FRANCHISE DISCLOSURE DOCUMENT

PICKLEBALL KINGDOM FRANCHISING, LLC
an Arizona limited liability company
275 E. Rivulon Blvd.
Gilbert, Arizona 85297
(888) 788-0999
info@pickleballkingdom.com
www.pickleballkingdom.com

The franchise is for the establishment and operation of an indoor pickleball facility offering pickleball lessons, leagues, clinics and pick-up games with multiple membership offerings for players of all skill levels (each, a "Pickleball Kingdom Business").

The total investment necessary to begin operation of a Pickleball Kingdom franchised business is $998,800 to $2,474,297. This includes $60,000 that must be paid to us. If you sign a Pickleball Kingdom Multi-Unit Development Agreement ("Development Agreement"), the total investment necessary to begin operation will be $1,088,800 to $2,564297. This includes a development fee, payable to us, in the amount of $150,000 for a 3-unit Development Agreement.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and Development 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 governmental agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Rob Streett at 275 E. Rivulon Blvd., Gilbert, Arizona 85297 or (888) 788-0999.

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

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

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

Date of Issuance: April 20, 2026

How To Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.
Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.
Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.
Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.
Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.
Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.
When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

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

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 and/or litigation only in Arizona. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Arizona than in your own state.

2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

4. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

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

6. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.

7. **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.

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

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

NOTICE REQUIRED BY
THE STATE OF 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.

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

2. 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 will not preclude a franchisee, after entering into a franchise agreement, from settling any claims.

3. A provision that permits a Franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure this failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure this failure.

4. 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 franchised business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising of 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 license.

5. 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.

6. A provision requiring that mediation or litigation be conducted outside this state. This will not preclude the franchisee from entering into an agreement, at the time of mediation, to conduct mediation at a location outside this state.

7. 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 will include, but is not limited to:

a. The failure of the proposed transferee to meet the Franchisor's then current reasonable qualifications or standards.

b. The fact that the proposed transferee is a competitor of the Franchisor.

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

d. 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.

8. 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 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 the 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).

9. A provision which permits the Franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual service.

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 THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 670 WILLIAMS BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

PICKLEBALL KINGDOM
FRANCHISE DISCLOSURE DOCUMENT

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor, its Parents, Predecessors and Affiliates

The Franchisor is Pickleball Kingdom Franchising, LLC, referred to in this Disclosure Document as "we," "us" or "our." We refer to the person interested in buying a franchise as "you" or "your." If you are a corporation, partnership, limited liability company, or other entity, certain provisions of the Franchise Agreement will apply to your owners. These will be addressed in this Disclosure Document where appropriate.

We are a limited liability company formed under Arizona law in October of 2022. We maintain our principal place of business at 275 E. Rivulon Blvd., Gilbert, Arizona 85297. We do business under our corporate name and the name "Pickleball Kingdom". Our agents for service of process in Arizona and the states that require franchise registration are listed in Exhibit G.

We have no predecessors, but our parent entity is Pickleball Kingdom National, LLC, an Arizona limited liability company that shares our principal business address. Pickleball Kingdom National, LLC has never offered franchises for Pickleball Kingdom businesses or any other businesses. As of the date of this disclosure document, we have no affiliates that provide products or services to our franchisees or offer franchises in any line of business. However, we reserve the right to designate our affiliates as approved or required vendors in the future.

We sell franchises for the establishment and operation of indoor pickleball facility offering pickleball lessons, leagues, clinics and pick-up games with multiple membership offerings for players of all skill levels (the "Pickleball Kingdom Businesses"). We will permit, but not require, franchised Pickleball Kingdom Businesses to offer certain limited food and beverage items, including alcoholic beverages such as beer and wine, to their customers, provided that all alcohol sales must comply with applicable laws and regulations as well as our standards and specifications.

We have never operated a Pickleball Kingdom Business, but our affiliate, Pickleball Kingdom Chandler, LLC, an Arizona limited liability company, began operating the first "company-owned" Pickleball Kingdom Business in Chandler, Arizona in May of 2022. Pickleball Kingdom Chandler, LLC maintains its principal place of business at 4950 W. Ray Road, Chandler, Arizona 85226, and has never offered franchises in any line of business.

We first began to offer franchises in April of 2023. We are not engaged in any other businesses and have never offered franchises in any other lines of business.

The Franchise

We offer qualified applicants franchises for Pickleball Kingdom Businesses. The Franchise Agreement (Exhibit B to this Disclosure Document) gives you the right to establish and operate one Pickleball Kingdom Business at a specified location within a Protected Area.

Pickleball Kingdom Businesses must operate in compliance with our business system (the "System") under the trade name and service mark "Pickleball Kingdom" and the other trade names,

service marks, trademarks, logos, emblems and other indicia of origin that we designate in writing for use by Pickleball Kingdom Businesses operating under the System (collectively, the "Marks").

The System includes our comprehensive methods and procedures for the establishment, management and operation of Pickleball Kingdom Businesses, including the Confidential Information, our Manuals, the Marks and other business Standards and policies, the distinguishing characteristics of which include, without limitation, distinctive exterior design and signage; interior design that includes our unique décor and color scheme, showcasing 10 to 20 pickleball courts with outdoor surfaces, an event area for parties, meetings, etc., a pro shop with paddle rentals and gear for sale, viewing area, cafe area with snacks and beverages, including beer and wine (optional), and locker room/bathrooms with showers; policies and procedures for operations, including membership sales, court reservation systems, customer service standards, facility management, and overall quality control provisions; procedures for inventory management and financial control; training and assistance for you and your management, including pre-opening training, grand opening training, and ongoing support; and advertising and promotional programs to establish and maintain your business visibility and reputation, all of which we may change, improve, further develop or otherwise modify from time to time.

Qualified applicants may also enter into a Pickleball Kingdom Multi-Unit Development Agreement (the "Development Agreement") to develop one or more Pickleball Kingdom Businesses within a specifically described geographic area (the "Territory"). The size of the Territory will vary depending upon local market conditions and the number of Pickleball Kingdom Businesses to be developed. The development Territory will be determined before executing the Development Agreement and will be described in Attachment E to the Development Agreement. You must develop the number of Pickleball Kingdom Businesses contemplated by the Development Agreement in the Territory according to a development schedule and must enter into a separate Franchise Agreement for each Pickleball Kingdom Business established. The Franchise Agreement for the first Pickleball Kingdom Business to be developed under the Development Agreement will be in the form of Exhibit B to this Disclosure Document and will be signed within 90 days after the Development Agreement is signed. For each additional Pickleball Kingdom Business developed under the Development Agreement, you must sign our then-current form of Franchise Agreement that we are then offering to new franchisees (which agreement may have materially different terms than those contained in the franchise agreement attached to this Disclosure Document), except that the initial franchise fees will be as provided in the Development Agreement. The Franchise Agreement for each additional Pickleball Kingdom Business must be signed no later than 120 days before the projected opening date of the applicable Pickleball Kingdom Business.

Competition

The market for pickleball services is growing rapidly and is highly competitive. There is active price competition among pickleball facilities, as well as competition for management personnel and for attractive commercial real estate sites suitable for pickleball facilities. You must expect to compete with other large indoor pickleball-dedicated businesses, with gyms other types of fitness/workout businesses that offer pickleball as an amenity, with free community pickleball courts, and any other businesses that provide places to play pickleball. Competitors may be locally owned businesses or large regional or national chains. In our experience with this business, sales have not been noticeably different from season to season, but we suspect that seasonality may impact Pickleball Kingdom businesses located in very hot or very cold climates. The pickleball industry is also affected by many other factors, including changes in consumer taste, trends in sports and fitness, demographics, traffic patterns and economic conditions.

Industry Specific Regulation

The pickleball industry is not subject to an industry-specific regulations, but many of the laws, rules and regulations that apply to business generally, like the Americans With Disabilities Act, Federal Wage and Hour Laws, and the Occupation, Health and Safety Act, also apply to pickleball facilities. Other laws, rules and regulations have particular applicability to business that offer food and/or beverages, which may be the case for your Pickleball Kingdom Business.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce laws and regulations that govern food preparation and service and sanitary conditions. State and local agencies inspect applicable businesses to ensure that they comply with these laws and regulations.

If you choose to offer wine, beer, liquor or any other alcoholic beverages for sale at your Pickleball Kingdom Business, then you will be required to comply with any federal, state, county, municipal, or other local laws and regulations relating to the sale of alcohol and liquor that may apply to your Pickleball Kingdom Business. You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Pickleball Kingdom Business. If applicable, you must obtain and maintain all applicable food and beverage licenses, and you must obtain any applicable real estate permits (*e.g.*, zoning), real estate licenses, liquor licenses and operational licenses.

If applicable, you must have your license to offer alcoholic beverages before you offer such beverages at your Pickleball Kingdom Business. The difficulty and cost of obtaining a liquor license varies greatly from area to area, depending on the variations in state and local laws, regulations and procedures that apply to securing and maintaining the required license(s). State and local laws, regulations and ordinances also vary significantly in terms of the restrictions placed on the manner in which alcoholic beverages may be sold. State "dram shop" laws give rise to potential liability for injuries that are directly or indirectly related to the sale and consumption of alcohol. You will need to understand and comply with those laws in operating the Pickleball Kingdom Business.

Each of your managers and other employees we designate must be ServSafe certified (or (or have an equivalent certification required by the applicable government authorities in your jurisdiction). Certain managers and other employees we designate, including bartenders, must also complete alcohol awareness or TIPS training.

You must, at your expense, comply with all payment card infrastructure ("PCI") industry and government security standards and requirements designed to protect cardholder data. From time to time upon written notice to you, we may require you to implement certain procedures and protocols in order to comply with PCI standards and requirements. PCI standards apply to both technical and operational aspects of credit card and other payment card transactions and apply to all organizations which store, process or transmit cardholder data.

The federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

You should consider these laws and regulations when evaluating your purchase of a franchise. We recommend that you have your contract and this Disclosure Document reviewed by your attorney, accountant, and professional advisors.

ITEM 2

BUSINESS EXPERIENCE

Michael "Ace" Rodrigues: Founder and Chief Executive Officer

Michael "Ace" Rodrigues is our founder and has served as our Chief Executive Officer since our inception in October of 2022. Mr. Rodrigues also serves as founder and Chief Executive Officer of our affiliated entities, Pickleball Kingdom National, LLC and Pickleball Kingdom Chandler, LLC, positions he has held since January of 2021. Mr. Rodrigues is also founder and Chief Executive Officer of True North Energies, based in Chandler, Arizona, a position he has held since October of 2019. Before founding Pickleball Kingdom, Mr. Rodrigues was founder and President of The Edison Company, based in Chandler, Arizona, from December of 2018 to October of 2019. From February of 1990 to December of 2018, Mr. Rodrigues served as Senior Vice President at PFSI in Mesa, Arizona.

Rob Streett: President and Chief Global Officer

Rob Streett has served as our President and Chief Global Officer since January 2025. Prior to that, he served as our Chief Operating Officer from May 2023 to December 2024. Prior to joining us, Mr. Streett served as President of Franchising and Chief Operating Officer of Sacco Restaurants Inc. based in San Diego, California, from January 2018 to April of 2023. Mr. Streett also served as President and Chief Operating Officer of Scooter's Coffee and Boundless Enterprises (Scooter's Distribution Center), based in Omaha, Nebraska, from April 2016 through December 2017.

ITEM 3

LITIGATION

Franchisor Initiated Litigation

Pickleball Kingdom Franchising, LLC v. Pickleball-NTX GP, LLC, Dan Jenkins and Amy Jenkins (Cause No. 416-07760-2025) (416th Judicial District Court – Collin Co., Texas) (Filed September 29, 2025); and

Pickleball Kingdom Franchising, LLC v. PK Plano, LLC (Case No. 25-43688-MXM-11(V) – Adversary Action Cause No. 25-04127 – Ch. 11 Sub V) (U.S. Bankruptcy Court – Northern District of Texas – Ft. Worth) (Filed October 6, 2025).

The two above-named actions were initiated by us in September and October of 2025 against our Plano, Texas franchisee, Pickleball-NTX GP, LLC, its affiliated entity, PK Plano LLC, and its owners, Dan and Amy Jenkins (collectively, the "**Jenkins Defendants**") after the Jenkins Defendants abruptly, and without our knowledge, closed their Plano, Texas Pickleball Kingdom franchise on September 25,

2025, in violation of their franchise agreement and immediately began operating a competing pickleball club under a different name at the franchised location (also a material breach of their franchise agreement). In conjunction and coordination with these unauthorized actions by the Jenkins Defendants, PK Plano, LLC filed for bankruptcy on September 26, 2025, which resulted in our need to file both a state court litigation action and a bankruptcy adversary action in order to stop the Jenkins Defendants' unauthorized activities. We promptly filed, and vigorously pursued, both actions to force the Jenkins Defendants to cease their violations of the franchise agreement.

On September 30, 2025, a temporary restraining order was entered by the 416th Judicial District Court of Collin County, Texas against Pickleball-NTX GP, LLC, Daniel Jenkins, and Amy Jenkins, ordering them to shut down their unauthorized competitive pickleball business. On November 3, 2025, the U.S. Bankruptcy Court issued a stipulated preliminary injunction against PK Plano, LLC ordering it to also cease its involvement with the unauthorized competitive pickleball business.

Following mediation, we entered into a settlement agreement dated March 12, 2026, with the Jenkins Defendants that resulted in the mutual release of claims and the entry of stipulated final judgments and permanent injunctions in both litigations, requiring the Jenkins Defendants to honor their post-termination obligations in the franchise agreement. The terms of the settlement agreement also provided for financial consideration of $164,062.50 in favor of Pickleball Kingdom Franchising, LLC.

Except for the two litigation matters described above, no litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee of $60,000, payable in a lump sum when you sign the Franchise Agreement, provided that we offer a Ten Percent (10%) discount off of the initial franchise fee under your first Franchise Agreement if you are an active-duty U.S. military member, U.S. military reserve member, or honorably discharged veteran of the U.S. armed forces.

Development Fee

If you sign a Pickleball Kingdom Multi-Unit Development Agreement ("Development Agreement"), you will pay us a development fee, payable in a lump sum when you sign the Development Agreement, in the amount of $150,000 for a 3-unit Development Agreement ($60,000 for the first franchise, $50,000 for the second, and $40,000 for the third). The development fee will fully cover the initial franchise fees that would otherwise be due for each Pickleball Kingdom franchise agreement to be signed pursuant to the Development Agreement. The development fee is not refundable.

No initial fees must be paid to our affiliates. The initial fees described in this Item 5 are not refundable and are imposed uniformly on all franchisees.

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ITEM 6

OTHER FEES

Fees[1]	Amount	Due Date	Remarks
Royalty Fee	7% of your Gross Sales	Payable bi-weekly (with payments due every other Tuesday for royalties accrued during the prior two-week period, with each week beginning on Sunday and ending on the following Saturday), provided that if the scheduled due date is not a business day, then the next business day after the due date. We reserve the right to change the payment schedule upon 30 days' notice to you.	See Note 2 for the definition of Gross Sales. We require you to pay the royalty fees by electronic funds transfer ("EFT"), automatically deducted from your designated account. See Note 3 regarding calculation of Gross Sales in jurisdictions that do not permit payment of royalties based on sales of alcoholic beverages.

Fees[1]	Amount	Due Date	Remarks
Local Advertising and Cooperatives	At least $1,000 per month (except that your first month of operation is covered by the grand opening advertising requirement).	Payments for local advertising expenses will be paid to local advertisers, except that if we establish and administer an advertising Cooperative in your area then the contributions to the Cooperative may be paid to us. Typically, local advertising payments are due when billed by the local advertiser.	We may require details of your local advertising expenditures, and we have the right to request receipts and conduct audits up to once per month to confirm your compliance with the local advertising requirements. We may increase this requirement up to once per year (with each increase limited to 10% per year). We have the right to designate any geographic area in which two or more company-owned or franchised Pickleball Kingdom Businesses are located as a region for purposes of establishing an advertising cooperative ("Cooperative"). Any amounts you contribute to your Cooperative (which, at our option, could be up to 50% of your individual local advertising requirement) will be applied to satisfy a portion of your local advertising requirement. If we have any company-owned Pickleball Kingdom Businesses that are located in your Cooperative territory, those company-owned locations will only have one vote per location (the same as franchised locations), and company-owned locations will not have controlling voting power to increase your required Cooperative contributions. Your business listing costs, as required under the Franchise Agreement, will not be credited towards your local advertising expense requirements.

Fees[1]	Amount	Due Date	Remarks
Advertising Fund	2% of your Gross Sales	Payable bi-weekly at the same time royalties are due. We reserve the right to change the payment schedule upon 30 days' notice to you.	See Note 2 for the definition of Gross Sales. The Advertising Fund contribution is in addition to your local advertising requirements. We require you to pay the Advertising Fund contribution by electronic funds transfer ("EFT"). We may increase the required contribution amount on not less than 30 days' written notice to you (up to a maximum of 4% of Gross Sales).
Grand Opening Advertising Expense	$15,000	Must be spent during the period beginning 60 days before the opening of your Pickleball Kingdom Business and ending 30 days after such opening date (the "Grand Opening Period")	You must carry out a grand opening promotion for your Pickleball Kingdom Business in accordance with our standards. We reserve the right to require you to pay all or some of the grand opening advertising monies to us so that we can use those funds to implement a grand opening campaign on your behalf.
Taxes	An amount levied by applicable state tax authorities	As incurred and upon demand	This includes all sales taxes, personal property taxes, excise taxes, value added taxes and other taxes on account of services or goods provided by us. Among other things, you must pay to us when due any state or local sales, gross receipts, use, value added, excise or other taxes levied or assessed against us on any initial franchise fees, periodic fees and other payments paid to us under your Franchise Agreement, including any state income tax, franchise tax or other tax levied or assessed against us for the privilege of doing business in your state or on account of services or goods provided by us.

Fees[1]	Amount	Due Date	Remarks
Technology Fee	Currently $0, but we reserve the right to establish such fee in the future in an amount of up to $250 per week	Payable weekly at the same time royalties are due. We reserve the right to change the payment schedule upon 30 days' notice to you.	While we have not done so as of the date of this disclosure document, we reserve the right to establish a weekly technology fee at any time upon 30 days' prior notice to you. This fee would relate to our provision of technology, support and maintenance, enhancements and research and development or modifications that we require or provide from time to time.
Conference Fees	Up to $1,000 per person (or $1,500 if you fail to attend)	Prior to attending the applicable conference.	At our option we may host annual franchise conferences. If we do, you must pay us our then-current registration fees for our annual franchise conference (up to a maximum of $1,000 per person as determined by us), which we may host at a location selected by us. If we schedule an annual franchise conference, you must attend. If you fail to attend an annual franchise conference without our prior written consent, you will be required to pay us $1,500 within 10 days following the date of the applicable conference.
Merchandise for Resale; Equipment; Décor Items	Actual costs	On demand	We may provide to you at our actual costs certain collateral merchandise for resale that identifies the System (for example, caps and t-shirts); equipment; décor items; and other products and services.
Interest	The lesser of 18% per year or the maximum lawful rate	On demand	We may charge interest on all overdue amounts.

Fees[1]	Amount	Due Date	Remarks
Late Fees/Insufficient Funds Fees	$250 for each delinquent amount owed to us, and $100 for each week that any report, statement, or return is late.	On demand	In addition to interest payable to us on any late payments, we may charge you a late fee/insufficient funds fee for any delinquent amounts due under the Franchise Agreement. In addition, if you fail to submit timely, complete, and accurate reports, financial statements, and tax returns in accordance with the Franchise Agreement, we may charge you a late fee for each week that such report, statement, or return is late.
Additional Training (at our headquarters or other location designated by us)	At our option, a daily rate of $1,000 for each person receiving training.	Before additional training	If you request additional training (beyond that provided in our initial training program) or we require you to complete additional training after you begin operation, then you will have to pay this fee, which covers training at our headquarters or other location designated by us. You must also pay the expenses of you and your personnel attending training (e.g. travel, lodging and meals). See Item 11. This training fee is not applicable to training conducted by you for your own personnel after you have achieved "Certified Trainer" status.
On-site Remedial Training at your Location	Our then-current daily fee for remedial training, plus our costs for travel, lodging and meals. Our current daily rate is $1,000 per trainer.	When billed.	If you ask or if we believe it is appropriate, we will (subject to availability) provide one or more representatives to conduct on-site remedial training at your Pickleball Kingdom Business.

Fees[1]	Amount	Due Date	Remarks
Transfer Fee (Franchise Agreement)	75% of our then-current initial franchise fee (or 25% of our then-current initial franchise fee if the transfer is to an existing Pickleball Kingdom franchisee in good standing with us).	Payable with transfer application.	If you are an individual transferring your rights and obligations under the Franchise Agreement to an entity owned solely by you, the transfer fee shall be reduced to a flat fee of $1,500. If your existing owners are merely transferring ownership among themselves or adding a minority owner that does not alter the majority ownership or control of the franchisee entity, then the transfer fee will be a flat fee of $1,500.
Transfer Fee (Development Agreement)	75% of our then-current initial franchise fee (or 25% of our then-current initial franchise fee if the transfer is to an existing Pickleball Kingdom franchisee in good standing with us).	Payable with transfer application.	If you are an individual transferring your rights and obligations under the Development Agreement to an entity owned solely by you, the transfer fee shall be reduced to a flat fee of $1,500. If your existing owners are merely transferring ownership among themselves or adding a minority owner that does not alter the majority ownership or control of the developer entity, then the transfer fee will be a flat fee of $1,500.
Renewal Fee	15% of our then-current initial franchise fee	Upon renewal	In order to renew your franchise agreement you must, among other things, pay us a renewal fee and meet our then-current image, building design, décor, equipment, and operational requirements.
Relocation Fee	25% of our then-current initial franchise fee	Prior to relocation	If we grant you the right to relocate your Pickleball Kingdom Business, you must pay us a relocation fee, and you must comply with such reasonable site selection and construction procedures outlined in the Franchise Agreement

Fees[1]	Amount	Due Date	Remarks
Management Fee	If applicable, this fee will be equal to the greater of (a) $500 per week or (b) 10% of your Pickleball Kingdom Business' Gross Sales; plus you must pay our reasonable related costs, including reasonable travel, lodging and meal expenses for our personnel engaged in operating your business	Weekly	If we have given you notice that you are in default, then we may (but are not obligated to) assume interim management of your Pickleball Kingdom Business during the pendency of any cure period. If we elect to assume interim management of your Pickleball Kingdom Business we will have the right to charge a reasonable weekly fee for our management services
Inspection and Testing Costs	Cost of inspection, if applicable, and the cost of testing, if applicable	When billed	Before approving a supplier, we will require you to pay the cost of testing the supplier's products and inspecting its facilities (including our administrative expenses). We have the right to remove samples of any items from your Pickleball Kingdom Business in order to inspect or test them. We also have the right to inspect your Pickleball Kingdom Business at any reasonable time for deficiencies, and if you fail to correct any deficiencies in a reasonable time we may take action to do so and charge you for our reasonable costs in connection with correcting your deficiencies.
Indemnification	Actual Costs	On demand	You must indemnify us if your actions result in loss to us.

Fees[1]	Amount	Due Date	Remarks
Audit Fee	An amount equal to all costs and expenses in connection with the audit (in addition to any unpaid amounts owed to us with interest on those unpaid amounts at a rate of 18% per year or the maximum lawful rate)	When billed	In addition to paying us any unpaid amounts uncovered in the audit (plus interest), you will be required to reimburse us for all costs related to the audit (including, without limitation, legal and accounting fees and costs) if an examination or audit shows you have understated any amount owed to us by 2% or more.
Insurance Fee	An amount based on our actual costs and expenses	On demand	If you fail to maintain the required insurance, we may, at our option (but are not required to), obtain it for you. If we do, we will charge you a fee, plus our expenses.
Enforcement Costs	Actual costs	As incurred	You must pay our costs of enforcement (including attorney's fees and costs) if you do not comply with the Franchise Agreement.

Notes:

(1) All fees and expenses described above are non-refundable and, unless otherwise indicated, are imposed uniformly by, and are payable to, us. Unless we have noted differently, we may increase these amounts based on changes in market conditions, our cost of providing services and future policy changes, but we have no present plans to increase any fees.

(2) "Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Pickleball Kingdom Business, whether for cash or credit and regardless of collection in the case of credit. In addition, the following are included within the definition of "Gross Sales" except as otherwise noted: (a) All proceeds from any sales paid for in whole or in part via coupons, gift cards or vouchers (proceeds from the actual sale of gift cards are not included in your Gross Sales); and (b) Your share of revenues from any vending machines or other equipment, machines or devices installed in the Pickleball Kingdom Business. "Gross Sales" does not include (i) sales taxes you collect from customers of the Pickleball Kingdom Business, if the taxes are actually transmitted in a timely manner to the appropriate taxing authority; (ii) tips or gratuities paid directly to your employees by customers of the Pickleball Kingdom Business or paid to you and turned over by you to your employees in lieu of direct tips or gratuities; (iii) returns to shippers or manufacturers; and (iv) proceeds from isolated sales of trade fixtures not constituting any part of the products and services offered for sale at the Pickleball Kingdom Business or having any material effect upon the ongoing operation of the Pickleball Kingdom Business..

