

(the  
"Rider Territories").

3. **Initial Fee.** Franchisee will pay \$250 per zip code upon execution of this Rider. This fee is fully earned and non-refundable upon receipt.
4. **Term.** This Rider will be effective upon execution and will continue for the Term of the Franchise Agreement, unless terminated sooner pursuant to Paragraph 5 of this Rider.
5. **Termination.** This Rider may be terminated by Franchisee at any time without cause. This Rider may be terminated by Franchisor upon (i) Franchisees breach of this Rider or the Franchise Agreement or (ii) Upon another party expressing interest in purchasing rights to the Rider Territories and Franchisee declining to exercise the First Right of Refusal as provided in Paragraph 6 of this Rider.
6. **First Right of Refusal.** Should another party become interested in purchasing one or more zip codes contained in the Rider Territories, Franchisor will contact Franchisee, who will have fifteen (15) days either:
  - (i) Purchase the zip code(s) at a price of \$1,000 per 10,000 population
  - (ii) Decline to the purchase rights in the zip codes.
7. **Reservation of Rights.** Franchisee understands and acknowledges, that if Franchisee declines to purchase rights in the zip codes pursuant to Paragraph 6 , then Franchisor may freely sale rights in the Rider Territories to another N ZONE SPORTS franchisee who will obtain all future benefits of Franchisees development efforts in such zip codes. Upon declining to purchase rights in the zip codes as set forth in Paragraph 6, Franchisee must turn over any and all program activity to Franchisor, within a time period specified by Franchisor, no less than thirty (30) days, and this Rider will automatically terminate with Franchisees rights reverting solely to the Territory set forth in the Franchise Agreement.
8. **Franchise Agreement Controls.** The parties acknowledge, understand and agree that this Rider will be governed in all respects by the terms set forth in the Franchise Agreement.

Intending to be bound, Franchisor and Franchisee sign and deliver this Rider in two (2) counterparts effective on the Effective Date, regardless of the actual date of signature.

**N ZONE SPORTS OF AMERICA, LLC.**

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

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

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

**FRANCHISEE**

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

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

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

**EXHIBIT D TO THE DISCLOSURE DOCUMENT**

---

**OPERATIONS MANUAL  
TABLE OF CONTENTS**

---

# N ZONE Sports Operations Manual

## Table of Contents

<b><u>Section Heading</u></b>	<b><u>Page</u></b>
<b>Our Philosophy</b>	<b>2</b>
<b>Providing the Best Experience Possible</b>	<b>3</b>
<b>Start Your Engine</b>	<b>7</b>
<b>Taking Care of Business</b>	<b>13</b>
<b>Customer Orientation</b>	<b>18</b>
<b>Making Money with N ZONE Sports</b>	<b>27</b>
<b>Handling Telephone Calls</b>	<b>33</b>
<b>Sports and Seasons</b>	<b>35</b>
<b>Equipment, Uniforms &amp; Supplies</b>	<b>36</b>
<b>Officials and Coaches</b>	<b>38</b>
<b>PreGame!</b>	<b>43</b>
<b>Taking the Field</b>	<b>54</b>
<b>Marketing</b>	<b>59</b>
<b>N Zone Jr.</b>	<b>64</b>
<b>Web Site Operations</b>	<b>81</b>
<b>Conclusion</b>	<b>110</b>
<b>Suppliers</b>	<b>111</b>
<b>Appendix</b>	<b>114</b>

**EXHIBIT E-1 TO THE DISCLOSURE DOCUMENT**

---

**LIST OF CURRENT FRANCHISEES AS OF DECEMBER 31, 2024**

---

<b>State</b>	<b>Franchisee Name and Mailing Address</b>	<b>No. of Franchises</b>	<b>City / Location</b>	<b>Telephone No.</b>
Arizona	Mohamed Sabouni 630 S Emerson St. Chandler, AZ 85225	1	The Valley	(480) 443-2266
Arkansas	Dave Roebke 4489 Pecan St. Springdale, AR 72762	1	Northwest Arkansas	(479) 502-1974
Colorado	Ben Byrd 1224 Aqua Ct. Fruita, CO 81521	1	Fruita	(610) 564-7721
Colorado	Akai and Angel Clifford 10752 McGahan Dr. Fountain, CO 80817	1	Fountain	(719) 229-4220
Colorado	Amber Snow 624 Orange Grove Way Grand Junction, CO 81504	1	Grand Junction	(970) 589-2093
Connecticut	Prezzie, Gibbs and Liberatore	1	Fairfield County	(203) 943-9525