(3) If a state or local law applicable to your Pickleball Kingdom Business prohibits or restricts in any way your ability to pay us royalty fees or other amounts based on Gross Sales derived from the sale of alcoholic beverages at the Pickleball Kingdom Business then the percentage rate for calculating your royalty fees (and any other Gross Sales based fees) shall be increased, and the definition of Gross Sales shall be changed to exclude sales of alcoholic beverages, so that the royalty fees to be paid by you shall be equal to the amounts you would have had to pay if sales from alcoholic beverages were included in Gross Sales.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

FRANCHISE AGREEMENT

Type of Expenditure	Amount Low - High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	$60,000	Lump Sum	On execution of Franchise Agreement (due before you open)	Us
Lease and Utilities Security Deposits (1)	$33,000 to $120,000	As Arranged	As Arranged (due before you open)	Lessor or utility companies, as
Rent (initial 3 months) (1)	$90,000 to $195,000	As Arranged	Monthly as specified in your lease (due before and after you open)	Landlord
Leasehold Improvements (1)	$403,000 to 1,169,997	As Arranged	As Arranged, provided that you must construct your business within 12 months after signing Franchise Agreement (due before you open)	Contractor(s)
Architect, Design and Construction (2)	$40,000 to $80,000	As Arranged	As Invoiced, provided that you must construct your business within 12 months after signing a Franchise Agreement (due before you open)	Designated Suppliers

Pickleball Courts and Installation (3)	$90,000 to 180,000	As Arranged	As Invoiced (due during club buildout)	Designated Supplier(s)
Signage (4)	$20,000 to $60,000	As Arranged	As Invoiced (due before you open)	Designated Supplier
Furniture (4)	$15,000 to $25,000	As Arranged	As Invoiced (due before you open)	Designated Supplier(s)
Equipment (4)	$40,000 to $65,000	As Arranged	As Invoiced (due before you open)	Designated Supplier(s)
Computer Hardware and Software (including POS and CRM/back-office (5)	$4,800 to $7,300	As Arranged	As Invoiced (due before you open)	Designated Supplier(s)
Business Licenses and Permits (including liquor license, if applicable) (7)	$5,500 to $82,500	As Arranged	As Invoiced (due before you open)	Government Agencies, Lawyers, Other Third Parties
Professional Services (8)	$5,000 to $15,000	As Arranged	As Invoiced (due before you open)	Accountants, Lawyers, Architects, etc.
Initial Inventory/ Supplies (9)	$12,000 to $25,000	As Arranged	As Invoiced (due before you open)	Designated Supplier(s)
Insurance (10)	$3,000 to $5,000	As Arranged	At least 60 days before you open for business	Insurance broker
Initial Training Costs (11)	$2,500 to $6,500	As Arranged	As Invoiced (due before you open)	Your employees and suppliers of travel, lodging and meals
Grand Opening Advertising (12)	$15,000 to $30,000	As Arranged	During the period starting 60 days before you open and ending 30 days after you open (due before and after you open)	Ad agency and advertisers
Additional Funds – Initial 3 months (13)	$160,000 to $348,000		As arranged (due before and after you open)	
TOTAL	**$998,800 to $2,474,297**			

Notes:

(1) These estimates are based on our affiliate's experience in establishing a Pickleball Kingdom Business in Chandler, Arizona, and our experience in assisting with the development and opening of franchised Pickleball Kingdom Businesses. Pickleball Kingdom Businesses will typically be located in commercially zoned shopping or entertainment areas. Due to the cost of land acquisition and new construction, we anticipate that the premises for Pickleball Kingdom Businesses will be leased unless the franchisee already owns the premises before purchasing a Pickleball Kingdom franchise. These amounts assume that you will lease the premises for the Pickleball Kingdom Business or you already own the premises before purchasing a Pickleball Kingdom franchise and do not include costs of land acquisition. The leasehold improvements estimate is based on the cost of adapting our prototypical architectural and design plans (including architect fees) to a facility containing approximately 30,000 to 45,000 square feet. We anticipate that franchised locations could range anywhere from 25,000 to 45,000 square feet. The leasehold improvement costs will be affected by various factors, like the location of the Pickleball Kingdom Business, local market conditions, price of materials, the size of your facility, and whether you choose to construct a raised viewing area or a full mezzanine level at your facility; you are required to build one of these, but the full mezzanine level is more expensive and sometimes not feasible, so we also allow franchisees the option to build a simpler raised viewing area meeting our standards and specifications. The high-end leasehold improvements estimate shown above includes $300,000 for constructing a full mezzanine, whereas the low end estimate includes $28,000 for building a simpler raised viewing area. The estimates assume that the landlord will provide connections to adequate electrical, gas, water and sewage service. Your actual costs may or may not include site preparation and finish-out costs, depending on the arrangements you negotiate with your landlord. If your landlord contributes to the cost of finish-out, total leasehold improvement costs could be reduced. These costs are our best estimate based on commercial leasing and remodeling/finish-out rates that our affiliate has experienced with the company-owned Pickleball Kingdom Business. These estimates may vary based on your ability to negotiate with your landlord and your financial strength, as well as on local commercial leasing and labor rates and other local conditions.

(2) You must use vendors approved by us for the preparation of design plans and architectural/construction drawings that will be used as the basis for building or renovating the site of your Pickleball Kingdom Business.

(3) These amounts include the cost of various furniture, fixtures, equipment, decor items, and interior and exterior signage required for your Pickleball Kingdom Business. All of these items must meet our standards and specifications and must be purchased from suppliers approved by us.

(4) This amount includes the estimated purchase costs of the point-of-sale system and software (including, without limitation, back-office software and point-of-sale software meeting our specifications and manufactured by a manufacturer approved in writing by us) that you must use in the operation of your Pickleball Kingdom Business.

(5) This amount represents the estimated cost of various operating licenses required at the local, regional, or state level (including a license to sell alcoholic beverages, which may not apply to you). If you choose to sell beer and wine at your Pickleball Kingdom Business, you will incur costs to obtain the required liquor license, and those costs may vary because some jurisdictions offer an

unlimited number of liquor licenses at a price set by local government authorities, while other jurisdictions offer a limited number of liquor licenses. If no more liquor licenses are available for issuance by government authorities in your jurisdiction, then you will have to negotiate with a third party for the purchase of their existing liquor license, and in that case the cost of the license will be impacted by your ability to negotiate and the levels of supply and demand in your jurisdiction.

(6) This estimate is for the cost to engage an attorney to establish a business entity to hold the franchise, review the franchise documentation and provide other legal services related to your franchise purchase. You may also choose to consult an accountant or other business advisor regarding you franchise plans. The cost of professional services can vary.

(7) Before opening, you must purchase your initial inventory of office equipment and other supplies necessary for the operation of your Pickleball Kingdom Business from approved third party sources. Such items must meet our standards and specifications. After you open, we may require you to purchase some branded promotional items, including, but not limited to, paper products, clothing/uniforms, hats, towels, pens, water bottles, etc. from us, and such post-opening purchases during your first 3 months of operation are included in this estimate.

(8) This amount represents an estimate of the down payment on your annual insurance premiums. You must obtain the insurance coverage described in the Franchise Agreement. We and our affiliates, officers, directors, members and agents must be named as an additional insured on these policies. Your cost of insurance may vary depending on the insurer, the location of your Pickleball Kingdom Business, your claims history, and other factors.

(9) We provide initial training to your initial Operating Partner, initial General Manager (if different), and up to one other person at no additional charge. Therefore, these amounts include only your out-of-pocket costs for the training of these people. We may, at our option, charge you a fee of $1,000 per day for each additional person attending the initial training program. You must pay all expenses that you and your employees incur in connection with attending the initial training program, like travel, lodging, meals and wages. These costs will vary depending upon your selection of salary levels, lodging and dining facilities, and mode and distance of transportation.

(10) You must carry out a grand opening promotion, including digital marketing services from an approved vendor, for the Pickleball Kingdom Business in compliance with our written specifications during the period beginning 60 days before the Pickleball Kingdom Business' opening date and ending 30 days after the opening date. We must approve all advertising items, methods and media.

(11) You will need additional funds during the start-up phase of your business to pay employees, purchase supplies and pay other expenses, including use of a music streaming service approved by us. We estimate the start-up phase to be 3 months from the date you open for business. These amounts do not include any estimates for debt service. You must also pay the royalty and other related fees described in Item 6 of this Disclosure Document. Your actual costs will depend on factors like your management skills, experience and business acumen. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves. We relied on the experience of our affiliates in establishing the company-owned Pickleball Kingdom Business to compile these estimates. You should review these figures carefully with your business advisor.

At the present time, we have no plans to increase payments we control.

We do not offer any financing for your initial franchise fee or any portion of your initial investment. None of the amounts described above are refundable.

MULTI-UNIT DEVELOPMENT AGREEMENT

Expenditure (Note 1)	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Multi-Unit Development Fee (Note 2)	$150,000	Lump Sum	Upon entering into Multi-Unit Development Agreement	Us
Initial Investment for Your Initial Franchised Business (minus Initial Franchise Fee) (Note 3)	$938,800 - $2,414,297	See FRANCHISE AGREEMENT table above in this Item 7.		
TOTAL (Note 4)	**$1,088,800 - $2,564297**			

Note 1 - Generally: The estimates set forth in this table assume that you will be entering into a Multi-Unit Development Agreement for the right to open and operate either three or five franchised businesses within a Development Area and includes the cost of opening the first franchised business.

Note 2 – Development Fee: The Development Fee will be $150,000 (for development of three Pickleball Kingdom businesses). We do not generally intend to offer rights for the development of more than three Pickleball Kingdom businesses.

Note 3 – Initial Investment for First Franchised Business: The figure in this row represents the estimated initial investment required to open your first franchised businesses under a Franchise Agreement (other than initial franchise fee, which is accounted for in the prior row of the table).

Note 4 – Multi-Unit Developer Initial Investment: Other than the Development Fee, these figures do not include the costs associated with opening a second or subsequent franchised businesses, which will incur additional costs per businesses.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure a uniform image and uniform quality of services and products at Pickleball Kingdom Businesses in conjunction with the System, you must maintain and comply with our quality

standards and specifications. You must equip and decorate each of your Pickleball Kingdom Businesses in accordance with our then-current approved specifications and standards pertaining to equipment, furniture, fixtures and trade dress, and you must purchase certain items from suppliers that we approve or designate (which may include us or our affiliates). In addition to meeting our specifications and standards, it is solely your responsibility to ensure that your Pickleball Kingdom Business complies with all local, state and federal laws, building code requirements, the Occupational Safety and Health Act, and the Americans with Disabilities Act (ADA).

Required Purchases From Us and/or our Affiliates

Branded Items

You will be required to purchase certain Pickleball Kingdom branded items, including, but not limited to, paper products, clothing/uniforms, hats, towels, pens, water bottles, various promotional items, etc. only from us (or our designated supplier if we appoint one in the future) throughout the term of your Franchise Agreement. These items must be used, and offered for sale as required by us, at your Pickleball Kingdom Business at all times. From time to time, we may, in our sole discretion, modify such products as we deem appropriate, and we may add or delete products from the list of required products that you must keep in stock and offer for sale.

Except for the branded items described in the paragraph above, franchisees are not currently required to purchase any items directly from us or our affiliates.

Other Items

We reserve the right to impose additional sourcing/supplier requirements for certain items that must be used in the operation of, or sold at, your Pickleball Kingdom Business, and we reserve the right to require you to purchase some or all of such items from us, our affiliates or other third-party designated suppliers.

Designated Suppliers

We reserve the right to designate specific third-party suppliers for the products and services used in, and sold at, your Pickleball Kingdom Businesses. We also reserve the right to change or add designated suppliers from time to time at our option upon written notice to you. The designated supplier list and the approved products list may be modified by us from time to time, at our option, upon written notice to you.

As of the date of this Disclosure Document, we have identified the following designated sources for certain products and services that you must purchase and use in connection with the establishment and operation of your Pickleball Kingdom Business.

Site Development and Architectural Services

You currently have no obligation to purchase or lease from us or our affiliates the real estate used in establishing your Pickleball Kingdom Business, but we will provide you with copies of our prototypical designs manual and specifications package for a Pickleball Kingdom Business (collectively, the "Design Manual and Prototypes"), and you must, at your expense, hire, and coordinate with, a

construction services vendor and architectural services vendor approved by us to adapt the Design Manual and Prototypes as needed to prepare tailored architectural plans and drawings specific to your Pickleball Kingdom Business space. We reserve the right to designate a single required vendor that you must use for your construction services vendor and architectural services.

Pickleball Equipment

You must purchase certain types of pickleball equipment meeting our standards to be used in your Pickleball Kingdom Business, including, but not limited to, pickleballs, pickleball paddles, shirts, skirts, leggings, goggles and bags, only from our approved suppliers. You must keep all equipment in good working order in compliance with our standards and specifications, and you must periodically replace any equipment that no longer meets our standards and specifications.

Point-of-Sale and Booking/Scheduling System (Computer Hardware and Software)

You must use only the PodPlay system (booking and video capture), which is our mandatory, approved point-of-sale and booking/video capture/scheduling system, at your Pickleball Kingdom Business, and such system must be purchased from PodPlay Technologies. The required point-of-sale system includes both hardware and software and must be used for all billing, customer booking/scheduling, record/data retention, sales transactions and processing, etc.

Accounting Software

You will be required to use QuickBooks Online accounting software, and you must designate us as a custom user on your QuickBooks account, which will give us access to all of your financial records, sales transactions, customer information, etc.

Marketing Services

You must use a digital marketing firm designated by us for your on-line marketing activities, including social media services, digital advertising, etc., provided that we may change or add required marketing vendors from time to time upon written notice to you.

Video Camera System

You must install and maintain an approved video camera system at your Pickleball Kingdom Business, and we currently require franchisees to use only the PodPlay system (booking and video capture), which must be purchased from PodPlay Technologies.

Music Streaming Services

You must use a music streaming service designated by us for use in your Pickleball Kingdom Business, provided that we may change or add approved vendors for music streaming from time to time upon written notice to you.

Signage and Trade Dress

You must purchase all signs (both interior and exterior) and certain trade dress items from our designated suppliers, which may change from time to time.

Changes to Designated Suppliers

We reserve the right to add, remove or otherwise change designated sources for any products or services in our sole discretion at any time. For example, we may elect to designate required vendors for various items, such as light fixtures, furniture, interior artwork, interior or exterior signage or other products or services in the future. Therefore, the lists of designated suppliers and approved products and services may be modified by us from time to time, at our option, upon written notice to you.

Approved Suppliers

If we have approved suppliers (including manufacturers, distributors and other sources) for any inventory, supplies, materials, fixtures, furnishings, equipment, computer systems and other products or services used or offered for sale at your Pickleball Kingdom Business, you must obtain these items and services from those suppliers. Approved suppliers are those who demonstrate on a continuing basis the ability to meet our then-current standards and specifications, who have adequate quality controls and the capacity to supply the needs of our franchise network promptly and reliably, whom we have approved in writing and whom we have not later disapproved. We may designate ourselves or our affiliates as approved or designated suppliers of any item. Before opening your Pickleball Kingdom Business (and from time to time as needed during operation of your Pickleball Kingdom Business), you must purchase certain items required for the operation of a Pickleball Kingdom Business only from our approved suppliers.

We have the right to make available to you for resale in your Pickleball Kingdom Business certain merchandise identifying the System. This may include Pickleball Kingdom memorabilia, like T-shirts, hats, etc. If we make this type of merchandise available, we may require you to purchase it from us, our affiliate or a supplier we designate in amounts necessary to meet your customer demand.

If we require that an item be purchased from an approved supplier and you wish to purchase it from a supplier we have not approved, you must submit to us a written request for approval. You must not purchase or lease the item from the supplier until and unless we have approved the supplier in writing. We have the right to require you to submit information, specifications and samples to us to enable us to determine whether the item complies with our standards and specifications and that the supplier meets our criteria. We also have the right to inspect the supplier's facilities, and to have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial compatibility, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We may re-inspect the facilities and products of any approved supplier, and we may revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. If we revoke our approval of any supplier, you must promptly discontinue use of that supplier. You must pay for all costs of any inspections and tests (including our administrative expenses and any other costs we incur in connection with the evaluation of your proposed supplier or product). Nothing requires us to approve any particular supplier, and we are not required to notify you of our approval or disapproval within any specified period of time. Our specifications for products and criteria for supplier approval are generally issued through written communications and are available to franchisees and approved suppliers.

Purchases According to Specifications

You must comply with all of our standards and specifications relating to the purchase of signage, décor items, supplies, materials, fixtures, furnishings, equipment, computer systems and other items and services used or offered for sale at your Pickleball Kingdom Business. Among other things, the following must comply with our specifications:

Site Selection and Construction

You must locate and obtain a site for your Pickleball Kingdom Business that satisfies our site selection requirements within three (3) months after signing the Franchise Agreement. You must submit to us a complete set of final plans, and begin the construction and equipping of the Pickleball Kingdom Business within four (4) months after signing the Franchise Agreement. You must complete construction of the Pickleball Kingdom Business and commence operations within twelve (12) months after signing the Franchise Agreement, unless you obtain a written extension of such time period from us.

Advertising and Promotional Materials

Any advertising, promotion and marketing you conduct must be completely clear and factual (i.e. not misleading) and must conform to the highest standards of ethical marketing and the promotion policies that we prescribe periodically. Samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted to us for approval at least 20 days before you use them, or deliver them to a third party for use, in any advertisement. If you do not receive written approval within 15 days after our receipt of such materials, we will be deemed to have disapproved such materials.

Insurance

You must obtain and maintain insurance policies protecting you and us and various related parties against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense related to or connected with the operation of your Pickleball Kingdom Business. All policies must be written by a responsible insurance carrier or carriers rated "A" or better by the A.M. Best Company, Inc., and all policies must name us and our affiliates, officers, directors, members and agents as additional insureds on the policies. Copies of your certificates of insurance must be promptly sent to us upon our request. At a minimum (except as additional coverages and higher policy limits may reasonably be specified by us from time to time in writing), you must carry: (1) comprehensive general liability insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability, cyber security liability, and fire damage coverage, in the amount of $1,000,000 combined single limit per occurrence, $2,000,000 general aggregate; (2) employment related practices liability insurance, including third party coverage, in an amount not less than $1,000,000 per occurrence and $1,000,000 aggregate, with a deductible of less than $10,000 unless we approve a higher deductible in writing; (3) "all risks" property insurance coverage to include coverage for replacement costs of the premises and all franchisee-owned contents and tenant improvements at each location; (4) business interruption insurance for a period adequate to re-establish normal business operations, not to be less than 12 months; (5) automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than $1,000,000 per accident; (6) an "umbrella" policy providing excess coverage with limits of not less than $2,000,000 per

occurrence and $2,000,000 aggregate, which must be excess to the general liability and automobile liability coverage required herein; (7) workers' compensation (Coverage A) with statutory limits complying with the laws of the applicable state, and employer's liability (Coverage B) with limits not less than $1,000,000 per accident, $1,000,000 disease policy limit, and $1,000,000 disease per employee (such insurance policies shall include a waiver of subrogation endorsement in favor of us); (8) if applicable, insurance coverage for liquor liability in an amount not less than $1,000,000 per person/per occurrence and $2,000,000 aggregate, provided that this coverage may be included as part of your commercial general liability insurance; and (9) such other insurance as may be required by us from time to time or by the landlord of your Pickleball Kingdom Business premises at, and by the state or locality in, which your Pickleball Kingdom Business is located.

Purchasing Arrangements

Neither we nor our affiliates had any revenues from the sale of products or services to franchisees in the fiscal year ended December 31, 2025, nor did we or our affiliates receive any rebates, refunds or other payments from any designated sources because of transactions with our franchisees during such time period, but we reserve the right to do so in the future.

In the future, we may negotiate certain purchase arrangements (including price terms) for the purchase of certain items, such as logoed memorabilia, pickleball equipment, paper products, etc. with suppliers for the benefit of franchisees. In doing so, we seek to promote the overall interests of our franchise system and our interests as the franchisor. We or our affiliates may receive rebates or other material consideration from approved or designated sources, but we do not currently receive any payments, rebates, refunds or other material consideration from third party suppliers based on purchases or leases by franchisees. We will not provide material benefits to franchisees based upon their use of designated or approved suppliers. There are currently no purchasing or distribution cooperatives for the System.

We estimate that your total initial required purchases will range between 70% and 80% of the cost of your initial purchases or leases. We estimate your required purchases for the operation of your Pickleball Kingdom Business will range between 70% and 80% of your annual purchases or leases.

Except for ownership in us and our affiliates, none of our officers own an interest in any privately-held suppliers or any material interest in any publicly-held suppliers of our franchise system. From time to time our officers may own non-material interests in publicly-held companies that may be suppliers to our franchise system.

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.

Obligation	Section in Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Section III.A. of Franchise Agreement Section 6.7 of Development Agreement	Items 8 and 11
b. Pre-opening purchases/leases	Sections III., VIII., IX. and XIII. of Franchise Agreement Section 6.7 of Development Agreement	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	Sections III., VII. and VIII. of Franchise Agreement Section 3 of Development Agreement	Items 1, 7, 8 and 11
d. Initial and ongoing training	Sections VI.B. and VIII.A. of Franchise Agreement Section 6.6 of Development Agreement	Items 6, 7 and 11
e. Opening	Sections III., IX.F. and Exhibit C of Franchise Agreement Section 3 of Development Agreement	Items 7 and 11

Obligation	Section in Agreement	Item in Disclosure Document
f. Fees	Sections V. and IX. of Franchise Agreement Section 2 of Development Agreement	Items 5, 6 and 11
g. Compliance with standards and policies/operating manuals	Sections III., IV., VII., VIII., IX., X., XI., XII., XIII. of Franchise Agreement Sections 3 and 9 of Development Agreement	Items 8, 11, 14 and 16
h. Trademarks and proprietary information	Sections X. and XI. and Exhibit B of Franchise Agreement Attachment B of Development Agreement	Items 11, 13 and 14
i. Restrictions on products/services offered	Section VIII. of Franchise Agreement	Items 8 and 16
j. Warranty and customer service requirements	Section VIII.H. of Franchise Agreement	Item 16
k. Territorial development and sales quotas	Section 3 of Development Agreement	Item 12
l. Ongoing product/service purchases	Sections VIII. and IX. of Franchise Agreement	Items 8, 11 and 16
m. Maintenance, appearance and remodeling requirements	Sections IV. and VIII. of Franchise Agreement	Item 8

Obligation	Section in Agreement	Item in Disclosure Document
n. Insurance	Section XIII. of Franchise Agreement	Items 7 and 8
o. Advertising	Section IX. of Franchise Agreement	Items 6, 8 and 11
p. Indemnification	Section XVI. of Franchise Agreement Section 11 of Development Agreement	Item 6
q. Owner's participation/ management/staffing	Sections VII. and VIII. of Franchise Agreement Section 6 of Development Agreement	Items 1, 11 and 15
r. Records and reports	Sections III., V., IX. and XII. of Franchise Agreement	Item 11
s. Inspections and audits	Sections III., VI., VIII. and XII. of Franchise Agreement	Items 6, 8 and 11
t. Transfer	Section XV. of Franchise Agreement Section 8 of Development Agreement	Items 6, 12 and 17
u. Renewal	Section IV. of Franchise Agreement Section 3 of Development Agreement	Items 6, 12 and 17

Obligation	Section in Agreement	Item in Disclosure Document
v. Post-termination obligations	Section XIX. of Franchise Agreement Section 7.6 of Development Agreement	Item 17
w. Noncompetition covenants	Section XI. and Exhibit B of Franchise Agreement Section 9 and Attachment B of Development Agreement	Item 17
x. Dispute resolution	Section XX.F. of Franchise Agreement Section12.6 of Development Agreement	Item 17

ITEM 10

FINANCING

We do not offer direct or indirect financing, and we do not guarantee your notes, leases or other obligations.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations: Before you open your Pickleball Kingdom Business, we or our designee will:

1. Share our site selection guidelines and give you the site selection assistance we believe to be necessary. (Section III.A. of Franchise Agreement and Section 5.1 of Development Agreement);

2. Review your proposed site for compliance with our site selection guidelines and accept or not accept the site and your proposed lease or contract of sale within 14 days after receiving your complete site information. (Section III.A. of Franchise Agreement);

3. Provide access to our Manual (which will be provided in electronic format only). (Franchise Agreement, Section VI.A.);

4. Provide you a list of approved suppliers and equipment/supplies (but we do not deliver or install any equipment, signs, fixtures, opening inventory or supplies). (Franchise Agreement, Section VI.I.);

5. Conduct an initial training program. (Franchise Agreement, Sections VI.B. and VIII.A.); and

6. Provide you on-site opening assistance. (Franchise Agreement, Section VI.C.).

Post-Opening Obligations: During the operation of your Pickleball Kingdom Business, we will:

1. Conduct periodic evaluations of your operations. (Franchise Agreement, Section VI.E.)

2. We will administer an advertising fund and provide any advertising and promotional materials we develop for local advertising. (Franchise Agreement, Sections VI.F. and IX.)