	23 Hawthorne Dr. Norwalk, CT 06851			
Delaware	Carl Zitofsky 543 Diamond Dr. Middletown, DE 19709	1	Middletown	(302) 312-8027
Florida	Eric and Carla Agnos 495 Granite Cir. Chuluota, FL 32766	1	Chuluota	(901) 336-2923
Florida	Kayla Aritt 707 Gardens Dr., Apt. 101 Pompano Beach, FL 34243	1	Pompano Beach	(941) 586-4212
Florida	Andre Campbell 3109 NW 72nd Ave. Margate, FL 33063	1	Margate	(954) 461-7393
Florida	David Johnson and Gary Fiegel 7754 133 <sup>rd</sup> St Seminole, Fl 33776	1	Pinellas	(727) 215-3377
Florida	Tirso Gomez 4064 Forest Hills Blvd., Suite 5 West Palm Beach, FL 33405	1	West Palm Beach	(561) 385-8414
Florida	Nora Greenwell 11431 Laurel Brook Ct Riverview, FL 33569	1	Southshore	(305) 215-1133
Florida	Pedro Grillo 1344 Thousand Oaks Blvd.	1	Champions Gate	(813) 853-8928

	Davenport, FL 33896			
Florida	Carissa and Gabriel Mbulo 6026 Churchside Dr. Lithia, FL 33547	1	Fishhawk	(813) 300-1229
Florida	Krys Rivers 3538 Lefays Point Land O' Lakes, FL 34638	1	Pasco	(413) 218-0650
Florida	Wally Skoglund 6456 Fox Grape Ln. Lakewood Ranch, FL 34202	1	Lakewood Ranch	(941) 928-5445
Florida	Tony Watkins 10918 Summerton Dr. Riverview, FL 33579	1	Brandon	(214) 558-6824
Georgia	Larry Bieske 9710 Cone Ct. Roswell, GA 30075	1	Northwest Georgia	(404) 414-3738
Georgia	Evan Diamond 1811 Kent Ave. Dunwoody, GA 30338	1	Dunwoody	(404) 245-5078
Georgia	Jachovi Hardge 3167 Westmart Ln. Atlanta, GA 30340	1	North Atlanta	(470) 636-0821
Georgia	Tyson Kahle 8545 Edwardton Dr. Roswell, GA 30076	1	East Cobb	(813) 362-0559

Illinois	Eric and Waylet Harper 436 Pick Dr. Glenview, IL 60025	1	Chicago North	(773) 875-6886
Kansas	Michael Chavez 15833 Robinson St. Overland Park, KS 66223	1	Overland Park	(816) 678-5558
Maryland	Thomas Hewitt 360 Daleview Dr. Glen Burnie, MD 21060	1	Central Maryland	(443) 866-8083
Massachusetts	Ed and Karissa Burnham 6 Wildwood Ln. Wilbraham, MA 01095	1	Western Massachusetts	(413) 519-7693
Massachusetts	Alex Dulphe 640 Worcester Rd., Apt. 212 Framingham, MA 01702	1	Framingham	(508) 933-3078
Massachusetts	Manny Gomes 15 Mcauliffe Rd. Randolph, MA 02368	1	Randolph	(857) 233-7643
Michigan	Vernon and Carla Butler 24395 Ross Ct. Redford, MI 48239	1	Greater Detroit	(313) 244-4134
Minnesota	Brett Ballou and Brian Alper 402 W 7th St., Apt. 14 Litchfield, MN 55355	1	Minnetonka	(714) 616-0918
Minnesota	Darrell Schuster	1	Twin Cities	(651) 354-9216

	5361 Pine Island Rd. Woodberry, MN 55129			
Nevada	Mike Zhang 6283 Rune Stone St. Henderson, NV 89113	1	Henderson	(801) 809-9090
New Mexico	Jonathan Johnson 3376 Blueridge Ln. Las Cruces, NM 88005	1	El Paso	(575) 313-5119
New Mexico	Julian Rodriguez 4950 Nicely Ct. Las Cruces, NM 88012	1	Las Cruces	(575) 343-2443
North Carolina	Michael Cruz 184 Kimbrough Dr. Lillington, NC 27546	1	Lillington	(917) 588-7909
North Carolina	Barry Ryser 716 Little Leaf Ct. Holly Springs, NC 27540	1	Wake	(919) 357-0620
Ohio	Willie Smith 1793 Tecumesh St. Toledo, OH 43607	1	Toledo	(419) 297-2236
Oklahoma	Shamus Kelley 3533 East Ridge St. Broken Arrow, OK 74014	1	Tulsa	(318) 658-1009
Oklahoma	Erica Stone 724 Oak Springs Dr.	1	Edmond	(405) 210-3090

	Edmond, OK 73034			
Oregon	Justin Winn 60274 Woodside Rd. Bend, OR 97702	1	Bend	(503) 816-4075
Pennsylvania	Shane Larkin 2027 Highland Ave. Greensburg, PA 15601	1	Westmoreland	(813) 732-1663
Pennsylvania	Jamie Vavala 553 Juniper Ct. Mars, PA 16046	1	Pittsburgh	(724) 272-3295
South Carolina	Matt Coffey 1727 Trentwood Dr. Ft. Mill, SC 29715	1	Hunterville	(336) 817-9396
South Carolina	Yukota Simpson 1219 Potomac Ct. Indian Land, SC 29707	1	Indian Land	(803) 367-7311
South Carolina	Brendan White 10205 Malmedy Park St. Ft. Mill, SC 29707	1	Waxhaw	(803) 370-9688
Tennessee	Michael Chavarria 4211 Lone Oak Rd Nashville, TN 37215	1	Nashville	(615) 484-6961
Tennessee	Jerry and Jason Mershon 4705 Venito St. Mount Juliet, TN 37122	1	Mount Juliet	(901) 270-3813

Texas	Phil Dayalu and Jenn Hay 26 Comillas Dr. Westlake, TX 76262	1	Westlake	(214) 783-7554
Texas	Leon Eldridge 5706 Redstone Gardens Dr. Spring, TX 77373	1	Humble	(804) 909-2267
Texas	Roger Guerrero 13118 Laguna Rd. San Antonio, TX 78223	1	San Antonio	(210) 284-7110
Texas	Eric Herrera 4206 Forthlin Cir Katy, TX 77494	1	Energy	(713) 292-6435
Texas	Kathryn Kist 3427 Stone Springs Dr. Katy, TX 77494	1	Katy/Fulshear	(317) 853-0027
Texas	David Kravitz 1110 County Rd. 4855 Leonard, TX 75452	1	Lone Star	(770) 375-8212
Texas	Bill Malki	1	Metroplex	(972) 955-3271
Texas	Fabian Montenegro Jr/Sr 14214 Plum Springs Dr. Houston, TX 77429	1	Cypress	(713) 834-4555
Texas	Bryant Nnabuife 4438 Bobolink Cir	1	Missouri City	(713) 449-0596

	Missouri City, TX 77459			
Texas	Kris Palmer 6013 Madera Ct. Plano, TX 75024	1	Plano	(214) 620-3126
Texas	Gilberto Quinones 3760 S. Alameda Corpus Christi, TX 78411	1	Corpus Christi	(956) 465-8299
Texas	Savannah Romero 6121 Southwell Ln. League City, TX 77573	1	Houston Bay Area	(281) 635-7944
Texas	Mandi Thomas 6000 Reims Rd., Apt. 2905 Houston, TX 77036	1	Houston	(713) 385-6890
Texas	Fouad Ziaa 1015 Bahia Vista Dr. Richmond, TX 77406	1	Richmond	(916) 262-5301

**EXHIBIT E-2 TO THE DISCLOSURE DOCUMENT**

---

**FRANCHISEES WHO HAVE LEFT THE SYSTEM**

**AS OF DECEMBER 31, 2023**

---

The following is a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

<b>LEFT THE SYSTEM</b>	
Kim Dyer	Tim Kehoe
8486 Mitchell Road	12647 Julington Oaks Dr
Machesney Park, IL 61115	Jacksonville, FL 32223
(901) 346-3257	(904) 888-3164
Left the System	Left the System
Megan McCartney	Jennifer Lamazares
436 St Georges Ct	1005 10 Ln,
Satellite Beach, FL 32937	Palm Beach Gardens, FL 33418
(407) 523-3651	(888) 557-2459
Left the System	Terminated
Durale Harper	Victor Cheatham
3024 Oakcrest Dr	1603 Stonecrest Tr
Royse City, TX 75189	Wylie, TX 75098
(469) 293-3887	(214) 509-6745
Left the System	Terminated
Curt Meadow	
1817 Centennial Ct	
Enid, OK 73701	
(580) 366-0919	