3. Give you any advice and written materials we may develop on the techniques of managing and operating Pickleball Kingdom Businesses. We are not obligated to advise or assist you regarding the prices to be charged to your customers, but we reserve the right, to the fullest extent allowed by applicable law, to advise you regarding maximum or minimum prices to be charged. (Franchise Agreement, Section VI.G.)

4. At our discretion, make available to you any merchandise we develop or approve for resale. (Franchise Agreement, Section VI.H.)

5. Give you updated lists of approved suppliers as we deem appropriate. (Franchise Agreement, Section VI.I.)

6. Provide additional training programs and seminars at our option. (Franchise Agreement, Sections VI.B. and VIII.A.)

7. Provide to you, on loan, proprietary software programs (if any) as may be developed by us or on our behalf for use in the System. We reserve the right to charge reasonable license fees. (Franchise Agreement, Section VI.D.)

Site Selection and Construction

You must identify and secure a site for your Pickleball Kingdom Business within a non-exclusive Designated Search Area. We do not typically own the sites leased by our franchisees. You must locate and obtain a site for your Pickleball Kingdom Business that satisfies our site selection requirements within three (3) months after signing the Franchise Agreement. If you fail to meet such deadline but you are, in our reasonable discretion, making a diligent good faith effort to obtain an acceptable location then we may, at our option, grant you a 30-day cure period to find, and obtain possession of, an acceptable location. If you have not obtained a location acceptable to us within three (3) months after signing the

Franchise Agreement (plus a 30-day cure period, if granted by us), such failure will constitute a material default under the Franchise Agreement, and your Franchise Agreement may be terminated at our option.

In reviewing your proposed site, we consider various factors, including the condition of the site, the location of the site, population, and other demographic factors that make up our site selection standards. We must accept the site as meeting our standards before you may begin any construction or renovations or use such site for your Pickleball Kingdom Business. You cannot place a Pickleball Kingdom Business at a site we have not first accepted in writing. We share our site selection guidelines to assist you in selecting a site that meets our guidelines. (Section III.A. of Franchise Agreement) Your failure to obtain a site that we accept and open your Pickleball Kingdom Business within the specified time period is a default under the Franchise Agreement for which we may terminate your Franchise Agreement.

When you identify a proposed site, you must submit to us a site submission package, which will include, among other things, a description of the site, evidence that the site satisfies our site selection guidelines, and all other specific information required by us. You will also be required to submit a copy of the proposed lease (which incorporates a rider in substantially the form of Exhibit G to the Franchise Agreement) or contract of sale for the site, and any other information we may require.

We have 14 calendar days after we receive all required information from you to review and accept or not accept your proposed site and lease or contract of sale, but we will make reasonable efforts to respond within 14 calendar days. If we fail to respond to you within such 14-day time period, then your proposed site will be deemed to be rejected. If we accept multiple sites, you must notify us, within 5 days of our acceptance, as to the site that you intend to acquire for the Pickleball Kingdom Business. (Section III.A. of Franchise Agreement)

Promptly following our acceptance of the site, you must enter into a lease or contract of sale for the site. You must provide us with a copy of the signed lease or contract of sale within 10 days of signing it. (Section III.A. of Franchise Agreement)

If you are developing multiple Pickleball Kingdom Businesses pursuant to a Multi-Unit Development Agreement, we will use the same site selection/evaluation criteria (and same timelines) described above in this Item 11 when evaluating each of your proposed sites, provided that your proposed sites must each be within your applicable development territory, as described in your Multi-Unit Development Agreement.

You are responsible for obtaining all zoning classifications and clearances which may be required by any laws, ordinances, regulations, or restrictive covenants relating to the construction and operation of the Pickleball Kingdom Business, and you must conform the premises as needed to comply with any local ordinances and building codes at your expense. (Franchise Agreement, Section III.C.) Before beginning construction of the Pickleball Kingdom Business, you must (i) obtain all approvals, clearances, permits, licenses and certifications required for the lawful construction or remodeling and operation of the Pickleball Kingdom Business, and (ii) certify in writing to us that they have been obtained and that the insurance coverage required under the Franchise Agreement is in full force and effect. (Franchise Agreement, Section III.C.)

You must obtain, at your expense, any architectural, engineering, design, construction and other services you deem necessary for the construction of the Pickleball Kingdom Business. The architect(s)

and engineer(s) selected to plan and oversee construction of your Pickleball Kingdom Business must be approved by us before beginning their work on the Pickleball Kingdom Business. We may, but are not obligated to, provide you a list of approved architect(s) and engineer(s), and we recommend, but do not require, that you obtain at least 3 quotes before selecting any architects or engineers. (Franchise Agreement, Section III.D.)

You must adapt our prototypical architectural and design plans as needed for the construction or remodeling of your Pickleball Kingdom Business and provide them to us for review. You must submit your plans to us for review within 30 days after you acquire the franchise location, and we will make reasonable efforts to notify you of our objections within 14 days after we receive your plans, provided that if we fail to provide our objections within that time period, we may later notify you of objections, and in any event you must request and obtain our written consent before you use the plans for any purpose. Any objections we make will also include a reasonably detailed list of changes that you must make for the plans to be acceptable. You must submit the revised plans to us, and we will make reasonable efforts to notify you within 14 days after we receive your revised plans if they are acceptable, provided that if we fail to provide our objections within that time period, we may later notify you of objections, and in any event you must request and obtain our written consent before you use the revised plans for any purpose. Our review of the plans is only for the purpose of determining compliance with System standards. We are not responsible for any errors, omissions or discrepancies of any nature in the plans or for the plans' compliance with any applicable local, state or federal laws, ordinances or regulations (Franchise Agreement, Section III.D.)

We estimate that it will be approximately 6 to 9 months from the time you sign the Franchise Agreement to the time you begin operations. This time period may be shorter or longer depending on the modifications that must be made to the site to accommodate your Pickleball Kingdom Business and other factors, such as delays or difficulties in obtaining financing, building permits, zoning and local ordinances, weather conditions, shortages of materials or delayed installation of equipment, fixtures or signs. You must begin construction of your Pickleball Kingdom Business within four (4) months after signing the Franchise Agreement and begin operating the business within twelve (12) months after signing the Franchise Agreement, unless we give you a written extension. Failure to meet these deadlines may result in termination of your Franchise Agreement (Franchise Agreement, Section III.E and F.)

Advertising

Grand Opening Advertising

You must participate in a grand opening promotion and all advertising and sales promotion programs that we may authorize or develop for Pickleball Kingdom Businesses. During the period beginning 60 days prior to your business' initial opening and ending 30 days after the opening date (the "Grand Opening Period"), you must carry out a Grand Opening Period promotion in accordance with our standards. You must spend at least $15,000 on advertising and promoting your Pickleball Kingdom Business during the Grand Opening Period. We will assist you in organizing your Grand Opening Period promotions, and we must approve all advertising items, methods and media you use in connection with such Grand Opening Period promotions. Your grand opening promotion costs are in addition to the required local advertising expenditures described below (Franchise Agreement, Section IX.D., F.)

Local Advertising

You must spend at least $1,000 per month for local advertising and promotion of the Pickleball Kingdom Business in the Protected Area (except that your first month of operation is covered by the Grand Opening advertising requirement). In our sole discretion on not less than 30 days' written notice, we may increase the amount you must spend on local marketing in the Protected Area; provided, however, that we may increase this requirement no more than once per year (with each increase limited to 10% per year).

You must submit to us any reports (including substantiating receipts) detailing your local advertising expenditures that we may require. We may reallocate the proportion of those monies directed to local advertising (individually or through a Cooperative) and to the Fund. (Franchise Agreement, Section IX.)

You must place and pay the cost of a business listing acceptable to us, which may, at our option, be an Internet business listing, in such directories and categories as we may specify from time to time in the Manuals or otherwise in writing. We will not credit your payments for these listings towards your local advertising expenditure requirement. (Franchise Agreement, Section IX.G.)

All advertising and promotions you place in any medium must be conducted professionally, must conform to our standards and requirements and must be approved by us before use, as described in Item 8.

You may not advertise, promote, post or list information relating to the Pickleball Kingdom Business on the Internet (through the creation of a Website or otherwise) without our consent, but we may, at our option, decide to include information about your Pickleball Kingdom Business on our Website.

Advertising Cooperatives

We may, at our option, designate any geographic area in which 2 or more company-owned or franchised Pickleball Kingdom Businesses are located as a region for an advertising cooperative ("Cooperative"). We may require Cooperatives to be formed, changed, dissolved or merged from time to time. If we do form a Cooperative, the Cooperative must be organized and governed as we determine. Any Cooperatives we authorize will be for the exclusive purpose of administering advertising programs and developing promotional materials for members in local advertising. If a Cooperative is established for an area that includes your Protected Area, we will make available to you a copy of the written governing documents for such Cooperative, and you must become a member of the Cooperative and participate in the Cooperative by contributing the amounts required by the Cooperative's governing documents (which, at our option, could be up to 50% of your individual local advertising requirement). Your Cooperative contributions will be applied toward partial satisfaction of your individual local advertising requirements. You must also submit to the Cooperative and to us all statements and reports that we, or the Cooperative, may require. Cooperative contributions will be maintained and administered under the Cooperative's governing documents, and the Cooperative will be operated solely as a conduit for the collection and expenditure of advertising contributions. Unaudited financial statements detailing the Cooperative's financial activities will be made available to its members on an annual basis. If any Pickleball Kingdom Businesses owned by us or our affiliates are located within a Cooperative area, those

businesses will contribute to the applicable Cooperative on the same basis as a franchisee. (Franchise Agreement, Section IX.B.)

Advertising Fund and Regional Advertising

In addition to local advertising (individually or through a Cooperative), we have established an advertising fund ("Fund") to promote and market the Pickleball Kingdom Businesses. You are currently required to make bi-weekly contributions to the Fund equal to two percent (2%) of your Gross Sales; however, we may increase the required contributions up to a maximum of four percent (4%) of your Gross Sales on not less than 30 days' written notice to you. Your required contributions to the Fund are in addition to amounts you are required to spend for local advertising.

We or someone we designate will administer the Fund. The Fund is not a trust or escrow account, and we do not have any fiduciary obligations with respect to the Fund. We will direct all programs financed by the Fund, including the creative concepts, materials, endorsements, and the geographic market and media placement and allocation thereof. We may use the Fund to satisfy the costs of producing video, audio and written advertising materials; administering regional and multi-regional advertising programs; developing and maintaining an Internet website; developing and maintaining gift card, membership and other customer loyalty programs; and supporting public relations, market research and other advertising, promotion and marketing activities.

We are not required to spend any minimum amount on advertising in your area or make expenditures for you that are equivalent or proportionate to your Fund contributions or to ensure that any particular franchisee benefits directly or in proportion to its contributions to the Fund. Except for a portion of the Fund spent on Website development and maintenance (a portion of which may include soliciting the sale of franchises using the Website), the Fund is not used to solicit the sale of franchises. Pickleball Kingdom Businesses owned by us and our affiliates may, but are not required to, contribute to the Fund on the same basis as a franchisee under the terms of a standard franchise agreement for a Pickleball Kingdom Business.

We anticipate that Fund advertising will be conducted primarily through electronic or print media on a regional basis, and that the majority of our advertising will initially be developed in-house. We may use the Fund to directly place advertising in your local or regional market; however, we also intend to use the Fund to create and prepare marketing materials or advertising programs that will be provided to you so that you may directly place or implement such materials or programs in your local or regional market. Any amounts that you spend to place or implement advertising created by the Fund in your local or regional market will be credited towards your local advertising obligations.

We will not use your Fund contributions to defray any of our operating expenses, except for any reasonable salaries (including salaries paid to our marketing staff members), administrative costs, travel expenses and overhead that we may incur in administering the Fund and its programs. We will prepare an annual statement of the Fund's operations and will make it available to you if you request it. Any amounts in the Fund that are not spent in the fiscal year in which they accrue will be applied toward advertising activities or our expenses incurred in administering the Fund and its programs in the following fiscal year. We are not required to have the Fund statements audited.

We may terminate the Fund at any time on 30 days prior written notice to you. If we terminate the Fund, all unspent monies will be distributed to the contributors in proportion to their respective contributions during the preceding 12-month period. (Franchise Agreement, Section IX.C.)

In the fiscal year ended December 31, 2025, we collected Fund contributions from our operational franchisees and spent Fund monies as follows during the last fiscal year: 2% on production, 42% on media placement, 9% on administrative expenses, and 48% on marketing technology.

We presently do not have an advertising council.

Computer and POS Systems

You must purchase, install and at all times use our designated point-of-sale (POS) computer system at your Pickleball Kingdom Business. If the POS computer system is updated or modified by the manufacturer from time to time you may be required to purchase the modified or upgraded version. You must also install and maintain at least two POS devices/terminals that are capable of running the required point of sale software. The POS software is used to generate, compile, store and manage Pickleball Kingdom Business sales information. You must purchase this software and the related point of sale hardware from a supplier approved by us. The POS system costs approximately $4,800 to $7,300, depending on the number of devices/terminals needed for your Pickleball Kingdom Business and whether you wish to have a central office terminal for tracking information for multiple businesses. We reserve the right to require you to pay a periodic helpdesk/maintenance services fee to an approved maintenance and support vendor in connection with maintaining and updating your POS system, and we currently require you to spend approximately $399 per month for POS support plus $1,000 per month for the required video capture system) on support/maintenance services provided by our designated POS system supplier.

You must also install and maintain a computer at the Pickleball Kingdom Business that has Internet access via high speed internet connection, is capable of running the software we require from time to time and is able to transmit and receive e-mails. We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by Pickleball Kingdom Businesses.

Except as stated above, neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades or updates to your hardware or software. Except as stated above, there are currently no optional or required maintenance/upgrade contracts for the point of sale or computer system. The software programs, point of sale systems and computer hardware used at Pickleball Kingdom Businesses are designed to enable us to have independent access to the information generated and stored by the system at all times, and there is no contractual limitation on our access to, or use of, the information we obtain from your point of sale and computer systems.

We may revise our specifications for the hardware and any software used in the Pickleball Kingdom Business as we deem necessary, including the designation of specific brands or models of POS or accounting software or other software used for word processing, spreadsheets and other office functions, that you must use in the operation of your Pickleball Kingdom Business. In addition, you must update and upgrade the hardware and software described in Item 8 from time to time as we require, and you must install any other hardware or software for the operation of the Pickleball Kingdom Business that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades. The licensors of the required software may develop enhancements and upgrades for their

programs that you may be required to obtain. We cannot estimate how often those licensors may develop updates, upgrades or enhancements, or whether we will require you to obtain them, or their cost to you. There are, however, no limitations on the frequency and cost of the updates, upgrades or enhancements.

Confidential Operations Manuals

After you sign the Franchise Agreement, we will give you access to our Manuals (which may be provided only in electronic format, at our option). A copy of the table of contents of the Manuals (containing approximately 151 total pages) is attached as Exhibit F to this Disclosure Document. We consider the contents of the Manuals to be proprietary, and you must treat them as confidential. You may not make any copies of the Manuals.

Training

Before the Opening Date of your Pickleball Kingdom Business, your Operating Partner, General Manager (if different from the Operating Partner), and at least one additional person must have attended and completed our initial management training program to our satisfaction. (Franchise Agreement, Section VIII.A. and Section 6.6 of Development Agreement)

Initial training is conducted in Gilbert, Arizona (or other location designated by us from time to time upon notice to you). We provide instructors and training materials at no charge, but you must pay all expenses you and your personnel incur in connection with initial training, including costs of travel, lodging, meals and wages. Any successor or replacement Operating Partner, General Manager or assistant manager must successfully complete our management training program within a reasonable time after such persons are designated, provided that each successor or replacement must successfully complete training no more than sixty (60) days after the date on which his or her predecessor ceased to be employed by you (or ceased to serve as Operating Partner, as applicable). We may charge training fees for training all successor or replacement personnel (currently a daily rate of $1,000 for each additional person receiving training). (Franchise Agreement, Section VIII.A. and Section 6.6 of Development Agreement)

The materials used in training include the Manuals as well as other presentation materials, including power point presentations. Our training will be directed by Jeff Dunlap, our Vice President of Operations and Development, who has worked for Pickleball Kingdom since August 2024 (and began working in this industry in August 2024). The training program will be conducted by qualified members of our staff, including management personnel and employees with at least six months of experience with us or in the pickleball industry. We may also draw upon the experience of other training professionals.

Our initial training program is offered as needed during the year depending on the number of new franchisees entering the System, the number of other personnel needing training, and the scheduled opening of new Pickleball Kingdom Businesses. The subjects covered and other information relevant to our initial training program are described below.

TRAINING PROGRAM[1]

Subject	Classroom Training Hours	On-the-Job Training Hours	Location
The Mission & Values of the Kingdom	1	-	Our facilities in Arizona
The Kingdom's Secret Sauce	1	1	Our facilities in Arizona
Pre-Launch Strategy	1	-	Our facilities in Arizona
Post-Launch Strategy	1	-	Our facilities in Arizona
Pickleball Programming (Tournaments, Leagues, Coaching, etc.)	2	4	Our facilities in Arizona and on-site
POS / Booking	2	6	Our facilities in Arizona and on-site
Pro Shop	0.5	1	Our facilities in Arizona and on-site
Inventory Management	1	1	Our facilities in Arizona and on-site
Front Desk Management	1	3	Our facilities in Arizona and on-site
Court Management	0.5	1	Our facilities in Arizona and on-site
Facility Design	0.5	-	Our facilities in Arizona
Marketing	3	1	Our facilities in Arizona and on-site
Events	1	1	Our facilities in Arizona and on-site
Finance	1	-	Our facilities in Arizona
Inventory Management	1	1	Our facilities in Arizona and on-site
Club Operation	1	7	Our facilities in Arizona and on-site
Media Training	1	1	Our facilities in Arizona
Vendor Management	0.5	-	Our facilities in Arizona
TOTALS	**20 hours**	**28 Hours**	

(1) Our initial training program is subject to change without notice to reflect updates in the materials, methods and manuals and changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the trainees.

We may require your Operating Partner, General Manager and Assistant Managers to attend additional training programs and seminars from time to time. We have the right to charge a reasonable fee for these additional training programs and seminars (i.e. a fee of $1,000 per day for each person receiving training/seminars at our headquarters, or $1,000 per day per trainer, plus our trainer's costs of travel, lodging and meals, if our trainer(s) conduct on-site additional training or seminars at your location). You must pay all expenses you or your personnel incur in connection with any training program or seminar, including the cost of travel, lodging, meals and wages. (Franchise Agreement, Section VIII.A.)

ITEM 12

TERRITORY

The Franchise Agreement gives you the right to operate a Pickleball Kingdom Business at a specific site we approve as meeting our site selection guidelines (the "Location"). If a specific site has not been identified and agreed upon at the time you sign your Franchise Agreement, then you must begin searching for a site for your Pickleball Kingdom Business from within a non-exclusive "Designated Search Area" identified in Exhibit C to your Franchise Agreement. The Designated Search Area will be agreed upon by you and us before your execution of the Franchise Agreement and may range from a portion of a city or an unincorporated area to a single or multi-county area.

Franchise Agreement

If you remain in compliance with the Franchise Agreement and any other agreement you have with us or our affiliates, we and our affiliates will not establish, or authorize anyone except you to establish, a Pickleball Kingdom Business in the geographic area identified as the "Protected Area" in Exhibit C of the Franchise Agreement (the "Protected Area") during the term of the Franchise Agreement. Your Protected Area will be a geographic area defined by zip codes, streets, highways, city or county limits or other boundaries we approve, and your Protected Area will include a minimum population of 100,000 people; provided that during the term of your Franchise Agreement we may, at our option, modify or reduce the boundaries of your Protected Area upon written notice to you if you fail to meet the minimum performance requirements described in this Item 12.

We determine the boundaries of each Protected Area on a case-by-case basis based on various factors, including (i) the population in the surrounding area; (ii) traffic volume and traffic patterns; (iii) proximity to retail centers, residential areas, businesses and other potential customer sources; and (iv) other site-specific data as applicable. The Protected Area will be described in Exhibit C of the Franchise Agreement.

You cannot relocate the Pickleball Kingdom Business without our consent. If you lose possession of the Location through no fault of your own, you may apply to us for our approval to relocate

your Pickleball Kingdom Business to another site in the Protected Area. Such request must include payment of the applicable relocation fee and must be submitted to us as soon as possible (but in no event longer than 10 days) after the date you discover you will be unable to continue the operation of the Pickleball Kingdom Business at the Location.

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.

You are not required to achieve any particular sales volume or market penetration or meet any other contingency to maintain your rights in the Protected Area, but we may reduce your rights in the Protected Area if you breach the Franchise Agreement or other agreement you have with us or our affiliates.

Rights of First Refusal

Except for development rights granted under a Multi-Unit Development Agreement, we generally do not grant any options, rights of first refusal or similar rights to obtain additional franchises. If you wish to obtain an additional franchise, you must enter into a separate Franchise Agreement for that franchise.

Our Reserved Rights

You must operate the Pickleball Kingdom Business only at the Location approved by us, and your advertising must be targeted at your Protected Area. You may not solicit customers outside the Protected Area through any channels of distribution (including the Internet, catalog sales, telemarketing and other direct marketing sales) without our prior written consent.

We retain all other rights. Among other things, this means we can:

(i) Operate, and license others to operate, Pickleball Kingdom Businesses at any location outside the Protected Area and in any Reserved Areas.

(ii) Develop and establish other business systems (including systems that distribute products or services similar to those offered at Pickleball Kingdom Businesses) at any location using other names or marks, and grant licenses to use those systems at any location;

(iii) Advertise and promote the System within and outside the Protected Area;

(iv) Acquire, or be acquired by, any competing system or other third party, including a competing system that has one or more units located within your Protected Area;

(v) Within and outside the Protected Area, offer and sell, and authorize others to offer and sell, any similar or dissimilar products and services (under the Marks or under other names or marks) through any channel or by any method of distribution (including the Internet, catalog sales, telemarketing and other direct marketing sales) other than a Pickleball Kingdom Business offered under this disclosure document, on any terms and conditions we deem appropriate, and without any compensation to you; and

(vi) Operate, and license others to operate, Pickleball Kingdom Businesses at any amusement parks, zoos, parks, aquariums, museums, fairs, theme parks, sports stadiums and arenas, concert venues, convention centers, theaters, casinos, highway rest stops and travel plazas, supermarkets, convenience stores, department stores, enclosed shopping centers, airports, bus stations, train stations and other public transportation facilities, hospitals or other health care facilities, schools, colleges, universities and other education facilities, hotels, office buildings, business complexes, military bases and other limited access or captive audience facilities/events and other mass gathering locations (collectively, "Reserved Areas") even if such Reserved Areas fall totally or partially inside the boundaries of your Protected Area.

Development Agreement

Under the Development Agreement, we grant you a designated development territory ("Territory"). We determine the Territory before you sign the Development Agreement based on various market and economic factors like market demographics, the penetration of Pickleball Kingdom Businesses and similar businesses in the market, the availability of appropriate sites and growth trends in the market. The Territory may be all or a portion of a city, a single or multi-county area, or some other area, and will be described in Attachment E to the Development Agreement. The Territory does not include any Reserved Areas (described above).

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.

You must develop Pickleball Kingdom businesses in the Territory in accordance with the Development Schedule described in Section 3 of the Development Agreement. You and we agree to the Development Schedule before signing the Development Agreement. If you stop operating any Pickleball Kingdom Business during the term of the Development Agreement, you must develop a replacement Pickleball Kingdom Business within a reasonable time (not to exceed 210 days) after you stop operating the original Pickleball Kingdom Business. If you transfer your interest in a Pickleball Kingdom Business during the term of the Development Agreement in compliance with the related Franchise Agreement for the Pickleball Kingdom Business, the transferred Pickleball Kingdom Business will continue to be counted in determining whether you have complied with the Development Schedule, unless the transferred business is no longer operated as a Pickleball Kingdom Business. In that case, you must develop a replacement Pickleball Kingdom Business with a reasonable time (not to exceed 210 days) after the transferred business ceases to operate as a Pickleball Kingdom Business.