Terminated	

**EXHIBIT F TO THE DISCLOSURE DOCUMENT**

---

**STATE SPECIFIC ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT AND  
FRANCHISE AGREEMENT**

---

The following State Specific Addendum applies to the N ZONE SPORTS Disclosure Document and may supersede certain portions of the Franchise Agreement dated \_\_\_\_\_ and all related agreements.

The provisions of this State Specific Addendum apply only to those franchisees residing or operating a N ZONE SPORTS business in the following states: California, New York and Illinois

## CALIFORNIA

The following paragraphs are added at the end of Item 17 of the Disclosure Document pursuant to regulations promulgated under the California Franchise Investment Law:

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with this Disclosure Document.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

Neither the franchisor, nor any person nor franchise broker in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement requires a shortened statute of limitations period. Pursuant to Corporations Code Section 31512, this provision is void, to the extent that it is inconsistent with the provisions of Corporations Code Sections 31303 and 31304.

You must sign a general release if you renew or transfer your franchise. California Corporation 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 and Professions Code 20000 through 20043).

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

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS, CONCERNING THE CONTENTS OF THIS WEBSITE MSY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at [www.dbo.ca.gov](http://www.dbo.ca.gov).

California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning

termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Termination Upon Bankruptcy. The Franchise Agreement provides for termination upon bankruptcy. This provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).

Post-Termination Noncompetition Covenants. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the respective agreement. These provisions may not be enforceable under California law.

Applicable Law. The Franchise Agreement requires application of the laws of the State of Florida with certain exceptions. These provisions may not be enforceable under California law.

Arbitration. The Franchise Agreement requires binding arbitration. The arbitration is to occur at the office of the America Arbitration Association in the county in which our principal place of business is located. The cost of the arbitration will be borne by the non- prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professional 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. This provision may not be enforceable under generally applicable contract defenses such as fraud, duress or unconscionability.

Financial Performance. The financial performance representation figures do 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 you (franchised business). Franchisees or former franchisees, listed in the disclosure document, may be one source of the information.

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.

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

## HAWAII

As to franchises governed by the Hawaii Franchise Investment Law, if any of the terms of the Disclosure Document or Franchise Agreement are inconsistent with the terms below, the terms below control.

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 COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR 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 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT 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.

Registered agent in the state authorized to receive service of process:

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, HI 96813

## ILLINOIS

Illinois law governs the Franchise Agreements.

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

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

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

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.

Item 5 of the Franchise Disclosure Document, Section 4.1 of the Franchise Agreement and Section 4 of the Multi-Unit Development Agreement are modified with the addition of the following language:

“Payment of the Initial Fees will be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced business operations. The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.”

**THIS ADDENDA MUST BE EXECUTED SIMULTANEOUSLY WITH THE FRANCHISE AGREEMENT AND/OR MULTI-UNIT DEVELOPMENT AGREEMENT.**

<b>Franchisor</b>	<b>Franchisee</b>
Signature	Signature
Name	Name
Title	Title
Date	Date

## MINNESOTA

1. “Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the 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 or the jurisdiction.”

**FDD:** Item 17

**FA:** Section 20.3

2. “With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.”

**FDD:** Item 17

**FA:** Article XII

3. The Disclosure Document and the agreement must state that the franchisor will protect the franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the name.

**FDD:** Item 13

**FA:** Section 15.4

4. Minn. Rule 2860.4400D. prohibits requiring a franchisee to assent to a general release. Amend to exclude claims under the Minnesota Franchise Law.

**FDD:** Item 17

**FA:** Section 3.2; Exhibit G

5. Minn. Rule 2860.4400J prohibits termination penalties.

**FDD:** Item 17

**FA:** NA

6. Pursuant to Minn. Stat. Sec. 80C.17, Subd.5, no action may be commenced pursuant to this section more than three years after the cause of action accrues.

**FDD:** Item 17

**FA:** Section 16.6

7. “NSF checks and related interest and attorneys’ fees are governed by Minnesota Statute § 604.113, which puts a cap of \$30 on initial service charges and requires notice and opportunity to cure prior to assessing interest and attorneys’ fees.”