If you comply with the Development Agreement and all other agreements that you or your affiliates have with use or our affiliates, then we and our affiliates will not establish, or authorize anyone except you to establish, a Pickleball Kingdom Business in the Territory during the term of the Development Agreement. We retain all other rights, including, but not limited to, the right (i) to develop and establish other business systems (including systems that distribute products or services similar to those offered at Pickleball Kingdom Businesses) using the Marks, or other names or marks, and to grant licenses to use those systems without providing any rights to you, (ii) to advertise and promote the System in the Territory, (iii) to operate, and license others to operate, Pickleball Kingdom Businesses under the Marks and the System at any location outside the Territory and in any Reserved Area within the Territory, (iv) acquire, or be acquired by, any competing system or other third party, including a competing system that has one or more units located within your Territory, and (v) except for the

restriction set forth in the Development Agreement against the establishment of another Pickleball Kingdom Business in the Territory during the term hereof, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license and sale of any and all services and products, under the Marks, or under other names or marks, within and outside the Territory, through any method of distribution, including, but not limited to, mail order catalogs, the Internet, or any channel or method of distribution other than a Pickleball Kingdom Business offered under this disclosure document, on any terms and conditions we deem appropriate, regardless of the proximity to, or the competitive impact on, your operations in the Territory.

If you fail to comply with the Development Schedule, or otherwise materially default under the Development Agreement, then we may (in addition to our other remedies) terminate or modify your territorial rights, reduce the area of territorial rights, or reduce the number of Pickleball Kingdom Businesses that you may establish. When the Development Agreement expires or is terminated, you cannot develop additional Pickleball Kingdom Businesses in the Territory (but you may complete development of and/or operate Pickleball Kingdom Businesses under then-existing Franchise Agreements), and we may develop or authorize others to develop Pickleball Kingdom Businesses in the Territory and exercise all rights not expressly granted to you under your Franchise Agreements.

Except as described above, continuation of any territorial protection does not depend on the achievement of a certain sales volume, market penetration, or other contingency and we may not alter your Territory.

Neither we nor our affiliates have established or have present plans to establish franchises, company-owned outlets or other channels of distribution offering and selling products and services similar to those to be offered by you under different trademarks. There are, however, no restrictions in the Franchise Agreement that would prohibit us from doing so.

You may use the Internet to advertise only on our website and only to the extent expressly permitted under, and in compliance with, the Franchise Agreement.

ITEM 13

TRADEMARKS

The Franchise Agreement gives you a license to operate a Pickleball Kingdom Business under the mark "Pickleball Kingdom" and to use any future Marks we authorize. The Development Agreement does not grant you any rights to use, or interest in, the Marks.

Our affiliate, Pickleball Kingdom Holdings, LLC, has registered the following Marks with the U.S. Patent and Trademark Office on the Principal Register based on our affiliate's actual use of such Marks. At the appropriate times, Pickleball Kingdom Holdings, LLC intends to renew the registrations and to file all appropriate affidavits.

Mark	Register	Registration Number	Registration Date	Serial Number	Application Date
PICKLEBALL KINGDOM	Principal	7954318	September 23, 2025	97540657	August 9, 2022
PICKLEBALL KINGDOM logo	Principal	7954319	September 23, 2025	97541537	August 9, 2022

There is no presently effective determination of the U.S. Patent and Trademark Office ("USPTO"), the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court which is relevant to the ownership, use or licensing of the Marks. In connection with our affiliate's USPTO trademark applications, our affiliate, Pickleball Kingdom Holdings, LLC, initiated a cancellation action against a third party, Pickleball Holdings LLC, which is the owner of a U.S. trademark registration for the term "PICKLE-BALL", and in response to such action, Pickleball Holdings, LLC agreed to enter into a consent agreement with our affiliate which allows our affiliate to proceed with registration of the Marks without interference from Pickleball Holdings LLC. The U.S. Patent and Trademark Office has accepted that consent agreement and withdrawn all objections to our affiliate's registration of the Marks in the United States. Once our affiliate terminates its cancellation actions, the USPTO will be able to move forward with registration of the Marks.

Except as described in the paragraph above, we know of no superior prior rights or infringing use that could materially affect your use of the Marks, and we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

Our rights to the Marks and the proprietary System know-how are derived from a nonexclusive perpetual license (the "Intercompany License") between us and our affiliate, Pickleball Kingdom Holdings, LLC. The Intercompany License grants us the right to use the Marks and the proprietary information related to the System, such as the know-how and the Manuals, for the purpose of licensing them to our franchisees and fulfilling our obligations under the Franchise Agreement. The Intercompany License is terminable only for a material breach by us, and only if we do not cure or begin to cure the breach within 90 days after notice. A material breach under the Intercompany License would occur if (i) the quality of the products or services bearing or sold under the Marks and the System becomes less than that established and approved by Pickleball Kingdom Holdings, LLC, or (ii) we fail to follow Pickleball Kingdom Holdings, LLC's instructions regarding appropriate use of the Marks. A termination of the Intercompany License would not impact the continued effectiveness of any franchise, development or related agreement previously granted by us or the franchisees' rights to use the Marks and System pursuant to such agreements. Upon the termination of the Intercompany License, all franchise, development and related agreements would automatically be deemed assigned to Pickleball Kingdom Holdings, LLC or its designee, and Pickleball Kingdom Holdings, LLC or its designee would be deemed the franchisor under such agreements. We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you.

We are not obligated to protect your rights to use the Marks or to protect you against claims of infringement or unfair competition. We are not obligated to participate in your defense and/or indemnify

you for expenses or damages if you are party to an administrative or judicial proceeding involving the Marks if the proceeding is resolved unfavorable to you.

You must promptly notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Owners must agree not to communicate with any person other than us, our designated affiliate, and our or their counsel about any infringement, challenge or claim. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or Patent and Trademark Office (or other) proceeding, from any infringement, challenge or claim concerning any of the Marks. You must sign all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding or to otherwise protect and maintain our or their interest in the Marks.

You may not use any of the Marks as part of your corporate or other name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must sign any documents we or our counsel determine are necessary to obtain protection for the Marks or to maintain their continued validity and enforceability. Neither you nor your Owners may take any action that would prejudice or interfere with the validity of our rights with respect to the Marks and may not contest the validity of our interest in the Marks or assist others to do so.

We have the right to substitute different trade names, service marks, trademarks and indicia of origin for the Marks at any time for any reason, including if the Marks can no longer be used, or if we determine, in our sole discretion, that the substitution will be beneficial to the System. If we do, we may require you to promptly discontinue or modify your use of any Mark or use one or more additional or substitute Marks at your sole expense. The franchise agreement does not entitle you to any compensation or other rights or remedies in the event that we require you to discontinue or modify your use of any Mark or require you to use one or more additional or substitute Marks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents, and do not have any pending patent applications, that are material to the franchise. We do not have any formal copyrights, but we reserve our common law copyright protections and proprietary rights in the original materials used in the System, including our Manuals, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, and other written materials relating to the operation of Pickleball Kingdom Businesses and the System. We treat all of this information as trade secrets and you must treat any of this information we communicate to you confidentially.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights.

We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use any copyrights.

We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the copyrights. The franchise agreement does not entitle you to any compensation or other rights or remedies in the event that we require you to discontinue or modify your use of any copyrighted materials or require you to use one or more additional or substitute materials.

We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

You and your Owners must agree not to communicate or use our confidential information for the benefit of anyone else during and after the term of the Franchise Agreement. You and your Owners must also agree not to use our confidential information at all after the Franchise Agreement terminates or expires. You and your Owners can give this confidential information only to your employees who need it to operate your Pickleball Kingdom Business. You must have your General Manager and Assistant Managers and any of your other personnel who have received or will have access to our confidential information, sign similar covenants.

If you or your Owners develop any new concept, process or improvement in the operation or promotion of your Pickleball Kingdom Business, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You and your Owners agree that any of these concepts, processes or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you sign the Franchise Agreement under a business entity, you will be required to designate an individual to serve as your "Operating Partner." The Operating Partner must be an individual holding at least a ten percent (10%) ownership interest in you. If you are signing your Franchise Agreement as an individual you will be listed as the Operating Partner. The Operating Partner must devote his or her best efforts to operating the Pickleball Kingdom Business, must meet our qualifications and must be approved by us in advance, but the day-to-day operation of the Pickleball Kingdom Business may be managed by an approved General Manager, as described below. If you elect to sign a Multi-Unit Development Agreement, the same person must act as the Operating Partner under such Development Agreement and your Franchise Agreements for all Pickleball Kingdom Businesses operated by you and, if applicable, your affiliates.

Even if a separate General Manager is approved by us, your Operating Partner must always devote a reasonable amount of time and best efforts to the supervision of your operations under the Development Agreement and the Franchise Agreements. Without our written consent, which will not be unreasonably withheld, your Operating Partner may not engage in any business other than the development and operation of your Pickleball Kingdom Business. Your Operating Partner must satisfy our training requirements and our other standards. Each of your current and future owners (including your Operating Partner) must personally guaranty your performance under the Franchise Agreement by signing a Guaranty and Assumption Agreement ("Guaranty") substantially in the form attached as Exhibit A to the Pickleball Kingdom Franchise Agreement (which is included as Exhibit B to this Disclosure Document). As a result, your owners will be individually, jointly and severally bound by all of your obligations under the Franchise Agreement. Owners' spouses must also personally guaranty your performance under the Franchise Agreements and the Development Agreement, if applicable.

At least 30 days before the Pickleball Kingdom Business opens for business, you must designate an individual who meets our qualifications to serve as your General Manager and supervise the operation of your Pickleball Kingdom Business. Your Operating Partner may serve as the General Manager of your Pickleball Kingdom Business, but he or she may not serve as the General Manager for more than one Pickleball Kingdom Business at the same time. With our written consent, you may elect to designate an individual other than your Operating Partner as General Manager. Even if we permit you to designate a General Manager to supervise your operations under the Franchise Agreement, your Operating Partner must actively oversee your operations on a full-time basis and remains ultimately responsible for the General Manager's performance and the performance of your Pickleball Kingdom Business. The General Manager must devote his or her full time and best efforts to the supervision of your operations under the Franchise Agreement and may not engage in any other business. Each Pickleball Kingdom Business must have a different General Manager.

At least 30 days before the Pickleball Kingdom Business opens for business, you must designate at least one Assistant Manager. We have not established any requirement that franchisees employ more than one Assistant Manager. Your Assistant Manager must satisfy our educational and business criteria and must be acceptable to us. The Assistant Manager, along with the General Manager, is responsible for the daily operation and management of the Pickleball Kingdom Business and must devote full time and best efforts to the business and may not engage in any other business. The Assistant Manager must also satisfy the training requirements in the Franchise Agreement.

You must notify us promptly if your Operating Partner or any General Manager or Assistant Manager cannot continue or no longer qualifies to serve as an Operating Partner, General Manager or Assistant Manager, as applicable. You will have 30 days from the date of the notice (or from any date that we independently determine the Operating Partner or General Manager or Assistant Manager no longer meets our standards) to take corrective action acceptable to us. During that 30-day period, you must provide for interim management of your operations in compliance with the Franchise Agreement.

At our request, you must have your General Manager, Assistant Managers and any other personnel who will have access to our training, sign covenants not to compete, and such persons must maintain the confidentiality of information they have access to through their relationship with you. These covenants will be in substantially the form of Exhibit B to the Franchise Agreement (which is Exhibit B to this Disclosure Document). We have the right, in our sole discretion, to decrease the period of time or

geographic scope of the noncompetition covenants or eliminate the noncompetition covenant altogether for any person who must sign an agreement described in this paragraph.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

All items you use or sell at the Pickleball Kingdom Business must conform to our standards and specifications. These are described in our Manuals and other writings. You must not deviate from our standards and specifications unless we first give you our written consent. You must also comply with all applicable laws and regulations and secure all appropriate governmental approvals for the Pickleball Kingdom Business.

You must offer and sell only the products, memberships and services that we have expressly approved in writing, and you must offer and sell each of the products, memberships and services we authorize for sale at Pickleball Kingdom Businesses. You must stop selling any products, memberships or services that we disapprove in writing. There is no limit on our right to add or remove items from our standard offering, and you must promptly comply with any changes that we make to the offering. You must not use or offer nonconforming items or services, unless we first give you our written consent. You must open and operate the Pickleball Kingdom Business during the hours we specify in the Manual or otherwise in writing.

We may make available to you and may require you to purchase from us or our designated supplier for resale to your customers certain merchandise, like Pickleball Kingdom memorabilia and clothing, in amounts necessary to meet your customer demand.

You are only granted the right to operate a Pickleball Kingdom Business at the Location approved by us, and you must use only the methods, manner and style of distribution that we may prescribe in writing, in the Manuals or otherwise. You must comply with the terms of any distribution or membership program and sign any documents or instruments that we require.

You may only install and offer at your Pickleball Kingdom Business such equipment, machines, games and activities (such as vending machines, video games or other devices) as we have expressly approved in the Manuals or otherwise in writing.

We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices you may charge for products or services.

We do not impose any other restrictions in the Franchise Agreement or otherwise on the goods or services that you may offer or sell or the customers to whom you may offer or sell.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section IV.A	10-year initial term
b. Renewal or extension of the term	Section IV.B	Two additional 5-year terms
c. Requirements for franchisee to renew or extend	Section IV.B	*Subject to state law:* Your renewal right permits you to remain as a franchisee after the initial term of your franchise agreement expires. However, to remain a franchisee, you must meet all required conditions to renewal, including signing our then-current form of franchise agreement, which may be materially different than the form attached to this Disclosure Document. *Subject to state law:* Other requirements are: Give written notice; update the Pickleball Kingdom Business and required items; not be in default; pay all money owed; retain right to Location; pay us a renewal fee; sign general release; comply with our then-current standards, and remodel as required to meet our then-current standards for building design, image and décor, qualifications and training requirements.

Provision	Section in Franchise Agreement	Summary
d. Termination by franchisee	Not Applicable	No applicable termination provisions included in the Franchise Agreement, but you have a right to terminate the Franchise Agreement on any grounds permitted under applicable law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section XVIII.	*Subject to state law:* We may terminate on your default.
g. "Cause" defined – curable defaults	Section XVIII.C.	*Subject to state law:* For any default except those specified as non-curable, you will have 10 days to cure, except you will have shorter cure periods for the following defaults: (5 days for failure to submit a required report or pay us any monies owed; 24 hours for misuse of the Marks; 7 days if you fail to obtain the required insurance coverages; 5 days if you fail to comply with the noncompetition covenants; 10 days if you fail to secure any required licenses (including but not limited to, any required liquor license, if applicable) by the date the Pickleball Kingdom Business is required to open for business); or 10 days if you fail to comply with applicable laws relating to the sale of alcoholic beverages at the Pickleball Kingdom Business, if applicable.
h. "Cause" defined – non-curable defaults	Sections XVIII.A. and XVIII.B.	*Subject to state law:* Insolvency; general assignment for benefit of creditors; bankruptcy; receivership; final judgment remains unsatisfied for 30 days or more; dissolution; execution of levy or sale after levy; foreclosure proceedings not dismissed within 30 days; operation of Pickleball Kingdom

Provision	Section in Franchise Agreement	Summary
		Business at location that we have not accepted; failure to construct the Pickleball Kingdom Business in accordance with requirements; failure to begin business within the required time period; abandonment or forfeiture of right to do business; conviction (or no contest plea) of certain crimes; threat to public health or safety; unauthorized transfer; failure to comply with certain confidentiality covenants; false records or submission of false reports; breach of any covenants or false representations; failure to comply with quality assurance program or any failure or refusal to allow inspection by Franchisor; default under any other Pickleball Kingdom franchise agreement (provided that a default under a Pickleball Kingdom Multi-Unit Development Agreement will not trigger a default under your Pickleball Kingdom franchise agreement) and failure to cure; repeated defaults whether or not cured; assets, property or interests "blocked" under any terrorism laws or regulations or other violation of such laws or regulations.

Provision	Section in Franchise Agreement	Summary
i. Franchisee's obligations on termination/nonrenewal	Section XIX.	*Subject to state law:* Stop operating your Pickleball Kingdom Business and using the System's confidential methods, procedures, techniques and marks; cancel any registration containing the Marks; not use any imitation of the Marks; pay amounts due and our damages and enforcement costs; comply with confidentiality and non-competition covenants; return all Manuals and other proprietary materials; furnish list of advertising/sales promotion materials bearing the Marks; at our option, sell or assign us your rights in business telephone numbers, advertising and promotional materials, furnishings equipment, and the premises; modify the appearance of the Pickleball Kingdom Business.
j. Assignment of contract by franchisor	Section XV.A.	We may transfer our rights without restriction.
k. "Transfer" by franchisee – defined	Sections XV.B. and XV.C.	You must not transfer any direct or indirect interest in you, the Franchise Agreement or the assets of the franchised business without our consent.
l. Franchisor's approval of transfer by franchisee	Section XV.B.	*Subject to state law:* We must consent and you must meet conditions before transferring.
m. Conditions for franchisor approval of transfer	Section XV.B.	*Subject to state law:* Pay all amounts due; not be in default; sign a general release; pay transfer fee; remain liable for pre-transfer obligations. Transferee must meet our criteria, complete required training, guarantee obligations; enter into then-current franchise agreement and upgrade the Pickleball

Provision	Section in Franchise Agreement	Summary
		Kingdom Business.
n. Franchisor's right of first refusal to acquire franchisee's business	Section XV.D.	*Subject to state law:* On 30 days written notice, we have the option to purchase an interest being transferred on the same terms and conditions offered by a third party.
o. Franchisor's option to purchase franchisee's business	Sections XIX.A(8) and (9) and XIX.B.	*Subject to state law:* Upon termination or expiration we have the option to purchase your advertising materials bearing the Marks at your cost. We have the option to acquire the Location and the assets of the Pickleball Kingdom Business from you (subject to any rights of approval retained by the owner of the leasehold) at fair market value. If you own the land where the Pickleball Kingdom Business is located, we have the option to lease the land (and any building on the land used for the operation of the Pickleball Kingdom Business), at a reasonable commercial rent. We have the option to have the lease for the premises of the Pickleball Kingdom Business assigned to us.
p. Death or disability of franchisee	Section XV.E.	On death or permanent disability of you or an Owner the person's interest must be transferred to someone we approve within 6 months.
q. Non-competition covenants during the term of the franchise	Section XI.C.(1)	You may not divert any of your business or customers to a competitor, or operate, or have an interest in, a business which is similar to the franchised business. Non-competition covenants may be subject to state law.

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Sections XI.C.(2)	For 2 years you may not divert any of your business or customers to a competitor, or have an interest in, any business that is similar to the franchised business at the Location, within the Protected Area, within a 50-mile radius of your Location, or within a 50-mile radius of any Pickleball Kingdom Business then in existence or under construction. Non-competition covenants may be subject to state law.
s. Modification of the agreement	Sections XI.A. and XX.O.	The Franchise Agreement may only be modified by mutual agreement signed by both parties. You must comply with the Manuals as amended.
t. Integration/merger clause	Section XX.O.	Only the terms of the franchise agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations made in this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section XX.F.	*Subject to state law*: Claims, controversies or disputes from or relating to the Franchise Agreement must be mediated, except for actions relating to, or based on, the Marks, your non-compete obligations, or the confidential information. Moreover, regardless of your and our agreement to mediate, you and we each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief.
v. Choice of forum	Sections XX.F., XX.G. and XX.L	*Subject to state law*: Mediation at the American Arbitration Association offices nearest to our principal place of business, except for actions relating to, or based on, the Marks, your non-compete obligations, or the confidential information. Moreover, regardless of your and our agreement to mediate, you and we each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief. Venue for any litigation is the state courts in Gilbert, Arizona, and Federal Courts in the District of Arizona. Any dispute or action between you and us will be of our and your individual claims. None of your claims will be litigated on a class-wide basis or otherwise consolidated with any claims of any third parties.
w. Choice of law	Section XX.H.	*Subject to state law*, Arizona law (except for Arizona's conflict of law rules).

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The following table lists certain important provisions of the Development Agreement and related agreements. You should read these provisions in the agreement attached to this Disclosure Document.

Provision	Section in Development Agreement	Summary
a. Length of the franchise term	Section 4	The earlier of (a) the date your development obligations are complete or (b) 12:00 Midnight on the last day of the Development Schedule
b. Renewal or extension of the term	Section 3	We may extend the term of the Development Agreement to allow you to develop a replacement Pickleball Kingdom Business
c. Requirements for franchisee to renew or extend	Section 3	*Subject to state law:* If the extension is to permit you to develop a replacement Pickleball Kingdom Business, you must develop a replacement Pickleball Kingdom Business within 210 days from the date that your Pickleball Kingdom Business ceased operating.
d. Termination by franchisee	Not Applicable	No applicable termination provisions included in the Development Agreement, but you have a right to terminate the Development Agreement on any grounds permitted under applicable law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Sections 7.1 to 7.3	*Subject to state law:* We may terminate on your default.
g. "Cause" defined – curable defaults	Section 7.3	*Subject to state law:* For any default except those specified as non-curable you have 30 days to cure (except only 5 days for failure to submit a required report or pay monies, and only 24 hours for misuse of the Marks).
h. "Cause" defined – non-curable defaults	Sections 7.1 and 7.2	*Subject to state law:* Insolvency; general assignment for benefit of

Provision	Section in Development Agreement	Summary
		creditors; bankruptcy; receivership; final judgment remains unsatisfied for 30 days or more; dissolution; execution of levy or sale after levy; foreclosure proceedings not dismissed within 30 days; failure to qualify for grant of license, comply with development schedule, develop replacement business or execute a required Franchise Agreement; conviction of certain crimes; threat to public health or safety; unauthorized transfer; failure to comply with certain confidentiality covenants; false records or submission of false reports; breach of any covenants or false representations; failure to effect approved transfer upon death or permanent disability; misuse of the Marks; assets, property or interests "blocked" under any terrorism laws or regulations or other violation of such laws or regulations; or a default, and failure to timely cure such default, under any Pickleball Kingdom franchise agreement.
i. Franchisee's obligations on termination/nonrenewal	Section 7.6	*Subject to state law:* You will have no right to establish or operate any Pickleball Kingdom Business for which a Franchise Agreement has not been signed; you must pay amounts due and our damages and enforcement costs; and comply with confidentiality and non-competition covenants.
j. Assignment of contract by franchisor	Section 8.1	We may transfer our rights without restriction.

Provision	Section in Development Agreement	Summary
k. "Transfer" by franchisee – defined	Section 8.2	You must not transfer any direct or indirect interest in you, the Development Agreement or the assets of the franchised business without our consent.
l. Franchisor's approval of transfer by franchisee	Section 8.2	*Subject to state law:* We must consent and you must meet conditions before transferring.
m. Conditions for franchisor approval of transfer	Section 8.2	*Subject to state law:* Pay all amounts due; not be in default; sign a general release; pay transfer fee; remain liable for pre-transfer obligations. Transferee must meet our criteria, complete required training, guaranty obligations; enter into then-current development agreement and pay training, legal and accounting costs associated with transfer.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 8.5	On 30 days written notice, we have the option to purchase an interest being transferred on the same terms and conditions offered by a third party.
o. Franchisor's option to purchase franchisee's business	Not Applicable	No Applicable
p. Death or disability of franchisee	Section 8.6	On death or permanent disability of you or an Owner, the person's interest must be transferred to someone we approve within 6 months.
q. Non-competition covenants during the term of the franchise	Section 9.2	You may not operate or have an interest in a business which is similar to the franchised business. Non-competition covenants may be subject to state law.

Provision	Section in Development Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Sections 9.2	For 2 years you may not divert any of your business or customers to a competitor or have an interest in any business that is similar to the franchised business within your Territory or within a 50-mile radius of the location of any Pickleball Kingdom Business then in existence or under construction. Non-competition covenants may be subject to state law.
s. Modification of the agreement	Section 12.2	The Development Agreement may only be modified by mutual agreement signed by both parties. You must comply with the Manuals as amended.
t. Integration/merger clause	Section 12.2	Only the terms of the development agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and development agreement may not be enforceable. Nothing in the Development Agreement or in any related agreement is intended to disclaim the representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 12.6	*Subject to state law*: Claims, controversies or disputes from or relating to the Development Agreement must be mediated, except for actions relating to, or based on, the Marks or the confidential information. Moreover, regardless of your and our agreement to mediate, you and we each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief.

Provision	Section in Development Agreement	Summary
v. Choice of forum	Section 12.7	*Subject to state law*: Mediation at the American Arbitration Association offices nearest to our principal place of business, except for actions relating to, or based on, the Marks or the confidential information. Moreover, regardless of your and our agreement to mediate, you and we each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief. Venue for any litigation is the state or federal courts in the county or judicial district in which our principal place of business is located (currently Gilbert, Arizona); provided, however, with respect to any action which includes injunctive relief or other extraordinary relief, we may bring such action in any court in any state which has jurisdiction.
w. Choice of law	Section 12.8	*Subject to state law*, Arizona law (except for Arizona's conflict of law rules).

A provision in the Franchise Agreement or Development Agreement which terminates the agreement upon your bankruptcy may not be enforceable under Title 11, United States Code Section 101.

Please refer to the disclosure addenda and contractual amendments appended to this Disclosure Document for additional terms that may be required under applicable state law.

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote the 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 Franchise Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

. We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Rob Streett at 275 E. Rivulon Blvd., Gilbert, Arizona 85297 or (888) 788-0999, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2023 to 2025[1]

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	2023	0	0	0
	2024	0	3	+3
	2025	3	21	+18
Company-Owned	2023	1	1	0
	2024	1	1	0

	2025	1	1	0
Total Outlets	2023	1	1	0
	2024	1	4	+3
	2025	4	22	+18

Notes:

1. All numbers are as of our fiscal year end, which ends on December 31st.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2023 to 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2023	0
	2024	0
	2025	0
Total	2023	0
	2024	0
	2025	0

Table No. 3
Status of Franchised Outlets
For years 2023 to 2025

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations - Other Reasons	Col. 9 Outlets at End of the Year
Arkansas	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Connecticut	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Georgia	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Illinois	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Kentucky	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Massachusetts	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
New Jersey	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Ohio	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Oregon	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Pennsylvania	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
South Carolina	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Tennessee	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	3	0	0	0	0	3
Texas	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	1	0	0	0	2	1
Washington	2023	0	0	0	0	0	0	0

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations - Other Reasons	Col. 9 Outlets at End of the Year
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Wisconsin	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	1	0	0	0	0	2
Totals	2023	0	0	0	0	0	0	0
	2024	0	3	0	0	0	0	3
	2025	3	20	0	0	0	2	21

Table No. 4
Status of Company-Owned Outlets
For years 2023 to 2025[(1)]

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of Year
Arizona	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Totals	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1

Notes:

1. All numbers are as of our fiscal year end, which ends on December 31st.

Table No. 5
Projected Openings As Of December 31, 2025

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Current Fiscal Year
Alabama	2	2	0
Arizona	2	1	0
California	3	2	0
Colorado	1	0	0
Florida	4	2	0
Georgia	2	2	0
Illinois	1	1	0
Iowa	1	0	0
Kansas	2	0	0
Louisiana	1	1	0
Missouri	2	0	0
Nebraska	3	1	0
New Jersey	4	2	0
Ohio	3	2	0
South Carolina	4	1	0
Tennessee	6	2	0
Texas	3	2	0
Utah	2	2	0
Virginia	1	0	0
Washington	2	2	0
Wisconsin	2	2	0
TOTAL	51	27	0

The name and business address and telephone number of each of our current franchisees is attached to this Disclosure Document as Exhibit D.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document is listed on Exhibit E to this Disclosure Document.

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 the Pickleball Kingdom franchise system. You may wish to speak with

current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

As of the date of this Disclosure Document, there are no trademark-specific franchisee organizations associated with the Pickleball Kingdom franchise system.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit A are our audited financial statements for our fiscal years ended December 31, 2023; December 31, 2024; and December 31, 2025, respectively. Our fiscal year end is December 31.

ITEM 22

CONTRACTS

Attached to this Disclosure Document as Exhibit B is a copy of the current Pickleball Kingdom form of Franchise Agreement (with attachments), and attached as Exhibit C is a copy of the current Pickleball Kingdom Multi-Unit Development Agreement (with attachments).

ITEM 23

RECEIPTS

Attached as the last 2 pages of this Disclosure Document are duplicate Receipt pages to be signed by you. Keep one for your records and return the other one to us.

EXHIBIT A TO THE FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

PICKLEBALL KINGDOM FRANCHISING, LLC

FINANCIAL STATEMENTS

SEE FOLLOWING PAGE

PICKLEBALL KINGDOM FRANCHISING, LLC

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024 AND PERIOD FROM APRIL 1, 2023 THROUGH DECEMBER 31, 2023

CPAs | CONSULTANTS | WEALTH ADVISORS

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PICKLEBALL KINGDOM FRANCHISING, LLC
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APRIL 1, 2023 THROUGH DECEMBER 31, 2023

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CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Members
Pickleball Kingdom Franchising, LLC
Chandler, Arizona

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pickleball Kingdom Franchising, LLC, which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and changes in members' equity (deficit), and cash flows for the year ended December 31, 2024 and the period April 1, 2023 through December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of Pickleball Kingdom Franchising, LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the year ended December 31, 2024 and the period from April 1, 2023 through December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Pickleball Kingdom Franchising, LLC's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pickleball Kingdom Franchising, 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 Pickleball Kingdom Franchising, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
February 25, 2025

PICKLEBALL KINGDOM FRANCHISING, LLC
BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 626,464	$ 271,743
Accounts Receivable	3,608,110	262,500
Current Portion of Deferred Commission Costs	13,000	9,500
Total Current Assets	4,247,574	543,743
PROPERTY AND EQUIPMENT, Net	9,412	12,225
NONCURRENT ASSETS		
Right-of-Use Asset	11,935	42,815
Deferred Commission Costs, Net of Current Portion	102,458	83,667
Deposits	52,639	2,556
Total Noncurrent Assets	167,032	129,038
Total Assets	$ 4,424,018	$ 685,006
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts Payable	$ 202,605	$ 81,188
Accrued Expenses	52,406	78,877
Current Portion of Lease Liability	12,647	29,114
Current Portion of Deferred Area Representative Revenue	885,056	119,000
Total Current Liabilities	1,152,714	308,179
LONG TERM LIABILITIES		
Lease Liability, Net of Current Portion	-	12,647
Deferred Franchise Fee Revenue	1,884,051	1,370,000
Deferred Area Representative Revenue, Net of Current Portion	7,310,945	1,051,167
Total Long-Term Liabilities	9,194,996	2,433,814
Total Liabilities	10,347,710	2,741,993
MEMBERS' EQUITY (DEFICIT)	(5,923,692)	(2,056,987)
Total Liabilities and Members' Equity (Deficit)	$ 4,424,018	$ 685,006

See accompanying Notes to Financial Statements.

PICKLEBALL KINGDOM FRANCHISING, LLC
STATEMENT OF OPERATIONS AND MEMBERS' EQUITY (DEFICIT)
YEAR ENDED DECEMBER 31, 2024 AND PERIOD FROM
APRIL 1, 2023 THROUGH DECEMBER 31, 2023

	Year Ended December 31, 2024	April 1, 2023 Through December 31, 2023
REVENUES		
Franchise Fees	$ 5,949	$ -
Area Rep Fees	624,167	19,833
Royalty Fees	86,823	-
Marketing Fees	24,807	-
Total Revenues	741,746	19,833
OPERATING EXPENSES	2,129,039	894,913
LOSS FROM OPERATIONS	(1,387,293)	(875,080)
Members' Equity (Deficit) - Beginning of Year	(2,056,987)	210,963
Contributions from Members	122,601	-
Distributions to Members	(2,602,013)	(1,392,870)
MEMBERS' DEFICIT - END OF YEAR	$ (5,923,692)	$ (2,056,987)

See accompanying Notes to Financial Statements.

PICKLEBALL KINGDOM FRANCHISING, LLC
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024 AND PERIOD FROM APRIL 1, 2023 THROUGH DECEMBER 31, 2023

	Year Ended December 31, 2024	April 1, 2023 Through December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$ (1,387,293)	$ (875,080)
Reconciliation of Net Loss to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	2,813	1,841
Amortization of Deferred Commission Costs	12,708	1,833
Noncash Lease Expense	1,766	(1,054)
Changes in Assets and Liabilities:		
Accounts Receivable	(3,345,610)	(262,500)
Deposits	(50,083)	(2,556)
Deferred Commission Costs	(34,999)	(95,000)
Accounts Payable	121,417	80,791
Accrued Expenses	(26,471)	78,877
Deferred Franchise Fee Revenue	514,051	1,370,000
Deferred Area Representative Revenue	7,025,834	1,170,167
Net Cash Provided by Operating Activities	2,834,133	1,467,319
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and Equipment Purchases	-	(12,514)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions from Members	122,601	-
Distribution to Members	(2,602,013)	(1,392,870)
Net Cash Used by Financing Activities	(2,479,412)	(1,392,870)
NET INCREASE IN CASH AND CASH EQUIVALENTS	354,721	61,935
Cash and Cash Equivalents - Beginning of Year	271,743	209,808
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 626,464	$ 271,743
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Right-of-Use Asset Obtained in Exchange for Lease Liability	$ -	$ 61,577

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principal Business Activity

Pickleball Kingdom Franchising, LLC (the Company) was formed on October 20, 2022, in the state of Arizona. The Company was established for the purpose of selling franchises under the Pickleball Kingdom brand. The activities include building the Company's brand as well as identifying franchising opportunities.

Franchisee activity for the year ended December 31, 2024 and for the period April 1, 2023 through December 31, 2023 was as follows:

	Year Ended December 31, 2024	April 1, 2023 Through December 31, 2023
Store Count Beginning of Year	-	-
Store Openings During the Year	3	-
Store Closings During the Year	-	-
Store Count End of Year	3	-

Basis of Presentation

The Company's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At times, cash balances may be in excess of the Federal Deposit Insurance Corporation insurance limits.

Property and Equipment

Property and equipment are initially recorded at cost. These assets are depreciated using the straight-line method over their estimated useful lives, generally five years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowances for Credit Losses and Accounts Receivable

The Company records accounts receivable at their face amounts less an allowance for credit losses. The allowance represents an estimate of expected credit losses based upon a specific review of all significant outstanding invoices. For those invoices not specifically reviewed, provisions are provided at differing rates, based upon the age of the receivable, historical experience and current and expected future economic conditions. The Company writes-off a receivable and charges it against its recorded allowance when management have exhausted collection efforts without success. As of December 31, 2024 and 2023, an allowance was not deemed necessary.

Deferred Commission Costs

Deferred commission fees represent commissions that are direct and incremental to the Company and are paid in conjunction with the sale of a franchise or area representative agreement. These costs are recognized as an expense when the respective revenue is recognized, which is generally over the term of the related franchise or area representative agreement.

Deferred Franchise Fee and Area Representative Revenue

Deferred franchise fee and area representative revenue represent franchise fee and area representative fees received that have not been fully earned and will be recognized in future periods.

Advertising Costs

Advertising costs include franchise and area representative sales marketing, and advertising costs. These costs are expensed as incurred. Advertising cost for the year ended December 31, 2024, and for the period from April 1, 2023 through December 31, 2023 was $186,451 and $85,024, respectively.

Revenue Recognition

The Company generates revenue primarily through royalties, franchise fees, and advertising fund fees. The Company recognizes revenue when its customer obtains control of promised goods or services in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. To determine revenue recognition for the arrangements that the Company determines are within the scope of Topic 606, the Company performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the Company satisfies a performance obligation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Royalties and Advertising Fund Revenue

The Company collects royalties, as stipulated in the franchise agreement, currently equal to 7% of net sales and a marketing and advertising fee equal to 2% of net sales. Royalties, including franchisee contributions to advertising funds, are calculated as a percentage of sales over the term of the franchise agreement. The franchise agreement royalties, inclusive of advertising fund contributions, represent sales-based royalties that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as franchisee store level sales occur. Royalties and advertising fund fees are collected semimonthly. As of December 31, 2024, there was three franchised locations open.

Franchise Fees

The Company generally requires the entire nonrefundable initial franchise fee to be paid upon execution of the franchise agreement, which typically has an initial term of ten years. Initial franchise fees are recognized ratably on a straight-line basis over the term of the franchise agreement. The Company's services under the franchise agreement include: training of franchisees and staff, site selection, the right to use trademarks and proprietary information, and ongoing operations support. The Company generally does not provide financing to franchisees and offers no guarantees on their behalf. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

Area Representative Fees

The Company has an area representative program where area representatives are granted an exclusive geographical territory and commit a minimum development obligation within that defined territory. Area representative fees paid to the Company are nonrefundable and are recognized as revenue ratably on a straight-line basis over the term of the agreement, which is considered upon executive of the agreement. The Company's services under area representative agreements include training and general operational support of the area representative. The services provided by the Company are highly interrelated with the development of the territory and resulting franchise licenses sold by the area representative and as such are considered to represent a single performance obligation.

The following is a summary of accounts receivable and contract liabilities as of:

	December 31, 2024	December 31, 2023	April 1, 2023
Accounts Receivable	$ 3,608,110	$ 262,500	$ -
Contract Liabilities:			
Deferred Franchise Fee Revenue	$ 1,884,051	$ 1,370,000	$ -
Deferred Area Representative Revenue	$ 8,196,001	$ 1,170,167	$ -

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Company leases an office. The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, current liabilities, and long-term lease liabilities on the balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As the operating lease does not provide an implicit rate, the Company uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for the lease payments is recognized on a straight-line basis over the lease term. The Company has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheets.

The Company has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Income Taxes

The Company and its members have elected to be treated as a limited liability company for income tax reporting purposes. Accordingly, the members are taxed on the Company's income. Therefore, no provision or liability for income tax is included in the financial statement. As of December 31, 2024, management of the Company does not believe it has any uncertain tax positions.

Subsequent Events

In preparing this financial statement, the Company has evaluated events and transactions for potential recognition or disclosure through February 25, 2025, the date the financial statement was available to be issued.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following at December 31:

	2024	2023
Computers and Equipment	$ 1,552	$ 1,552
Furniture and Fixtures	12,514	12,514
Total	14,066	14,066
Less: Accumulated Depreciation and Amortization	(4,654)	(1,841)
Property and Equipment, Net of Accumulated Depreciation and Amortization	$ 9,412	$ 12,225

Depreciation and amortization expense for the year ended December 31, 2024 and for the period April 1, 2023 through December 31, 2023 was $2,813 and $1,841, respectively.

NOTE 3 LEASES

The Company leases an office under a long-term noncancelable agreement. The lease expires in May 2025. The lease provides for increases in future minimum annual rental payments based on a fixed rental schedule. On November 11, 2024, the Company entered into a new lease agreement which is expected to commence in 2025 upon completion of the tenant improvements. The lease has a seven year term, with the first year rent being $16,694 per month. The lease provides for increases in future minimum annual rental payments based on a fixed rental schedule.

The following table provides quantitative information concerning the Company's lease as of December 31:

	2024	2023
Operating Lease Costs	$ 32,060	$ 19,994
Variable Lease Costs	795	795
Total Lease Costs	$ 32,855	$ 20,789
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	$ 30,294	$ 18,567
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	$ -	$ 61,577
Weighted-Average Remaining Lease Term - Operating Leases	0.4 Years	1.4 Years
Weighted-Average Discount Rate - Operating Leases	4.12%	4.12%

NOTE 3 LEASES (CONTINUED)

The Company classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2024 is as follows:

Year Ending December 31,	Amount
2025	$ 12,778
Total Minimum Lease Payments	12,778
Less: Amount Representing Interest	(131)
Present Value of Minimum Lease Payments	$ 12,647

NOTE 4 DEFERRED COMMISSION COSTS

Estimated future deferred commission costs as of December 31, is as follows:

Year Ending December 31,	Amount
2025	$ 13,000
2026	13,000
2027	13,000
2028	13,000
2029	13,000
Thereafter	50,458
Total	$ 115,458

Commission cost amortization expense for the year ended December 31, 2024 and for the period April 1, 2023 through December 31, 2023 was $12,709 and $1,833, respectively.

NOTE 5 MEMBERS' EQUITY

The Company is authorized to issue two classes of units: Class A Units and Class B Units. The Company has issued 10,000 Class A Units and 10,000 Class B Units. Class A Units are not entitled to vote. Class B Units are held for voting purposes only and entitle the holder to one vote per unit of Class B.

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PICKLEBALL KINGDOM FRANCHISING, LLC

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

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PICKLEBALL KINGDOM FRANCHISING, LLC
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INDEPENDENT AUDITORS' REPORT

Members
Pickleball Kingdom Franchising, LLC
Chandler, Arizona

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Pickleball Kingdom Franchising, LLC, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations and changes members' deficit, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Pickleball Kingdom Franchising, LLC as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pickleball Kingdom Franchising, LLCs ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Pickleball Kingdom Franchising, 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pickleball Kingdom Franchising, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tempe, Arizona
March 23, 2026

PICKLEBALL KINGDOM FRANCHISING, LLC
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 531,004	$ 626,464
Accounts Receivable	50,874	20,610
Current Portion of Deferred Commission Costs	15,500	13,000
Total Current Assets	597,378	660,074
PROPERTY AND EQUIPMENT, Net	73,148	9,412
NONCURRENT ASSETS		
Right-of-Use Asset	1,149,705	11,935
Long-Term Accounts Receivable	3,385,000	3,587,500
Deferred Commission Costs, Net of Current Portion	109,667	102,458
Deposits	50,083	52,639
Total Noncurrent Assets	4,694,455	3,754,532
Total Assets	$ 5,364,981	$ 4,424,018
LIABILITIES AND MEMBERS' DEFICIT		
CURRENT LIABILITIES		
Accounts Payable	$ 42,295	$ 202,605
Accrued Expenses	57,903	52,406
Current Portion of Lease Liability	154,730	12,647
Current Portion of Deferred Area Representative Revenue	967,056	885,056
Total Current Liabilities	1,221,984	1,152,714
LONG TERM LIABILITIES		
Lease Liability, Net of Current Portion	1,023,257	-
Deferred Franchise Fee Revenue	2,003,840	1,884,051
Deferred Area Representative Revenue, Net of Current Portion	7,149,181	7,310,945
Total Long-Term Liabilities	10,176,278	9,194,996
Total Liabilities	11,398,262	10,347,710
MEMBERS' DEFICIT	(6,033,281)	(5,923,692)
Total Liabilities and Members' Deficit	$ 5,364,981	$ 4,424,018

See accompanying Notes to Consolidated Financial Statements.

PICKLEBALL KINGDOM FRANCHISING, LLC
CONSOLIDATED STATEMENT OF OPERATIONS AND MEMBERS' DEFICIT
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUES		
Franchise Fees	$ 250,211	$ 5,949
Area Rep Fees	899,764	624,167
Royalty Fees	659,336	86,823
Marketing Fees	188,382	24,807
Service Fees	5,000	-
Total Revenues	2,002,693	741,746
OPERATING EXPENSES	3,042,399	2,129,039
OTHER INCOME (LOSS)	180,117	-
LOSS FROM OPERATIONS	(859,589)	(1,387,293)
Members' Deficit - Beginning of Year	(5,923,692)	(2,056,987)
Contributions from Members	750,000	122,601
Distributions to Members	-	(2,602,013)
MEMBERS' DEFICIT - END OF YEAR	$ (6,033,281)	$ (5,923,692)

See accompanying Notes to Consolidated Financial Statements.

PICKLEBALL KINGDOM FRANCHISING, LLC
CONSOLIDATED STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$ (859,589)	(1,387,293)
Adjustments to Reconcile Net Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	9,818	2,813
Amortization of Deferred Commission Costs	15,292	12,708
Noncash Lease Expense	27,570	1,766
Changes in Assets and Liabilities:		
Accounts Receivable	(30,264)	241,890
Deposits	2,556	(50,083)
Deferred Commission Costs	(25,001)	(34,999)
Long-Term Accounts Receivable	202,500	(3,587,500)
Accounts Payable	(160,310)	121,417
Accrued Expenses	5,497	(26,471)
Deferred Franchise Fee Revenue	119,789	514,051
Deferred Area Representative Revenue	(79,764)	7,025,834
Net Cash Provided (Used) by Operating Activities	(771,906)	2,834,133
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and Equipment Purchases	(73,554)	-
Net Cash Provided (Used) by Investing Activities	(73,554)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions from Members	750,000	122,601
Distribution to Members	-	(2,602,013)
Net Cash Provided (Used) by Financing Activities	750,000	(2,479,412)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(95,460)	354,721
Cash and Cash Equivalents - Beginning of Year	626,464	271,743
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 531,004	$ 626,464

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principal Business Activity

Pickleball Kingdom Franchising, LLC (the Company) was formed on October 20, 2022, in the state of Arizona. The Company was established for the purpose of selling franchises under the Pickleball Kingdom brand. The activities include building the Company's brand as well as identifying franchising opportunities. In 2025, the Company formed two new subsidiary entities, Pickleball Kingdom India, LLC and Pickleball Kingdom Australia, LLC. Both entities are organized as Arizona limited liability companies and were established to hold the rights to grant master franchise agreements in India and Australia. There was no activity in the subsidiaries during 2025.

Franchisee activity for the years ended December 31 was as follows:

	2025	2024
Store Count - Beginning of Year	3	-
Store Openings During the Year	20	3
Store Closings During the Year	(2)	-
Store Count - End of Year	21	3

Basis of Presentation

The Company's consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Principals of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Pickleball Kingdom India, LLC and Pickleball Kingdom Australia, LLC. All significant intercompany balances and transactions are eliminated in consolidation.

Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated balance sheet and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At times, cash balances may be in excess of the Federal Deposit Insurance Corporation insurance limits.

Property and Equipment

Property and equipment are initially recorded at cost. These assets are depreciated using the straight-line method over their estimated useful lives, generally five years. Leasehold improvements are depreciated over the lesser of the lease term or their useful life.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowances for Credit Losses and Accounts Receivable

The Company records accounts receivable at their face amounts less an allowance for credit losses. The allowance represents an estimate of expected credit losses based upon a specific review of all significant outstanding invoices. For those invoices not specifically reviewed, provisions are provided at differing rates, based upon the age of the receivable, historical experience and current and expected future economic conditions. The Company writes-off a receivable and charges it against its recorded allowance when management have exhausted collection efforts without success. As of December 31, 2025 and 2024, an allowance was not deemed necessary. Receivables expected to be collected more than 12 months after the consolidated balance sheet date are classified as long-term accounts receivable.

Deferred Commission Costs

Deferred commission fees represent commissions that are direct and incremental to the Company and are paid in conjunction with the sale of a franchise or area representative agreement. These costs are recognized as an expense when the respective revenue is recognized, which is generally over the term of the related franchise or area representative agreement.

Deferred Franchise Fee and Area Representative Revenue

Deferred franchise fee and area representative revenue represent franchise fee and area representative fees received that have not been fully earned and will be recognized in future periods.

Advertising Costs

Advertising costs include franchise and area representative sales marketing, and advertising costs. These costs are expensed as incurred. Advertising cost for the years ended December 31, 2025 and 2024 was $233,130 and $253,103, respectively.

Revenue Recognition

The Company generates revenue primarily through royalties, franchise fees, and advertising fund fees. The Company recognizes revenue when its customer obtains control of promised goods or services in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. To determine revenue recognition for the arrangements that the Company determines are within the scope of Topic 606, the Company performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the Company satisfies a performance obligation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Royalties and Advertising Fund Revenue

The Company collects royalties, as stipulated in the franchise agreement, currently equal to 7% of net sales and a marketing and advertising fee equal to 2% of net sales. Royalties, including franchisee contributions to advertising funds, are calculated as a percentage of sales over the term of the franchise agreement. The franchise agreement royalties, inclusive of advertising fund contributions, represent sales-based royalties that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as franchisee store level sales occur. Royalties and advertising fund fees are collected semimonthly. As of December 31, 2025, there was 28 franchised locations open.

Franchise Fees

The Company generally requires the entire nonrefundable initial franchise fee to be paid upon execution of the franchise agreement, which typically has an initial term of ten years. Initial franchise fees are recognized ratably on a straight-line basis over the term of the franchise agreement. The Company's services under the franchise agreement include: training of franchisees and staff, site selection, the right to use trademarks and proprietary information, and ongoing operations support. The Company generally does not provide financing to franchisees and offers no guarantees on their behalf. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

Area Representative Fees

The Company has an area representative program where area representatives are granted an exclusive geographical territory and commit a minimum development obligation within that defined territory. Area representative fees paid to the Company are nonrefundable and are recognized as revenue ratably on a straight-line basis over the term of the agreement, which is considered upon executive of the agreement. The Company's services under area representative agreements include training and general operational support of the area representative. The services provided by the Company are highly interrelated with the development of the territory and resulting franchise licenses sold by the area representative and as such are considered to represent a single performance obligation.

The following is a summary of accounts receivable and contract liabilities as of:

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts Receivable	$ 50,874	$ 20,610	$ 262,500
Long-Term Accounts Receivable	3,385,000	3,587,500	-
Contract Liabilities:			
Deferred Franchise Fee Revenue	2,003,840	1,884,051	1,370,000
Deferred Area Representative Revenue	8,116,237	8,196,001	1,170,167

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Company leases an office. The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, current liabilities, and long-term lease liabilities on the balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As the operating lease does not provide an implicit rate, the Company uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for the lease payments is recognized on a straight-line basis over the lease term. The Company has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheets.

The Company has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Income Taxes

The Company and its members have elected to be treated as a limited liability company for income tax reporting purposes. Accordingly, the members are taxed on the Company's income. Therefore, no provision or liability for income tax is included in the financial statement. As of December 31, 2025, management of the Company does not believe it has any uncertain tax positions.