**FDD:** Item 5

**FA:** Section 6.6

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.”

**FDD:** Item 22

**FA:** Section 20.1

## NEW YORK

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document or Franchise Agreement are inconsistent with the terms below, the terms below control.

### 1. Cover Page

The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

### 2. The following is added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has 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.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “**Summary**” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend,**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “**Summary**” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.
5. The following is added to the end of the “**Summary**” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

## **VIRGINIA**

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document or Franchise Agreement are inconsistent with the terms below, the terms below control.

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document is amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

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.

**EXHIBIT G TO THE DISCLOSURE DOCUMENT**

---

**FORM OF  
GENERAL RELEASE**

---

**[EXAMPLE FORM ONLY]**

THIS RELEASE is made and given by \_\_\_\_\_,  
("Releasor") with reference to the following facts:

1. Releasor and N ZONE SPORTS OF AMERICA, LLC ("Releasee") are parties to one or more Franchise Agreements.
2. The following consideration is given:

\_\_\_\_\_ the execution by Releasor of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise"); or

\_\_\_\_\_ Releasor's consent to Releasee's transfer of its rights and duties under the Franchise Agreement; or

\_\_\_\_\_ Releasor's consent to Releasee's assumption of rights and duties under the Franchise Agreement; or

\_\_\_\_\_ [insert description]

3. Release- Franchisee and all Franchises' guarantors, members, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge Releasee, its past and present agents, employees, officers, directors, members, Area Representatives, Franchisees, successors, assigns and affiliates (collectively "Released Parties") from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation, known or unknown, which Franchisee could assert against Released Parties or any of them up through and including the date of this Release.
4. THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.
5. California Releasor- You represent and warrant that YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542, which provides as follows:

**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**

6. The above Release does not apply to any liabilities arising under the California Franchise Investment Law, the California Franchise Relations Act, Indiana Code § 23-2-2.5.1 through 23-2-2.7-7, the Maryland Franchise Registration and Disclosure Law, Michigan Franchise Investment Law, Minnesota Franchise Act, North Dakota franchise laws, the Rhode Island Investment Act, and the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, or the rules adopted thereunder.

Approved and agreed to by:

<b>Franchisee</b>	<b>Franchisor</b>
Signature:	
Name:	
Date:	

## EXHIBIT H TO THE DISCLOSURE DOCUMENT

---

### STATE EFFECTIVE DATES

---

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

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

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

<b>State</b>	<b>Effective Date</b>
California	PENDING
Illinois	PENDING
Minnesota	PENDING
New York	PENDING
Virginia	PENDING

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

## EXHIBIT I TO THE DISCLOSURE DOCUMENT

### RECEIPT

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

If N ZONE SPORTS OF AMERICA, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa or Rhode Island law, if applicable, N ZONE SPORTS OF AMERICA, LLC must provide this Disclosure Document to you at your first personal meeting to discuss the franchise. Michigan requires N ZONE SPORTS OF AMERICA, LLC to give you this Disclosure Document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If N ZONE SPORTS OF AMERICA, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit D.

The franchisor N ZONE SPORTS OF AMERICA, LLC is located at 11705 Boyette Rd, suite 209, Riverview, FL 33569; Telephone: 888-557-2456

Issuance date: April 9, 2025

The franchise seller for this offering is:

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
<input checked="" type="checkbox"/> Tony Westbrook, 11705 Boyette Rd, Suite 209, Riverview, FL 33569; Telephone: 888-557-2456
<input checked="" type="checkbox"/> Dana Hansen, 11705 Boyette Rd, Suite 209, Riverview, FL 33569; Telephone: 888-557-2456
<input type="checkbox"/> _____ N ZONE SPORTS OF AMERICA, LLC, 11705 Boyette Rd, suite 209, Riverview, FL 33569; Telephone: 888-557-2456

We authorize the respective state agencies identified on Exhibit B to receive service of process for us in the particular state.

I have received a Disclosure Document dated April 9, 2025, that included the following:

Received	Reference	Name
<input checked="" type="checkbox"/>	ITEM 1-ITEM 23	Franchise Disclosure Document
<input checked="" type="checkbox"/>	EXHIBIT A	Financial Statements

<input checked="" type="checkbox"/>	EXHIBIT B	State Administrators/Agents for Service of Process
<input checked="" type="checkbox"/>	EXHIBIT C	Franchise Agreement
<input checked="" type="checkbox"/>	Schedule I	Territory
<input checked="" type="checkbox"/>	Schedule II	Package Option
<input checked="" type="checkbox"/>	Rider A	Example Zip Code Rental Agreement
<input checked="" type="checkbox"/>	EXHIBIT D	Table of Contents – Operations Manual
<input checked="" type="checkbox"/>	EXHIBIT E-1	List of Franchisees
<input checked="" type="checkbox"/>	EXHIBIT E-2	List of Former Franchisees
<input checked="" type="checkbox"/>	EXHIBIT F	State Specific Addendum
<input checked="" type="checkbox"/>	EXHIBIT G	Form of General Release
<input checked="" type="checkbox"/>	EXHIBIT H	State Effective Dates
<input checked="" type="checkbox"/>	EXHIBIT I	Receipts

Date: \_\_\_\_\_  
 (Do not leave blank)

\_\_\_\_\_  
 Signature of Prospective Franchisee

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

You should return one copy of this Receipt either by providing your electronic signature or by signing, dating, and mailing it to N ZONE SPORTS OF AMERICA, LLC., 11705 Boyette Rd, suite 209, Riverview, FL 33569. You may keep the second copy for your records.

## RECEIPT

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

If N ZONE SPORTS OF AMERICA, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa or Rhode Island law, if applicable, N ZONE SPORTS OF AMERICA, LLC must provide this Disclosure Document to you at your first personal meeting to discuss the franchise. Michigan requires N ZONE SPORTS OF AMERICA, LLC to give you this Disclosure Document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If N ZONE SPORTS OF AMERICA, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit D.

The franchisor N ZONE SPORTS OF AMERICA, LLC is located at 11705 Boyette Rd, suite 209, Riverview, FL 33569; Telephone: 888-557-2456

Issuance date: April 9, 2025

The franchise seller for this offering is:

The name, principal business address, and telephone number of each franchise seller offering the franchise is:		
<input checked="" type="checkbox"/>	Tony Westbrook,	11705 Boyette Rd, Suite 209, Riverview, FL 33569; Telephone: 888-557-2456
<input checked="" type="checkbox"/>	Dana Hansen,	11705 Boyette Rd, Suite 209, Riverview, FL 33569; Telephone: 888-557-2456
<input type="checkbox"/>	N ZONE SPORTS OF AMERICA, LLC, 11705 Boyette Rd, suite 209, Riverview, FL 33569; Telephone: 888-557-2456	

We authorize the respective state agencies identified on Exhibit B to receive service of process for us in the particular state.

I have received a Disclosure Document dated April 9, 2025, that included the following:

Received	Reference	Name
<input checked="" type="checkbox"/>	ITEM 1-ITEM 23	Franchise Disclosure Document
<input checked="" type="checkbox"/>	EXHIBIT A	Financial Statements
<input checked="" type="checkbox"/>	EXHIBIT B	State Administrators/Agents for Service of Process
<input checked="" type="checkbox"/>	EXHIBIT C	Franchise Agreement
<input checked="" type="checkbox"/>	Schedule I	Territory
<input checked="" type="checkbox"/>	Schedule II	Package Option

<input checked="" type="checkbox"/>	Rider A	Example Zip Code Rental Agreement
<input checked="" type="checkbox"/>	EXHIBIT D	Table of Contents – Operations Manual
<input checked="" type="checkbox"/>	EXHIBIT E-1	List of Franchisees
<input checked="" type="checkbox"/>	EXHIBIT E-2	List of Former Franchisees
<input checked="" type="checkbox"/>	EXHIBIT F	State Specific Addendum
<input checked="" type="checkbox"/>	EXHIBIT G	Form of General Release
<input checked="" type="checkbox"/>	EXHIBIT H	State Effective Dates
<input checked="" type="checkbox"/>	EXHIBIT I	Receipts

Date: \_\_\_\_\_  
 (Do not leave blank)

\_\_\_\_\_  
 Signature of Prospective Franchisee

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

You should return one copy of this Receipt either by providing your electronic signature or by signing, dating, and mailing it to N ZONE SPORTS OF AMERICA, LLC., 11705 Boyette Rd, suite 209, Riverview, FL 33569. You may keep the second copy for your records.