Reclassifications

Certain accounts in the prior-year consolidated financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year consolidated financial statements. These reclassifications had no impact on reported results from operations.

Subsequent Events

In preparing this financial statement, the Company has evaluated events and transactions for potential recognition or disclosure through March 23, 2026, the date the financial statement was available to be issued.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following at December 31:

	2025	2024
Computers and Equipment	$ 1,552	1,552
Leasehold Improvements	73,555	-
Furniture and Fixtures	12,514	12,514
Total	87,621	14,066
Less: Accumulated Depreciation and Amortization	(14,473)	(4,654)
Property and Equipment, Net of Accumulated Depreciation and Amortization	$ 73,148	$ 9,412

Depreciation and amortization expense for the years ended December 31, 2025 and 2024 was $9,818 and $2,813, respectively.

NOTE 3 LEASES

In 2024, the Company leased an office under a long-term noncancelable agreement. The lease expired in May 2025. The lease provided for increases in future minimum annual rental payments based on a fixed rental schedule. On November 11, 2024, the Company entered into a new lease agreement which commenced May 2025 upon completion of the tenant improvements. The lease has a seven-year term and provides for increases in future minimum annual rental payments based on a fixed rental schedule.

The following table provides quantitative information concerning the Company's lease as of December 31:

	2025	2024
Operating Lease Costs	$ 150,077	$ 32,060
Variable Lease Costs	88,896	795
Total Lease Costs	$ 238,973	$ 32,855
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	$ 122,507	$ 30,294
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	$ 1,251,621	$ -
Weighted-Average Remaining Lease Term - Operating Leases	6.3 Years	0.4 Years
Weighted-Average Discount Rate - Operating Leases	4.02%	4.12%

NOTE 3 LEASES (CONTINUED)

The Company classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2025 is as follows:

Year Ending December 31,	Amount
2026	$ 200,330
2027	205,467
2028	208,035
2029	213,172
2030	215,740
Thereafter	291,191
Total Minimum Lease Payments	1,333,935
Less: Amount Representing Interest	(155,948)
Present Value of Minimum Lease Payments	$ 1,177,987

NOTE 4 DEFERRED COMMISSION COSTS

Estimated future deferred commission costs as of December 31, is as follows:

Year Ending December 31,	Amount
2026	$ 15,500
2027	15,500
2028	15,500
2029	15,500
2030	15,500
Thereafter	47,667
Total	$ 125,167

Commission cost amortization expense for the year ended December 31, 2025 and 2024 was $15,292 and $12,709, respectively.

NOTE 5 MEMBERS' EQUITY

The Company is authorized to issue two classes of units: Class A Units and Class B Units. The Company has issued 10,000 Class A Units and 10,000 Class B Units. Class A Units are not entitled to vote. Class B Units are held for voting purposes only and entitle the holder to one vote per unit of Class B.

NOTE 6 CONTINGENCIES

The Company may be subject to claims or lawsuits that arise from time to time in the ordinary course of business. The Company establishes accruals for matters that are probable and reasonably estimable. Although management believes that any pending claims and lawsuits will not have a significant impact on the Company's financial position or results of operations, the adjudication of such matters are subject to inherent uncertainties and management's assessment may change depending on future events.

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EXHIBIT B TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

PICKLEBALL KINGDOM

FRANCHISE AGREEMENT

Exhibit B to Franchise Disclosure Document issued as of: 4/20/2026

PICKLEBALL KINGDOM
FRANCHISE AGREEMENT

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EXHIBITS

Exhibit A	Owners' Guaranty and Assumption Agreement
Exhibit B	Confidentiality and Noncompetition Agreement
Exhibit C	Designated Search Area, Franchise Location, Protected Area, and Opening Date
Exhibit D	Ownership and Management Information
Exhibit E	Electronic Funds Transfer Authorization
Exhibit F	State Specific Addenda
Exhibit G	Conditional Lease Assignment

PICKLEBALL KINGDOM
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is made and entered into this ___ day of _____, 20__ (the "Effective Date"), by and between Pickleball Kingdom Franchising, LLC, an Arizona limited liability company having its principal business address at 275 E. Rivulon Blvd., Gilbert, Arizona 85297 ("Franchisor," "we," "us," or "our") and _____, a _____ _____ having its principal business address at _____ ("Franchisee," "you," or "your").

RECITALS:

We have the right to use and license the use of a business system (the "System," as further defined below) for the establishment and operation of indoor pickleball facilities offering pickleball lessons, leagues, clinics and pick-up games with multiple membership offerings for players of all skill levels (each, a "Pickleball Kingdom Business").

Pickleball Kingdom Businesses operate under the System and are identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin determined by us (the "Marks," as further defined below).

You wish to obtain a franchise to establish and operate a Pickleball Kingdom Business using the Marks and the System at the Franchise Location (defined below) specified in Exhibit C to this Agreement.

We are willing to grant you a franchise to do so upon the terms and conditions set forth in this Agreement in reliance on your application and your representations made in the application and in this Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, you and we agree as follows:

I. DEFINITIONS

"Advertising Fund" or "Fund" means the advertising fund described in Section IX.C. of this Agreement.

"Affiliate" or "Affiliates" of a named person means any person or entity that is controlled by, controlling or under common control with the named person.

"Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

"Assistant Managers" means the assistant managers employed by you to assist in operating your Pickleball Kingdom Business.

"Business Day" means each day other than a Saturday, Sunday, U.S. holidays or any other day on which the Federal Reserve is not open for business in the United States.

"Computer System" means the computer hardware and software (including, without limitation, back office/scheduling software, booking/video capture software, point-of-sale/accounting software, security systems and other systems meeting our specifications and manufactured by a manufacturer approved in writing by us) and any related devices that we may designate from time to time for use in the operation of Pickleball Kingdom Businesses.

"Confidential Information" means all proprietary and confidential information relating to the establishment and operation of Pickleball Kingdom Businesses, including, without limitation: (i) our Standards and specifications,

including equipment, product, operational and supplier Standards and specifications; (ii) site selection criteria; (iii) advertising and marketing plans and programs; (iv) research, development and test programs for products, services and operations; (v) the contents of our Manuals; (vi) knowledge of the operating and financial results of Pickleball Kingdom Businesses, other than operating/financial results of your Pickleball Kingdom Business; (vii) computer programs and systems, including electronic data files, passwords and all customer information, and (viii) Improvements (as defined in Section XI.D.).

"Cooperative" means an advertising cooperative, as described in Section IX.B. of this Agreement.

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

"Designated Search Area" means the non-exclusive geographic area described in Exhibit C to this Agreement within which you will locate a site for your Pickleball Kingdom Business.

"Force Majeure" means acts of God, strikes, lockouts or other industrial disturbances, war, acts of terrorism, riot, epidemic, fire or other catastrophe or other forces beyond a party's control.

"Franchise Location" means the address of the premises, located by you and accepted by us, at which the Pickleball Kingdom Business is located, as listed in Exhibit C to this Agreement.

"General Manager" means any person designated pursuant to Section VII.E.(2) of this Agreement.

"Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Pickleball Kingdom Business, whether for cash or credit and regardless of collection in the case of credit. Without limiting the foregoing, the following are included within the definition of "Gross Sales" except as otherwise noted: (a) all proceeds from any sales paid for in whole or in part via coupons, gift cards or vouchers (proceeds from the actual sale of gift cards are not included in your Gross Sales); and (b) your share of revenues from any vending machines or other equipment, machines or devices installed in the Pickleball Kingdom Business. "Gross Sales" does not include (i) sales taxes you collect from customers of the Pickleball Kingdom Business, if the taxes are actually transmitted in a timely manner to the appropriate taxing authority; (ii) tips or gratuities paid directly to your employees by customers of the Pickleball Kingdom Business or paid to you and turned over by you to your employees in lieu of direct tips or gratuities; (iii) returns to shippers or manufacturers; and (iv) proceeds from isolated sales of trade fixtures not constituting any part of the products and services offered for sale at the Pickleball Kingdom Business or having any material effect upon the ongoing operation of the Pickleball Kingdom Business. This definition of "Gross Sales" is subject to the provisions of Section V.B of this Agreement.

"Gross Sales Report" means the reports, in the form we require, due every other Tuesday during the term of this Agreement, itemizing the Gross Sales of the Pickleball Kingdom Business for the preceding two-week period (with each "week" beginning on Sunday and ending on the following Saturday).

"Manual" or "Manuals" means our confidential operations manual, which may consist of one or more manuals, containing our mandatory and suggested Standards, specifications and operating procedures relating to the development and operation of Pickleball Kingdom Businesses and your obligations under this Agreement. The term also includes alternative or supplemental means of communicating information to you, including any bulletins, video or audio recordings, and other electronic communications.

"Marks" means the trade names, trademarks, service marks, logos, emblems and other indicia of origin that we have designated, and may hereafter designate, in writing for use in connection with the System, including, but not limited to, the mark "PICKLEBALL KINGDOM."

"Opening Date" means the date the Pickleball Kingdom Business first opens for business to the public (including any soft opening event).

"Operating Partner" means the Owner designated by you and approved by us as meeting our qualifications who is responsible for overseeing the day-to-day operation of the Pickleball Kingdom Business.

"Owners" mean those persons and entities which, collectively and individually, hold an ownership interest in you and in any entity directly or indirectly controlling you.

"Pickleball Kingdom Business" means the Pickleball Kingdom Business operated by you at the Franchise Location pursuant to this Agreement, including all assets used in connection with its operation.

"Protected Area" means the geographic area assigned to you upon your acquisition of the Franchise Location and described on Exhibit C, exclusive of any Reserved Area, within which you will be afforded the protections described in Section II.B. of this Agreement.

"Reserved Area" means amusement parks, zoos, parks, aquariums, museums, fairs, theme parks, sports stadiums and arenas, concert venues, convention centers, theaters, casinos, highway rest stops and travel plazas, supermarkets, convenience stores, department stores, enclosed shopping centers, airports, bus stations, train stations and other public transportation facilities, hospitals or other health care facilities, schools, colleges, universities and other education facilities, hotels, office buildings, business complexes, military bases and other limited access or captive audience facilities/events and other mass gathering locations.

"Software Programs" means the proprietary or other software programs we develop or acquire for use by Pickleball Kingdom Businesses.

"Standards" means any guidelines, standards, specifications, rules, procedures, policies, methods, requirements, and directives we establish, including, without limitation, our standards and specifications as to interior and exterior design and décor, products and services offered to customers, sanitation, maintenance, and equipment (the "Standards") set out in our confidential operations manuals (the "Manuals") and otherwise in writing.

"System" means our comprehensive methods and procedures for the establishment, management and operation of Pickleball Kingdom Businesses, including the Confidential Information, our Manuals, the Marks and other business Standards and policies, the distinguishing characteristics of which include, without limitation, distinctive exterior design and signage; interior design that includes our unique décor and color scheme, showcasing 10 to 20 pickleball courts with outdoor surfaces, an event area for parties, meetings, etc., a pro shop with paddle rentals and gear for sale, viewing area, cafe area with snacks and beverages, including beer and wine (optional), and locker room/bathrooms with showers; policies and procedures for operations, including membership sales, court reservation systems, customer service standards, facility management, and overall quality control provisions; procedures for inventory management and financial control; training and assistance for you and your management, including pre-opening training, grand opening training, and ongoing support; and advertising and promotional programs to establish and maintain your business visibility and reputation, all of which we may change, improve, further develop or otherwise modify from time to time.

"Taxes" means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the franchised business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed by federal tax authorities on our net income.

II. GRANT

A. Grant of Rights. We hereby grant you the right, and you accept the obligation throughout the term of this Agreement, to establish and operate a Pickleball Kingdom Business under the Marks and the System in accordance with this Agreement at the Franchise Location. This Agreement only grants you the right to operate the Pickleball Kingdom Business at the Franchise Location. You are not authorized to offer any of the products and services offered by Pickleball Kingdom Businesses at wholesale. You may not solicit or accept orders from consumers outside your Protected Area through any channels of distribution (including the Internet, catalog sales, telemarketing and other direct marketing sales).

B. Protected Area. Your Protected Area will be described in Exhibit C. Except as provided in Section II.C. and subject to your full compliance with this Agreement and any other agreement between you or your Affiliates and us or our Affiliates, neither we nor any of our Affiliates will establish, or authorize any person or entity other than you to establish, a Pickleball Kingdom Business in the Protected Area during the term of this Agreement.

C. Reserved Rights. The rights granted to you under this Agreement are nonexclusive, and we and our Affiliates have and retain all rights within and outside the Protected Area except those expressly granted to you. Accordingly, we, our Affiliates, and any other authorized person or entity will have the right, among others, (i) to operate, and license others to operate, Pickleball Kingdom Businesses in any Reserved Area (regardless of location) and at any location outside the Protected Area, including locations that are adjacent to or surrounded by the Protected Area; (ii) within and outside the Protected Area to develop and establish other business systems (including systems that offer products or services similar to those offered at Pickleball Kingdom Businesses) using other names or marks and to grant licenses to use those systems; (iii) to advertise and promote the System both within and outside the Protected Area; (iv) acquire, or be acquired by, any competing system or other third party, including a competing system that has one or more units located within your Protected Area; and (v) except for the restriction in Section II.B. against the establishment of another Pickleball Kingdom Business in the Protected Area, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license, offer and sale of any and all services and products, under the Marks or under other names or marks, within and outside the Protected Area, through any other method of distribution, including, but not limited to, catalogs, the Internet, telemarketing and other direct marketing sales, etc., regardless of the competitive impact on your Pickleball Kingdom Business.

III. SITE SELECTION, CONSTRUCTION AND OPENING DATE

A. Site Selection and Acquisition. You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for the Pickleball Kingdom Business within the Designated Search Area. You acknowledge and agree that you acquire no rights in and to the Designated Search Area, other than the right to select a site for the Pickleball Kingdom Business from within its boundaries that complies with our site selection criteria. If you and we have agreed on a Franchise Location at the time we sign this Agreement we will insert the accepted Franchise Location into Exhibit C of this Agreement. If we have not agreed on a Franchise Location at the time we sign this Agreement, then following your selection and our acceptance of a site for your Pickleball Kingdom Business, the Franchise Location will be identified in Exhibit C to this Agreement and the Designated Search Area will be of no further force or effect.

(1) To assist you in your selection of a site for your Pickleball Kingdom Business, we will provide to you: (i) our site selection guidelines and such site selection assistance as we deem advisable; and (ii) such on-site evaluation as we may deem necessary; provided, that we will not provide an on-site evaluation for any proposed site before receiving all required information and materials required pursuant to Section III.A(2) below and, in our discretion, before receiving such information for multiple proposed sites.

(2) Before acquiring a site for the Pickleball Kingdom Business, you shall submit to us, in the form specified by us, a description of the site, evidence satisfactory to us demonstrating that the site satisfies our site selection guidelines, and such other information and materials as we may reasonably require, including, but not limited to, copies of your proposed lease, which must include a Conditional Lease Assignment in the form attached hereto as Exhibit G, or a contract of sale for the site in the event you decide to purchase the site.

(3) We shall have fourteen (14) days after receiving all required site information to accept or reject, in our sole discretion, the proposed site as the location for your Pickleball Kingdom Business. If we fail to respond to you within such 14-day time period, then your proposed site will be deemed to be rejected. No site may be used for a Pickleball Kingdom Business unless it is first accepted in writing by us, and you shall not make any binding commitment with respect to a site for your Pickleball Kingdom Business unless the site is first accepted in writing by us. If we accept multiple sites for the Pickleball Kingdom Business, you shall notify us in writing within five (5) days of the date of such acceptance of the site that you intend to acquire for the Pickleball Kingdom Business. You acknowledge that our acceptance of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by us that the Pickleball Kingdom Business operated at that site will be profitable or otherwise successful.

(4) Promptly following our acceptance of the site for your Pickleball Kingdom Business, you shall acquire the site by purchase or lease, at your expense. You agree to furnish to us a copy of the executed lease or contract of sale ("Site Agreement") within ten (10) days after execution. We have the right, but not the obligation, to review your Site Agreement, and any amendments or modifications, prior to its execution. If you execute a Site Agreement (i) you may not create any obligations on our behalf, grant any rights adverse to our rights, or agree to any other term that is inconsistent with any term of this Agreement; (ii) you must duly and timely perform all terms under the Site Agreement; and (iii) except as otherwise provided in this Agreement, you may not assign, encumber, or transfer the Site Agreement, or sublet all or any part of the Franchise Location, without our prior written approval, which approval will not be unreasonably withheld. You must ensure that all Site Agreements comply with any terms set forth in the Manuals.

(5) After we accept the site and you acquire the site pursuant to this Agreement, the address of the site shall be entered on Exhibit C to this Agreement as the Franchise Location and the Protected Area around the Franchise Location will be described on Exhibit C.

B. Franchise Location; Relocation Fee. You have been granted the right to operate a Pickleball Kingdom Business at the Franchise Location listed in Exhibit C to this Agreement. You must not relocate the Pickleball Kingdom Business without our express prior written consent. If you are unable to continue the operation of the Pickleball Kingdom Business at the Franchise Location because of the occurrence of an event of Force Majeure or for other reasons not constituting an event of default under this Agreement, you may request our consent to relocate the Pickleball Kingdom Business to another location in the Protected Area. Such request must be submitted to us as soon as possible (but in no event longer than 10 days) after the date you discover you will be unable to continue the operation of the Pickleball Kingdom Business at the Franchise Location. If we grant you the right to relocate your Pickleball Kingdom Business, you must pay us a relocation fee in an amount equal to Twenty-Five Percent (25%) of our then-current initial franchise fee, and you must comply with such reasonable site selection and construction procedures as we may require.

C. Licenses; Permits. You are responsible for obtaining all zoning classifications and clearances which may be required by any laws, ordinances, regulations, or restrictive covenants relating to the construction and operation of the Pickleball Kingdom Business at the Franchise Location, and you must conform the premises as needed to comply with any local ordinances and building codes at your expense. Before beginning construction of the Pickleball Kingdom Business, you must (i) obtain all approvals, clearances, permits, licenses and certifications required for the lawful construction or remodeling and operation of the Pickleball Kingdom Business, and (ii) certify in writing to us that they have been obtained and that the insurance coverage specified in Section XIII. of this Agreement is in full force and effect. At our request, you agree to provide to us copies of all such approvals, clearances, permits, licenses and certifications.

D. Construction and Finish Out. You must obtain, at your expense, any architectural, engineering, design, construction and other services you deem necessary for the construction of the Pickleball Kingdom Business. The architect(s) and engineer(s) selected to plan, conduct and oversee construction of your Pickleball Kingdom Business must be approved by us before beginning their work on the Pickleball Kingdom Business. We may, but are not obligated to, provide you a list of approved architect(s) and engineer(s).

(1) You must adapt our prototypical architectural and design plans and specifications for a Pickleball Kingdom Business as necessary for the construction of the Pickleball Kingdom Business and must submit the adapted plans to us for review within 30 days after you acquire the Franchise Location. We have the right to review your plans and will make reasonable efforts to notify you of our objections within 14 days after we receive your plans, provided that if we fail to provide our objections within that time period, we may later notify you of objections, and in any event you must request and obtain our written consent before you use the plans for any purpose. If we object to the plans, we will provide you with a reasonably detailed list of the changes needed to make the plans consistent with System Standards. We will make reasonable efforts to notify you within 14 days of receiving your revised plans incorporating such changes, whether the revised plans are acceptable, provided that if we fail to provide our objections within that time period, we may later notify you of objections, and in any event you must request and obtain our written consent before you use the revised plans for any purpose. You acknowledge that our review of the plans is only for the purpose of determining compliance with System Standards, and that our acceptance of the plans does not constitute a representation, warranty, or guarantee, express or implied, that the plans are accurate or free of error concerning their structural application. We are not responsible for architecture or

engineering, or for code, zoning, or other requirements of the laws, ordinances or regulations of any federal, state, local, or municipal governmental body, including, without limitation, any requirement relating to accessibility by disabled persons or others, nor are we responsible for any errors, omissions, or discrepancies of any nature in the plans.

(2) You must promptly commence and diligently pursue construction of the Pickleball Kingdom Business. During construction, you agree to provide us with such periodic progress reports as we may reasonably request. In addition, we will make such on-site inspections as we may deem reasonably necessary to evaluate your progress. You agree to notify us of the scheduled date for completion of construction no later than forty-five (45) days prior to such date. Within a reasonable time after the date construction is completed, we will, at our option, conduct an inspection of the completed Pickleball Kingdom Business. You must not open the Pickleball Kingdom Business for business without our written authorization, which will be conditioned upon your strict compliance with this Agreement.

E. Construction Start Deadline. You must locate and obtain a site for your Pickleball Kingdom Business that satisfies our site selection requirements within three (3) months after the Effective Date of this Agreement. You must (i) submit to us a complete set of final plans, and (ii) begin the construction and equipping of the Pickleball Kingdom Business within four (4) months after the Effective Date of this Agreement ("Construction Start Deadline"), unless you obtain a written extension of such time period from us.

F. Opening Date. You must open the Pickleball Kingdom Business and commence business within twelve (12) months after the Effective Date of this Agreement ("Opening Deadline"), unless you obtain a written extension of such time period from us. You acknowledge that time is of the essence. Before the Opening Date, you must complete all exterior and interior preparations for the Pickleball Kingdom Business, including installation of equipment, fixtures, furnishings and signs, pursuant to the plans and specifications we have approved, and must comply with all other pre-opening obligations. If you fail to comply with any of these obligations, we have the right to prohibit you from opening the Pickleball Kingdom Business. Your failure to timely open the Pickleball Kingdom Business in compliance with these provisions will be deemed a material event of default under this Agreement.

G. Failure to Meet Deadlines. If you are unable to meet the Construction Start Deadline or the Opening Deadline, you may request an extension in writing. However, we are not obligated to extend any deadlines. If you do not meet the Opening Deadline or the Construction Start Deadline within 30 calendar days after we send you notice of such default we may terminate this Agreement.

IV. TERM AND RENEWAL

A. Term. Unless sooner terminated as provided in this Agreement, the term of this Agreement will begin on the Effective Date and will continue until ten (10) years from the Effective Date.

B. Renewal. You may, at your option, renew your rights under this Agreement for up to two (2) additional consecutive terms of five (5) years each, subject to any or all of the following conditions which must, at our option, be met prior to and at the time of renewal:

(1) You must give us written notice of your election to renew not less than six (6) months nor more than nine (9) months before the end of the initial term or the first renewal term, as applicable;

(2) You must refurbish, repair or replace, at your expense, all equipment, Computer Systems, signs, interior and exterior décor items, fixtures, furnishings, equipment, supplies and other items required for the operation of the Pickleball Kingdom Business as we may reasonably require and must otherwise remodel and upgrade the Pickleball Kingdom Business to reflect the then-current Standards, building design and image of the System;

(3) You must not be in default of this Agreement, neither you nor your Affiliates may be in default of any other agreement with us or any of our Affiliates; and you and your Affiliates shall have substantially and timely complied with the terms and conditions of such agreements during their respective terms;

(4) You must have timely satisfied all monetary obligations owed to us and our Affiliates under this Agreement and any other agreement between you or any of your Affiliates and us or any of our Affiliates;

(5) You must present evidence satisfactory to us that you have the right to remain in possession of the Franchise Location during the entire renewal term or obtain our consent to a new site for the Pickleball Kingdom Business;

(6) You must execute our then-current form of renewal franchise agreement, which will supersede this Agreement in all respects, and the terms of which may materially differ from the terms of this Agreement, including, without limitation, a higher royalty fee and advertising contribution or expenditure requirement;

(7) You and your Owners must execute a general release of any and all claims against us, our Affiliates, and our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement or under federal, state or local laws, rules, regulations or orders;

(8) You must pay us a renewal fee in an amount equal to Fifteen percent (15%) of our then-current initial franchise fee; and

(9) You must comply with our then-current qualification and training requirements.

V. FEES

A. Initial Franchise Fee. You must pay us an initial franchise fee of Sixty Thousand Dollars ($60,000) upon the execution of this Agreement. The initial franchise fee shall be deemed fully earned and nonrefundable upon receipt by us.

B. Royalty Fee. During the term of this Agreement, you agree to pay to us continuing bi-weekly royalty fees in an amount equal to seven percent (7%) of your Gross Sales for the immediately preceding two-week period. You must pay the royalty fees via electronic funds transfer ("EFT") or any other means we reasonably specify. The royalty fees will be due every other Tuesday for royalties accrued during the prior two-week period, with each week beginning on Sunday and ending on the following Saturday, provided that if the scheduled due date is not a Business Day, then the next Business Day after the due date. We reserve the right to change the royalty payment schedule upon 30 days' notice to you. Every other Tuesday during the term of this Agreement, you must provide a Gross Sales Report to us describing your Gross Sales during the prior two-week period. Notwithstanding any contrary provisions in this Agreement, if a state or local law applicable to your Pickleball Kingdom Business prohibits or restricts in any way your ability to pay us royalty fees (or Advertising Fund contributions or any other amounts owed under this Agreement) based on Gross Sales derived from the sale of alcoholic beverages at the Pickleball Kingdom Business then the percentage rate for calculating your royalty fees (and any other Gross Sales based fees) shall be increased, and the definition of Gross Sales shall be changed to exclude sales of alcoholic beverages, so that the royalty fees to be paid by you shall be equal to the amounts you would have had to pay if sales from alcoholic beverages were included in Gross Sales. For example, if you generate $2,000 in Gross Sales, of which $1,000 is from the sale of alcoholic beverages, then your royalty fee would be $140 (7% of $2,000). If you are not permitted by law to pay royalty fees on the sale of alcoholic beverages, then we must recalculate your royalty percentage so that you still pay the full royalty fee. In this example, we must deduct $1,000 from the Gross Sales and raise your royalty percentage to 14% so that we may collect the same $140 royalty fee ($2,000 - $1,000 = $1,000 x 14% = $140), and similar adjustments would be made as needed with regard to Advertising Fund contributions or any other amounts owed under this Agreement, if applicable.

C. Technology Fees. If we, at our option, develop or otherwise establish software or other technologies (whether created by us or a designated third party) for use in the operation of your Pickleball Kingdom Business, then you will be required to use such software or technologies and pay a reasonable weekly technology fee to us or our designated vendor, as applicable. The technology fees, if implemented by us, will be due each week at the same time as your royalty payments under this Agreement. The amount of the technology fee will vary depending on the software or technologies required, but such fees can only be implemented or increased upon 30

days' written notice to you, and such fees will not exceed $250 per week. We reserve the right to change the Technology Fee payment schedule upon 30 days' notice to you.

D. Other Fees and Payments. In addition to the initial franchise fee and periodic royalty fees, you must pay when due all other fees or amounts described in this Agreement and in any other agreement between you and us or our Affiliates.

E. Past Due Amounts; Acceptance and Application of Payments.

(1) Any payment not actually received by us on or before the applicable due date will be deemed past due. All past due obligations under this Agreement will bear interest from the date due until paid at the lesser of eighteen percent (18%) per annum, or the maximum rate allowed by applicable law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment. You also agree to pay us a late payment fee equal to $250 for each delinquent payment under this Agreement.

(2) Our acceptance of any payments delivered subsequent to the applicable due date shall not be deemed to be a waiver by us of any preceding breach by you or your Owners of any terms, provisions, covenants or conditions of this Agreement.

(3) We have the right to apply any payment we receive from you to any amounts you owe us or our Affiliates under this Agreement or any other agreement, even if you have designated the payment for another purpose or account. We may accept any check or payment in any amount from you without prejudice to our right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

(4) You have no right to withhold any payments due to us on account of our breach or alleged breach of this Agreement, and no right to offset any amount due to us against any obligation that we may owe to you.

(5) Each payment to be made to us shall be made free and clear and without deduction for any Taxes.

F. Late Reporting Fees. If you fail to submit timely, complete, and accurate reports, financial statements, and tax returns in accordance with this Agreement, we may charge you a late reporting fee of $100 for each week that such report, statement, or return is late (the "Late Reporting Fee").

G. Electronic Funds Transfer. You agree to execute Exhibit E to this Agreement and all other documents necessary to permit us to withdraw funds from your designated bank account by electronic funds transfer ("EFT") in the amount of the royalty fee, the Advertising Fund contribution (described in Section IX.C.), and any other amounts due under this Agreement at the time such amounts become due and payable under the terms of this Agreement. Any fee calculated by reference to Gross Sales will be based on the information we obtain pursuant to Section XII.C. of this Agreement or the Gross Sales Report. If we have not received a Gross Sales Report within the time period required by this Agreement, then we may process an EFT for the applicable weeks based on the most recent Gross Sales Report provided to us by you; provided, that if a Gross Sales Report for the applicable weeks is subsequently received and reflects (i) that the actual amount of the fee due was more than the amount of the EFT, then we will be entitled to withdraw additional funds through EFT from your designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then we will credit the excess amount to the payment of your future obligations. Should your bank fail to honor any EFT for any reason, you agree that you will be responsible for promptly delivering such payment directly to us and reimbursing us for any service charge or other costs or expenses we incur. If any payments are not received when due, interest may be charged in accordance with Section V.E. Upon written notice to you, we may designate another method of payment.

H. Annual Conference Fees. You must pay us our then-current registration fees for our annual franchise conference (up to a maximum of $1,000 per person, as determined by us), which we may host at a location selected by us. If we schedule an annual franchise conference, you must attend. If you fail to attend an annual franchise conference without our prior written consent, you will be required to pay us a non-attendance fee of $1,500 within 10 days following the date of the applicable conference.

VI. OUR OBLIGATIONS

We agree to provide the following services or cause them to be provided to you:

A. Manuals. Access to the Manual, which will be provided electronically.

B. Training. An initial training program for your Operating Partner, your initial General Manager, and one other person, and additional training programs in accordance with Section VIII.A. Upon your reasonable request or if we determine it to be necessary during the term of this Agreement, we will provide you with on-site remedial training; provided that remedial training will be conducted subject to the availability of our personnel, and provided further, that we may require you to pay the daily fee we are then charging for on-site remedial training ($1,000 per day per trainer), and pay or reimburse us for the expenses incurred by our representatives, including the costs of travel, lodging, and meals. If we provide remedial training at our headquarters (or an alternate location designated by us at our option) then you will pay us a daily fee of $1,000 per attendee, and you will also be responsible for all costs incurred by the attendees related to training, including the costs of travel, lodging, and meals.

C. Opening Assistance. Such on-site opening assistance as we reasonably deem necessary. In connection with the opening of your Pickleball Kingdom Business, one or more of our representatives shall provide on-site assistance to you at your Pickleball Kingdom Business for one or more days, as we deem reasonably necessary.

D. Software Programs. For a reasonable fee, any Software Programs that we acquire or develop for use in the System; provided, that we are under no obligation to develop or acquire such Software Programs.

E. Inspections. Inspections of the Pickleball Kingdom Business and evaluations of the products sold and services offered and sold at and from the Pickleball Kingdom Business from time to time as reasonably determined by us.

F. Advertising. Administration of an Advertising Fund in accordance with Article IX, if and when such Advertising Fund is established by us. We may also provide to you, at a reasonable cost, any advertising and promotional materials we may develop from time to time for use in marketing and promoting Pickleball Kingdom Businesses.

G. Operational Advice. Advice and written materials concerning techniques for operating Pickleball Kingdom Businesses, including new developments and improvements in the System.

H. Collateral Merchandise; Equipment; Décor Items. From time to time in our discretion and at a reasonable cost to you, we may provide certain merchandise identifying the System, such as caps, t-shirts and other System memorabilia, in sufficient amounts to meet customer demand, and/or certain equipment, décor items or other products and services.

I. Approved Suppliers. From time to time as we deem appropriate we will provide you with a list of approved suppliers.

VII. YOUR REPRESENTATIONS, WARRANTIES AND COVENANTS

A. Your Investigation of this Franchise.

(1) **YOU ACKNOWLEDGE HAVING RECEIVED OUR FRANCHISE DISCLOSURE DOCUMENT (A) AT LEAST FOURTEEN (14) DAYS BEFORE SIGNING A BINDING AGREEMENT OR**

MAKING ANY PAYMENT TO US, OR (B) IF APPLICABLE, BY THE TIME REQUIRED BY YOUR STATE'S LAW. YOU ACKNOWLEDGE THAT THIS AGREEMENT CONTAINS NO CHANGES FROM THE FORM OF FRANCHISE AGREEMENT ATTACHED TO OUR FRANCHISE DISCLOSURE DOCUMENT OTHER THAN CHANGES MADE WITH YOUR KNOWLEDGE AND PURSUANT TO NEGOTIATIONS BETWEEN YOU AND US. YOU FURTHER ACKNOWLEDGE THAT YOU HAVE READ THIS AGREEMENT AND OUR FRANCHISE DISCLOSURE DOCUMENT AND THAT YOU UNDERSTAND THE TERMS OF THIS AGREEMENT AND ACCEPT THEM AS BEING REASONABLY NECESSARY FOR US TO MAINTAIN THE UNIFORMITY OF PICKLEBALL KINGDOM BUSINESSES AND TO PROTECT THE GOODWILL OF THE MARKS AND THE INTEGRITY OF THE SYSTEM.

(2) **YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT AND RECOGNIZE THAT AN INVESTMENT IN A PICKLEBALL KINGDOM BUSINESS INVOLVES BUSINESS RISKS; THAT YOUR SUCCESS IS LARGELY DEPENDENT ON YOUR OWN ABILITIES AND EFFORTS; AND THAT THE NATURE OF PICKLEBALL KINGDOM BUSINESSES MAY CHANGE OVER TIME. YOU HAVE NOT RECEIVED ANY GUARANTY OR ASSURANCE, EXPRESS OR IMPLIED, AS TO THE REVENUES, PROFITS OR SUCCESS OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT**.

(3) You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement.

(4) Whenever we have expressly reserved in this Agreement, or are deemed to have, a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, then except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including, without limitation, our judgment of what is in the best interests of our franchise network, at the time our decision is made or our right or discretion is exercised, without regard to whether: (i) other reasonable alternative decisions or actions could have been made by us; (ii) our decision or the action we take promotes our financial or other individual interest; (iii) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned operations; or (iv) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

B. Your Organization. If you are a corporation, partnership, limited liability company or other legal entity:

(1) You are duly organized and validly existing under the law of the state of your formation;

(2) You are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification;

(3) Your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the operation of Pickleball Kingdom Businesses. You warrant and represent that neither you nor any of your Affiliates or Owners own, operate or have any financial or beneficial interest in any business that is the same as or similar to a Pickleball Kingdom Business (i.e. any business offering pickleball-related services or products);

(4) The execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under your written partnership or limited liability company agreement and have been duly authorized; and

(5) You have provided to us prior to the execution of this Agreement, and will from time to time during the term of this Agreement at our request provide to us, copies of your articles of incorporation and

bylaws or, as applicable, your written partnership or limited liability company agreement, other governing documents, any amendments to them, resolutions authorizing your entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of your stock or other ownership interests and any other documents that we may reasonably request.

C. Your Owners.

(1) If you are a corporation, partnership, limited liability company or other legal entity, the ownership interests in you are accurately and completely described in Exhibit D. You agree to maintain at all times a current list of all your Owners and to make your list of Owners available to us upon request.

(2) If you are a corporation, you agree to maintain stop-transfer instructions against the transfer on your records of any of your equity securities and to conspicuously endorse each stock certificate with a statement, in a form satisfactory to us, that it is held subject to all restrictions imposed upon assignments by this Agreement. If you are a partnership or limited liability company, your written partnership or limited liability company agreement shall provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions imposed upon assignments by this Agreement.

(3) You agree to cause each of your Owners to execute the Guaranty and Assumption Agreement attached as Exhibit A to this Agreement, jointly and severally guarantying your performance under this Agreement and otherwise binding themselves to the terms of this Agreement as stated therein.

D. Your Financial Covenants.

(1) You have provided to us your most recent financial statements. These financial statements present fairly your financial position at the dates indicated therein and the results of your operations and cash flow for the years then ended. Each of the financial statements are certified as true and correct and have been prepared in conformity with generally accepted accounting principles and, except as expressly described in the applicable notes, applied on a consistent basis. There are no material liabilities, adverse claims, commitments or obligations of any nature, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on the financial statements.

(2) At our request, you agree to provide us with any and all loan or other documents regarding the financing of the Pickleball Kingdom Business.

(3) You agree to maintain at all times during the term of this Agreement sufficient working capital to fulfill your obligations under this Agreement.

E. Your Management.

(1) You agree to designate upon the execution of this Agreement, and to retain at all times during the term of this Agreement, an individual to serve as your Operating Partner. Your Operating Partner will be the primary individual responsible for your business, will be required to hold at least a 10% equity interest in the franchisee entity, and must devote his or her full-time best efforts to operating the Pickleball Kingdom Business. Your Operating Partner must meet our qualifications and must be approved by us. Even if you designate a separate General Manager approved by us as described in Section VII.E(2), your Operating Partner must always devote a reasonable amount of time and best efforts to the supervision of the Pickleball Kingdom Business(es) operated by you and your Affiliates. Without our written consent, which will not be unreasonably withheld, your Operating Partner shall not engage in any business other than the operation of your Pickleball Kingdom Business. Your Operating Partner and any General Manager whom we approve must be empowered with full authority to act for you.

(2) You agree to designate not later than thirty (30) days before the Opening Date and to retain at all times during the term of this Agreement a General Manager who meets our qualifications to supervise the operation of your Pickleball Kingdom Business. Your Operating Partner may serve as the General Manager of your Pickleball Kingdom Business, provided that he or she may not serve as the General Manager for more than one Pickleball Kingdom Business at the same time. Subject to our written consent, you may elect to designate an

individual other than your Operating Partner for the position of General Manager. Your General Manager must devote full time and best efforts to the supervision of the Pickleball Kingdom Business operated by you and your Affiliates and, without our written consent, shall not engage in any other business. You acknowledge and agree that the appointment of a General Manager will not relieve your Operating Partner of his or her supervisory responsibilities for the operation of your Pickleball Kingdom Business. You and your Operating Partner shall remain fully responsible for your General Manager's performance. Each Pickleball Kingdom Business must have a different General Manager. If you and your affiliates operate more than two Pickleball Kingdom Businesses, then in addition to your General Manager for each Pickleball Kingdom Business that you operate we may require you to appoint one or more Managers with the responsibility of supervising and supporting multiple Pickleball Kingdom Businesses (each a "Director of Operations").

(3) You agree to designate not later than thirty (30) days before the Opening Date and to retain at all times during the term of this Agreement the required number of Assistant Managers as determined by us from time to time, but in no event less than one (1) Assistant Manager. The Assistant Manager(s) shall meet our qualifications, shall devote full time and best efforts to the day-to-day operation and management of the Pickleball Kingdom Business and shall not engage in any other business activity without our prior written consent.

(4) The names of your Operating Partner and initial General Manager shall be listed in Exhibit D to this Agreement and you agree to keep such information current at all times during the term of this Agreement. You must promptly notify us in writing if your Operating Partner or General Manager cannot continue or no longer qualifies to serve in that capacity and must take corrective action within thirty (30) days after any such notice. During such thirty (30) day period, you must provide for interim management of your operations in accordance with this Agreement. Any failure to comply with this Section VII.E. will be a material breach of this Agreement.

F. Legal Compliance. In addition to complying with your obligations under this Agreement, you agree to comply with all applicable federal, state and local laws, rules, regulations, ordinances and orders, including, but not limited to, all laws related to labor, health and safety. Such laws, rules, regulations, ordinances and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is your sole responsibility to apprise yourself of the existence and requirements of all such laws, rules, regulations, ordinances and orders, and to adhere to them at all times during the term of this Agreement. Without limiting the foregoing, you certify that neither you nor any of your Owners, employees or anyone associated with you is listed in connection with any Anti-Terrorism Law and you agree not to hire or have any dealings with a person so listed. You further certify that you have no knowledge or information that, if generally known, would result in you, your Owners, employees, or anyone associated with you being so listed. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws and, in connection with such compliance, you represent and warrant that none of your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you and your Owners are not otherwise in violation of any of the Anti-Terrorism Laws. You also agree to comply with all payment card infrastructure ("PCI") industry and government security standards and requirements designed to protect cardholder data. PCI standards apply to both technical and operational aspects of credit card and other payment card transactions and apply to all organizations which store, process or transmit cardholder data. Without limiting the foregoing, you must abide by: (a) the Payment Card Industry Data Security Standards ("PCIDSS") enacted by the applicable Card Associations (as they may be modified from time to time or as successor standards are adopted); (b) the Fair and Accurate Credit Transactions Act ("FACTA"): and (c) all other Standards, laws, rules, regulations or any equivalent thereof applicable to electronic payments that may be published from time to time by payment card companies and applicable to electronic Payments ("Electronic Payment Requirement"). If you or we are required by one of the credit card companies or another third party (including any governmental body) to provide evidence of compliance with PCIDSS, FACTA or applicable Electronic Payment Requirements, we may require you to provide or make available to us copies of an audit, scanning results, or related documentation relating to such compliance. If you suspect or know of a security breach, you must immediately give us notice of such security breach and promptly identify and remediate the source of any compromise or security breach. You assume all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories and transactions concerning customers of the Franchised Business. You acknowledge and agree that you shall be solely responsible for any costs, expenses, damages or other liabilities incurred by you or us as a result of, or in connection with, your failure to comply with any PCI, PCIDSS or FACTA standards or requirements.

G. Powers of Attorney. You hereby appoint us as your true and lawful attorney-in-fact, with full power and authority (i) to assign to us upon the termination or expiration of this Agreement (a) all rights to the telephone numbers of the Pickleball Kingdom Business, any related business listings, and all rights to any website listings or services, search engines or systems, and any other business listings related to the Pickleball Kingdom Business and (b) at our option, your interest in any lease for the Franchise Location and any equipment used in the operation of the Pickleball Kingdom Business; and (ii) to obtain any and all returns and reports related to the Pickleball Kingdom Business that you file with any local, state or federal taxing authority. Such powers of attorney shall survive the expiration or termination of this Agreement, and you agree to execute such forms and documents as we deem necessary to appoint us your true and lawful attorney-in-fact with full power and authority for the foregoing purposes.

H. Continuing Obligations. You and you Owners make the foregoing representations, warranties and covenants understanding that such representations, warranties and covenants are continuing obligations. You agree to cooperate with us to verify your and your Owners' continuing compliance with such representations, warranties and covenants. Any failure to comply with these representations, warranties and covenants will constitute a material event of default under this Agreement.

I. Suspension of Operations. If: (i) any approved product you produce or sell evidences dilution or adulteration from our Standards; (ii) any approved product you produce or sell is contaminated or is otherwise in violation of applicable laws; or (iii) you fail to maintain the Pickleball Kingdom Business in compliance with applicable laws; or (iv) your Pickleball Kingdom Business operations or approved products pose a threat to the health or safety of the public, you must immediately suspend operations, search out and destroy any adulterated, diluted, or contaminated approved products, eliminate their source, and remedy all unsanitary, unsafe or otherwise hazardous conditions present. You will not resume operation of the Pickleball Kingdom Business until our analysis of your approved products or inspection of your Pickleball Kingdom Business, as applicable, demonstrates compliance with all applicable laws and standards. You must promptly implement any remedial measures we require to cure the default. If we conclude through any examination, analysis, and/or inspection that the approved products have been adulterated in any way or that your Pickleball Kingdom Business is not in compliance with applicable laws, you shall, upon demand, reimburse us for all reasonable expenses connected with any such examination, analysis, or inspection under this Agreement (including reasonable product analysis fees). If (a) we determine that a violation of this section has occurred and that you have committed a similar violation within the one-year period before the date of the inspection or analysis; (b) you fail or refuse to comply with any or all of the remedial measures we require; (c) you fail to provide us with full cooperation in the course of any inspection or analysis we conduct; or (d) we determine that there has been any repetition during the term of this Agreement of any occurrence under this Section, then you must reimburse us in full for the costs of inspection and analysis plus any travel and living expenses of our inspectors or representatives and any other expenses we incur in connection with this section, including our attorneys' fees. The remedies in this section are in addition to, and not in substitution of, any other remedies stated elsewhere in this Agreement. Nothing in this section limits any of our rights to terminate this Agreement under the default and termination sections.

VIII. BUSINESS OPERATIONS

A. Training. Your Operating Partner, General Manager, and at least one Assistant Manager (and any others we require, in our discretion) must successfully complete our management training program before the Opening Date. Any successor or replacement Operating Partner, General Manager or Assistant Manager must successfully complete our management training program within a reasonable time after such persons are designated, provided that each successor or replacement must successfully complete training no more than sixty (60) days after the date on which his or her predecessor ceased to be employed by you (or ceased to serve as Operating Partner, as applicable). These persons, and any of your other personnel whom we may designate, must attend and complete any additional training that we may require from time to time. In addition, we may, at our option, conduct periodic franchisee conventions at a location designated by us, and your Operating Partner and/or General Manager must attend such conventions. At our option, we may certify your Operating Partner, General Manager or one or more of your Assistant Managers (following their completion of all applicable training as required by us) as a "Certified Trainer" authorized to provide and conduct one or more designated training programs (as determined by us) for new or replacement employees at your Pickleball Kingdom Business; provided, however, that we reserve the right to test any employees trained by a Certified Trainer and to require any Certified Trainer and any of your employees to successfully complete additional training programs conducted by us from time to time. Initial management training

for your Operating Partner, General Manager and one Assistant Manager is provided in Gilbert, Arizona (or other location(s) we designate) at no charge; however, we reserve the right to charge a reasonable fee for training any additional persons, including any successor or replacement personnel, and for any additional training programs. Such additional training shall be conducted at locations we designate. You are responsible for any and all expenses incurred in connection with any initial or additional training and attendance at any franchisee conventions, including, without limitation, the costs of travel, lodging, meals and wages incurred by you and your personnel. If any Operating Partner, General Manager or Assistant Manager fails, in our sole judgment, to satisfactorily complete our management training program, and you fail to cure such default within ninety (90) days following written notice from us, we may terminate this Agreement.

B. Standards Compliance. You acknowledge the importance of maintaining uniformity among all of the Pickleball Kingdom Businesses and the importance of complying with all of our Standards and specifications relating to the operation of the Pickleball Kingdom Businesses. To protect the reputation and goodwill of the System and to maintain high standards of operation under the Marks, you agree to conduct your business in accordance with the Manuals, other written directives which we may issue to you from time to time, and any other materials created or approved by us for use in the operation of Pickleball Kingdom Businesses.

C. Maintenance of Pickleball Kingdom Business. You agree to continuously maintain the Pickleball Kingdom Business in a high degree of sanitation and repair in accordance with all applicable laws and our Standards, and to make such additions, alterations, repairs and replacements as may be required for that purpose, including, without limitation, such periodic cleaning (which may include professional cleaning), repainting or replacement of signs, furnishings, décor, and equipment (including, but not limited to, Computer Systems) as we may direct. You also agree to obtain, at your expense, any new or additional equipment (including, but not limited to, point-of-sale or Computer Systems), fixtures, supplies and other products and materials which we may require for you to offer and sell new services or products from the Pickleball Kingdom Business or to provide such services or products by alternative means. No alterations, improvements or changes of any kind in design, equipment, signs, interior or exterior décor items, fixtures or furnishings shall be made in or about the Pickleball Kingdom Business without our prior written approval.

D. Upgrade of Pickleball Kingdom Business. Promptly upon our request, you must make improvements, renovations, updates and upgrades to remodel, modernize and redecorate the Pickleball Kingdom Business to conform it to our then-current Standards and specifications. Without limiting the foregoing, you agree that, if we request, you will make any capital improvements required by this Section VIII.D. on or after the fourth (4th) anniversary of the Opening Date, or at such other time during the term of this Agreement that a majority of the Pickleball Kingdom Businesses then operated by us or our Affiliates have made or are utilizing best efforts to make such improvements. You acknowledge that this obligation could result in your making extensive structural changes to and significantly remodeling and renovating of the Pickleball Kingdom Business and/or in your spending substantial amounts for such remodeling. You agree to incur without limitation any capital expenditures required in order to comply with this obligation and our requirements, even if those expenditures cannot be amortized over the remaining term of this Agreement.

E. Sourcing.

(1) You agree to comply with all of our Standards and specifications for the purchase of all products, supplies, materials, fixtures, furnishings, equipment, Computer Systems, and other products or services used, or offered for sale, at the Pickleball Kingdom Business. If we have approved or designated suppliers (which may include us or our Affiliates or third party manufacturers, distributors and other sources) for any such item, you agree to obtain these items from those suppliers. Our approved or designated suppliers are those who demonstrate on a continuing basis the ability to meet our Standards and specifications; who have adequate quality controls and the capacity to supply the needs of the Pickleball Kingdom franchise network promptly and reliably over an extended period of time; and who have been approved in writing by us and who have not thereafter been disapproved by us. We may designate ourselves, our Affiliates or a third party as an approved or designated supplier, or as the sole approved or designated supplier of any item. You agree that we and our Affiliates may derive revenue based on your purchases and leases (including, without limitation, from charging you for products and services we or our Affiliates provide to you and from payments made to us or our Affiliates by third-party suppliers that we designate or approve for some or all of our franchisees).

(2) If you wish to use any item or service that we have not yet evaluated or (for items that we require you to purchase from designated or approved suppliers) if you wish to purchase or lease any such item from a supplier that we have not yet approved, you must submit a written request for approval to us. You cannot purchase or lease any such item unless the supplier has been approved in writing by us. We are not required to approve any particular supplier. We will have the right to require you to submit information, specifications and samples to us to enable us to determine whether the item complies with our Standards and specifications and that the supplier meets our criteria. We also have the right to send our representatives to inspect the supplier's facilities and to have samples from the supplier be delivered to us or to an independent laboratory designated by us for testing. You or the proposed supplier will be required to pay for the cost of the inspection and the test (including our administrative expenses) and reimburse us for any costs or expenses we incur in connection with the evaluation of your proposed supplier. We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We reserve the right to re-inspect from time to time the facilities and products of any approved supplier and to revoke our approval of the supplier if the supplier fails to continue to meet any of our criteria. If we revoke our approval of any supplier, you agree to promptly discontinue use of that supplier. Your failure to comply with the provisions of this Section VIII.E. shall be deemed a material breach under this Agreement.

F. Operational Requirements. You agree to operate the Pickleball Kingdom Business in full conformity with our methods, Standards and specifications as set forth in the Manuals and as from time to time otherwise prescribed in writing. Without limitation of the foregoing, you agree:

(1) To sell or offer for sale all products, memberships (including our membership reciprocity programs) and services that we require using the method and manner of distribution we prescribe. Your distribution methods must be limited to those expressly authorized by us in writing in the Manuals or otherwise;

(2) To sell, and offer for sale, only the products, memberships (including our membership reciprocity programs) and services that we have expressly approved for sale in writing; to discontinue selling and offering for sale any products, memberships or services and any method or manner distribution which we may disapprove in writing at any time;

(3) To maintain in sufficient supply, and to use and sell at all times, only those products, materials, and supplies that conform to our Standards and specifications; and to refrain from deviating from our Standards and specifications by using or offering non-conforming products or services or differing amounts of any items or otherwise, without our prior written consent;

(4) To permit us or our agents, at any reasonable time, to remove samples of any items from the Pickleball Kingdom Business, without payment, in amounts reasonably necessary for testing to determine whether such samples meet our then-current Standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform to our specifications;

(5) To purchase or lease and install, at your expense, all fixtures, furnishings, equipment, Computer Systems, décor items, signs, vending machines and related items that we may reasonably direct from time to time; and to refrain from installing or permitting to be installed in or about the Pickleball Kingdom Business, without our prior written consent, any fixtures, furnishings, equipment, décor items, signs, vending machines or other items not previously approved as meeting our Standards and specifications;

(6) To grant us and our agents the right to enter the Pickleball Kingdom Business at any reasonable time to conduct inspections; to cooperate with our representatives conducting the inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents (and without limiting our other rights under this Agreement), to take any and all steps that may be necessary to correct promptly any deficiencies detected during an inspection. If you fail for any reason to correct such deficiencies within a reasonable time, as determined by us, we will have the right and authority (but no obligation) to correct the deficiencies and to charge you a reasonable fee, payable on demand, for our expenses in taking the corrective action (including, without limitation, any necessary re-inspection);

(7) To at all times operate your Pickleball Kingdom Business under the direct, on-site supervision of at least one person who has successfully completed our management training program pursuant to Section VIII.A of this Agreement; to at all times maintain a competent, conscientious, trained staff and to take any and all steps necessary to ensure that your employees preserve good customer relations and comply with any dress code we may prescribe;

(8) To only install and offer at the Pickleball Kingdom Business such equipment, machines, games and activities (such as vending machines, video games or other devices) as we have expressly approved in the Manuals or otherwise in writing; and

(9) To keep the Pickleball Kingdom Business open and in operation for the days and hours that we may prescribe from time to time.

G. Computer Systems. You agree to use the Computer System that we specify from time to time for use in the operation of the Pickleball Kingdom Business and to keep such Computer System in good maintenance and repair. You acknowledge and agree that we will have full access to your Computer System (including, but not limited to, your POS and security systems) and may modify the specifications and the components of any such Computer System from time to time. As part of the Computer System, we may require you to obtain specified computer hardware and/or software, including, without limitation, a license to use Software Programs developed by us or others. Changes to the Computer System specifications may require you to incur costs to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System during the term of this Agreement. We own, and have the right to access and retrieve, all data from your Computer System that we deem appropriate, and we may require you to obtain polling services we specify. You acknowledge that we cannot estimate the future costs of the Computer System (or additions or modifications thereto) and that the cost to you of obtaining the Computer System (including software licenses) or additions or modification thereto may not be fully amortizable over the remaining term of this Agreement. Nonetheless, you agree to incur such costs. Within sixty (60) days after you receive notice from us, you agree to obtain the components of the Computer System that we require, including any data security/malware protection software we may require. You further acknowledge and agree that we have the right to charge a reasonable systems fee for any software or systems modifications and enhancements specifically made for us that are licensed to you and other maintenance and support services that we or our Affiliate may furnish to you.

H. Customer Complaints. You agree to process and handle all consumer complaints connected with or relating to the Pickleball Kingdom Business, and to promptly notify us of all illnesses, safety or health violations or allegations of such violations, claims exceeding One Thousand Dollars ($1,000), and any other material claims against or losses suffered by you. You also agree to maintain, and to promptly notify us of, any communications with governmental authorities affecting the Pickleball Kingdom Business during the term of this Agreement and for one (1) year after the expiration or earlier termination hereof.

I. Internet Website and Social Media Accounts. You agree to install and maintain all hardware and software needed to access the Internet at the bit speed we require from time to time. You further agree that you will not establish any website or other listing on the Internet except as provided herein.

(1) Without our prior written approval, which we may give or withhold in our sole discretion, you may not develop, create, generate, own, or otherwise use any computer and/or electronic media (including but not limited to the Internet web sites, social media accounts, etc.) in connection with the Pickleball Kingdom Business. If we grant our written approval for your use of an Internet website, social media account or other electronic media, you must appoint us as a co-administrator/owner of your account with ability to modify content. You acknowledge that the form, content and appearance of any Internet website or social media account you use must comply with the System Standards and must be approved by us in writing before being used. Accordingly, you agree that you have no authority to, and you will not, establish any website or social media account that creates any association with the Marks or the System, or post any advertisements or material on the Internet (including, but not limited to, social media websites such as Facebook, Instagram and Twitter) that depict or display the Marks or suggest an association with the System, without our express prior written consent. Without limitation of the foregoing, if we require, any Internet website or social media account created by or for you must contain a hypertext link to our Internet website in the form we require, and no other hypertext links to third party Internet websites unless previously approved in writing by us. Notwithstanding our approval of a website or social media account, we

reserve the right to revoke our approval at any time that the website or social media account fails to continue to meet our Standards, and you agree that upon such revocation, you will immediately discontinue use of the applicable website or social media account.

(2) You agree that you have no authority to, and you will not, register any domain name in any class or category that uses or creates any association with the Marks (including any abbreviation, acronym, phonetic variation or visual variation of the Marks) or the System without our express prior written consent. You must obtain our written approval for your domain name prior to use. Your domain name must be registered in our name and licensed to you by us. On termination or expiration of this Agreement, the license of the domain name to you will automatically terminate and you agree to undertake all such actions that we require to disassociate yourself with the domain name.

(3) We may establish and operate websites, social media accounts (such as Facebook, Twitter, Instagram, Pinterest, etc.), applications, keyword or ad word purchasing programs, accounts with websites featuring gift cards or discounted coupons (such as Groupon, Living Social, etc.), mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, "Digital Marketing") that are intended to promote Pickleball Kingdom Businesses and the System. We will have the sole right to control all aspects of any Digital Marketing, including those related to your Pickleball Kingdom Business, to pre-approve any Digital Marketing that you desire to perform for your Pickleball Kingdom Business, and to define the procedures and processes under which any permitted Digital Marketing may be performed. We may withdraw our approval for any Digital Marketing at any time. Among other things, we have established an Internet website that provides information about the System and the products and services offered by Pickleball Kingdom Businesses, and we or our affiliates have sole ownership, discretion and control over such website, including timing, design, contents and continuation. We may include at the website interior pages containing information about our franchisees' Pickleball Kingdom Businesses and may require you to prepare all or a portion of the page for your Pickleball Kingdom Business, at your expense, using a template that we provide, with all such information subject to our approval prior to posting. We may use Advertising Fund monies to establish and maintain the website.

(4) We also have the sole right (but no obligation) to develop an Intranet through which we and our franchisees can communicate by e-mail or similar electronic means. If we develop an Intranet, you agree to participate in strict compliance with our Standards, protocols and restrictions, including, without limitation, Standards, protocols and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements. We may, in our sole discretion, charge a reasonable fee for Intranet usage, which you agree to pay in accordance with our invoice.

J. Business Licenses and Sale of Alcohol. You agree to secure and maintain, at your sole cost, any and all state, county, and/or local business licenses (including but not limited to, any required liquor license, if you elect to sell beer and wine) required for the operation of the Pickleball Kingdom Business. You may, with our prior consent, offer beer and wine for sale at your Pickleball Kingdom Business as long as you comply with our standards and specifications for doing so. You must comply with all federal, state, county, municipal, or other local laws and regulations relating to alcohol that may apply to your Pickleball Kingdom Business. Before opening your Pickleball Kingdom Business you must obtain (and you must at all times maintain) all applicable food and beverage licenses, including liquor licenses if applicable, and you must obtain and maintain any applicable real estate permits (*e.g.*, zoning), real estate licenses, and other operational licenses. You will not be permitted to open your Pickleball Kingdom Business until, among other things, you have obtained all applicable licenses required to legally operate the business. You are solely responsible for obtaining and maintaining any applicable liquor licenses and all expenses related thereto. You are also solely responsible for complying with all applicable laws and regulations governing the sale of alcoholic beverages. Accordingly, you are solely responsible for any liability arising under any state "dram shop" laws or similar laws for injuries and damages that are directly or indirectly related to the sale and consumption of alcohol, and you must indemnify us for any costs, expenses and liabilities we incur as a result of, or in connection with, the sale or consumption of alcohol at your Pickleball Kingdom Business. Each of your managers (and any other employees we designate) must be ServSafe certified (or the equivalent certification in your state). Certain managers and other employees we designate (e.g. bartenders, if applicable) must also complete alcohol awareness or TIPS training.

K. Prices of Products Sold at Your Pickleball Kingdom Business. We may from time to time establish maximum, minimum or other pricing requirements for the products to be sold at your Pickleball Kingdom

Business to the fullest extent allowed by law, including required participation in System-wide discount programs and promotions.

L. Customer Card Programs. At your expense, you must fully participate in all of our membership programs (including our membership reciprocity requirements), gift card programs, loyalty programs, credit card programs, customer tracking programs, incentive programs, reward programs, and other types of programs ("Customer Card Programs") that we develop or designate to support and promote the System. You must comply with all our procedures and policies for Customer Card Programs in the Manuals. You will, at your sole expense, promptly install at the Pickleball Kingdom Business any acceptance system for Customer Card Programs and/or hardware and software necessary for Customer Card Programs to operate with the Computer System. You must also obtain any services and supplies we require in connection with Customer Card Programs and pay all fees charged by us or our affiliates or our approved suppliers in connection with Customer Card Programs. Customer Card Programs may use aspects of the Computer System.

IX. ADVERTISING

A Local Advertising. Recognizing the value of advertising and marketing to the goodwill and public image of Pickleball Kingdom Businesses, you agree that throughout the term of this Agreement you will spend at least $1,000 each month for advertising and promotion of the Pickleball Kingdom Business in your Protected Area (except that your first month of operation is covered by the grand opening advertising requirement). In our sole discretion, We may increase this requirement up to once per year (with each increase limited to 10% per year) upon written notice to you. At our request, you must submit to us a report (including substantiating receipts) detailing your local advertising expenditures during the time period specified in the request. In addition, we have the right to request receipts and conduct audits or otherwise review your books and records from time to time (up to once per month, in our discretion) to determine your expenditures for local advertising and promotion. If we determine that you have not spent the requisite amounts, we may require you to pay such unexpended amounts to us to apply to local advertising in the Protected Area.

B. Cooperatives. We have the right to designate any geographic area in which two (2) or more company-owned or franchised Pickleball Kingdom Businesses are located as a region for purposes of establishing an advertising cooperative ("Cooperative"). If we do, each Cooperative will be organized and governed as, and will begin operation on a date, we determine. Cooperatives will be organized for the exclusive purpose of administering advertising programs and developing promotional materials for local advertising and will be operated solely as a conduit for the collection and expenditure of advertising contributions. If a Cooperative is established for a geographic area that includes all or part of the Protected Area, you must execute the applicable Cooperative documents promptly upon our request and participate as a member of the Cooperative. Among other things, this means that (i) you must submit to the Cooperative and to us all statements and reports that we or the Cooperative may require, and (ii) you must contribute to the Cooperative the amounts required by the Cooperative's governing documents (which, at our option, could be up to 50% of your individual local advertising requirement); provided, that your Cooperative contributions will be applied to satisfy a portion of your local advertising requirement under Section IX.A. We may require that the Cooperative only use public relations firms and advertising agencies that we approve. As a member, officer, or director of a Cooperative, you must provide to us within 10 days all information we request related to the Cooperative.

C. Advertising Fund. We may, at our option, establish an advertising program fund (the "Advertising Fund" or "Fund"). Beginning upon your receipt of written notice from us that we have established an Advertising Fund, you agree to make bi-weekly contributions to the Fund of two percent (2%) of the Pickleball Kingdom Business' Gross Sales. In our sole discretion, we may increase the amount you must contribute to the Fund upon not less than thirty (30) days' written notice to you; provided, however, that you shall not be required to contribute more than four percent (4%) of the Pickleball Kingdom Business' Gross Sales to the Fund. Your required contributions to the Fund are in addition to amounts you are required to spend for local advertising under Section IX.A. Fund contributions will be made bi-weekly, with respect to the prior two-week period's Gross Sales, at the time and in the manner that royalty fee payments are due.

(1) We will direct all programs financed by the Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation thereof. You

agree that the Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering national, regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; the cost of developing and maintaining an internet website and any Digital Marketing; developing and maintaining gift card, membership and other customer loyalty programs; and supporting public relations, market research and other advertising, promotion and marketing activities.

(2) The Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries (including salaries paid to our marketing staff members), administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Fund and its programs, including, but not limited to, conducting market research; preparing advertising, promotion and marketing materials; and collecting and accounting for contributions to the Fund. We may spend, on behalf of the Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Pickleball Kingdom Businesses to the Fund in that year, and the Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Fund will be used to pay advertising costs before other assets of the Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the Fund and furnish the statement to you upon written request. We have the right to cause the Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified herein. Pickleball Kingdom Businesses owned by us and our Affiliates may, but are not required to, contribute to the Fund on the same basis as a franchisee under the terms of a standard franchise agreement for a Pickleball Kingdom Business.

(3) You acknowledge that the Fund is intended to maximize recognition of the Marks and patronage of Pickleball Kingdom Businesses. Although we will endeavor to utilize the Fund to develop advertising and marketing materials and programs that will benefit all Pickleball Kingdom Businesses, we have no obligation to spend any minimum amount in any market, and we undertake no obligation to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Fund by Pickleball Kingdom Businesses operating in that geographic area or that any Pickleball Kingdom Business will benefit directly or in proportion to its contribution to the Fund from the development of advertising and marketing materials or the placement of advertising. We may use a portion of the monies contained in the Fund to establish regional marketing funds and/or to establish and maintain a website for Pickleball Kingdom Businesses. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering, the Fund.

(4) We reserve the right, upon thirty (30) days' prior written notice to you, to defer, reduce or suspend contributions to (and, if suspended, deferred or reduced, to reinstate such contributions) and to suspend operations of, the Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Fund. If the Fund is terminated, all unspent monies on the date of termination will be distributed to the contributors to the Fund in proportion to their respective contributions to the Fund during the preceding twelve (12) month period.

(5) We may, in our discretion and business judgment, use the Fund to directly or indirectly place advertising in your local or regional market; however, we also intend to use the Fund to create and prepare marketing materials or advertising programs that will be provided to you so that you may directly place or implement such materials or programs in your local or regional market. Any amounts that you spend to place or implement advertising created by the Fund in your local or regional market will be credited towards your local advertising obligations under Section IX.A. above.

D. Promotional Programs. We may, from time to time in our sole discretion, develop and administer advertising and sales promotion programs designed to promote all Pickleball Kingdom Businesses or specific advertising market areas (e.g., limited time offers, gift cards, coupons, loyalty programs, customer relationship management, and other supplemental marketing programs). We will be responsible for the design and administration of such programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies. If we do establish these programs, you agree to participate in them at your own cost (including the costs to purchase, lease, and install all materials necessary to the programs including counter cards, posters, banners, signs, photographs, give-away items and gift cards), all in accordance with the terms

and conditions we establish. The Standards and specifications we establish for such programs, shall be final and binding upon you.

E. Advertising Standards. You agree that any advertising, promotion and marketing you conduct, whether required by this Agreement or voluntarily undertaken by you, will be completely clear and factual and not misleading and will conform to the highest standards of ethical marketing and the promotion policies that we prescribe from time to time. Samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted to us for approval at least twenty (20) days before you use them or deliver them to a third party for use in any advertisement. If you do not receive written approval within fifteen (15) days after our receipt of such materials, we will be deemed to have disapproved such materials. You may not use any advertising or promotional materials that we have disapproved. Our approval of any advertising material may be withdrawn in our sole discretion at any time.

F. Grand Opening. During the period beginning sixty (60) days prior to the Opening Date and ending thirty (30) days after the Opening Date ("Grand Opening Period"), you must carry out a grand opening promotion for your Pickleball Kingdom Business in accordance with our Standards. You must spend at least Fifteen Thousand Dollars ($15,000) on advertising and promoting your Pickleball Kingdom Business during the Grand Opening Period. We will assist you in organizing your grand opening promotion, and we must approve all advertising items, methods and media you use in connection with such grand opening promotion. We reserve the right to require you to pay all or some of the grand opening advertising monies to us so that we can use those funds to implement a grand opening campaign on your behalf. This cost is in addition to your required local advertising expenditures described in Section IX.A. If you relocate you may be required to comply with the Grand Opening obligation again.

G. Business Listings. You agree to place and pay the cost of a business listing acceptable to us, which may, at our discretion, be an Internet business listing, in such directories and categories as we may specify from time to time in the Manuals or otherwise in writing. This cost is in addition to your required local advertising expenditures.

X. MARKS

A. Your Right to Use the Marks. We grant you the right to use the Marks during the term of this Agreement in accordance with this Agreement and our Standards and specifications.

B. Your Agreements Regarding the Marks. You expressly acknowledge that:

(1) As between us and you, we are the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them.

(2) Neither you nor any of your Owners will take any action that would prejudice or interfere with our rights or those of our Affiliates in and to the Marks. Nothing in this Agreement shall give you any right, title, or interest in or to any of the Marks, except the right to use the Marks in accordance with the terms and conditions of this Agreement.

(3) Any and all goodwill arising from your use of the Marks will inure solely and exclusively to our benefit and to the benefit of our Affiliates, and upon expiration or termination of this Agreement, no monetary amount shall be attributable to any goodwill associated with your use of the Marks.

(4) You agree not to contest, or assist others to contest, the validity of, or our or our Affiliates' interest in the Marks.

(5) Any unauthorized use of the Marks will constitute an infringement of our or our Affiliates' rights in the Marks and a material event of default under this Agreement. You agree to provide us with all assignments, affidavits, documents, information and assistance related to the Marks that we or our Affiliates reasonably request, including all such instruments necessary to register, maintain, enforce and fully vest the rights of us or our Affiliates in the Marks.

(6) We have the right to substitute different trade names, trademarks, service marks, logos and commercial symbols for the current Marks to use in identifying the System and the Pickleball Kingdom Businesses operating under the System if the current Marks no longer can be used, or if we, in our sole discretion, determine that substitution of different marks will be beneficial to the System. If we do so, you agree, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute marks.

C. Your Use of the Marks. You further agree that you will:

(1) Operate and advertise the Pickleball Kingdom Business only under the name "Pickleball Kingdom" without prefix or suffix, unless otherwise authorized or required by us. You agree not to use the Marks as part of your corporate or other legal name.

(2) Identify yourself as the independent owner of the franchised Pickleball Kingdom Business in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms and other forms, receipts and contracts, and display a notice in such content and form and at such conspicuous locations at the Pickleball Kingdom Business or on any vehicle used in the operation of the Pickleball Kingdom Business as we may designate in writing.

(3) Not use the Marks to incur any obligation or indebtedness on our behalf.

(4) Comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

D. Infringement. You agree to notify us promptly of any apparent infringement of or challenge to your use of any Mark and of any claim by any person of any rights in any Mark. You and your Owners shall not communicate with any person other than us, our Affiliates, our and their counsel, and your counsel in connection with any such apparent infringement, challenge or claim. We will have complete discretion to take any action we deem appropriate in connection with any infringement of, or challenge or claim to, any Mark and the right to control exclusively, or to delegate control of, any settlement, litigation, Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. You agree to execute all such instruments and documents, render such assistance, and do such acts or things as may, in our opinion, reasonably be necessary or advisable to protect and maintain our or our Affiliates' interests in the Marks.

XI. CONFIDENTIALITY AND NONCOMPETITION COVENANTS

A. Manuals. The Manuals are our property and you agree to return any copies of the Manuals (if applicable) to us at our request and in any event when this Agreement expires or is terminated for any reason. You and your Owners must at all times maintain the Manuals, and the information contained in them, as confidential in compliance with this Article XI. You may make the Manuals available only to those of your Owners and employees who must have access to them in order to operate the Pickleball Kingdom Business and may not at any time copy, duplicate, record or otherwise reproduce the Manuals, in whole or in part, or make them available to any unauthorized person. You agree to maintain the Manuals in a secure manner at the Pickleball Kingdom Business. We have the right to add to or modify the Manuals from time to time, although the Manuals shall not contain any provisions now or in the future that would render us as your joint employer or otherwise make us responsible for your acts or omissions relating to your employees. You agree to comply with the terms of all additions and modifications to the Manuals and to keep your copy of the Manuals current. If there is a dispute about the contents of the Manuals, the terms of the master copy in our possession shall control. The entire contents of the Manuals, and our mandatory specifications, procedures and rules prescribed from time to time, shall constitute provisions of this Agreement as if they were set forth herein.

B. Nondisclosure of Confidential Information. We will disclose to you those parts of our Confidential Information we deem necessary or advisable from time to time for the establishment and operation of the Pickleball Kingdom Business. You agree that you and your Owners will not acquire any interest in the Confidential Information, other than the right to use the Confidential Information in operating the Pickleball Kingdom Business during the term of this Agreement, and that the use or duplication of any Confidential Information in any other business would constitute an unfair method of competition. You agree to disclose the

Confidential Information to your Owners and employees only to the extent reasonably necessary for the operation of the Pickleball Kingdom Business pursuant to this Agreement. Our Confidential Information is proprietary, includes trade secrets owned by us and our Affiliates, and is disclosed to you solely on the condition that you agree, and you do hereby agree, that you: (i) will not use the Confidential Information in any other business or capacity; (ii) will maintain the confidentiality of the Confidential Information during and after the term of this Agreement; (iii) will not make unauthorized copies of any portion of the Confidential Information; and (iv) will adopt and implement all reasonable procedures that we prescribe from time to time to prevent the unauthorized use or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure of the Confidential Information to Pickleball Kingdom Business personnel and others. These covenants shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of the Owners.

C. Noncompetition Covenants. You and your Owners specifically acknowledge that, pursuant to this Agreement, you and they will receive access to valuable training and Confidential Information which are beyond your and their present skills and experience, including, without limitation, information regarding operational, sales, promotional and marketing methods and techniques of the System. You and your Owners further acknowledge that such specialized training and Confidential Information provide a competitive advantage, and that gaining access to them is a primary reason for entering into this Agreement. Accordingly, you and your Owners agree as follows:

(1) With respect to you, during the term of this Agreement (or with respect to each of the Owners, for so long as such person satisfies the definition of "Owner" under this Agreement), except as otherwise approved in writing by us, neither you nor any of your Owners shall, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, legal entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of Pickleball Kingdom Businesses to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Pickleball Kingdom Businesses operated under valid agreements with us, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as, or similar to, a Pickleball Kingdom Business (i.e. any business offering pickleball-related services or products) and which is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we or our Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks.

(2) With respect to you, for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of your interest in, this Agreement (or, with respect to each of the Owners, commencing upon the earlier of (i) the expiration or termination of, or transfer of all of your interest in, this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of "Owner" under this Agreement) and continuing for two (2) years thereafter, except as otherwise approved in writing by us, neither you, nor any of your Owners shall, directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any other person, legal entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of Pickleball Kingdom Businesses to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Pickleball Kingdom Businesses operated under valid agreements with us, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as, or similar to, a Pickleball Kingdom Business (i.e. any business offering pickleball-related services or products) which is, or is intended to be, located (i) at the Franchise Location, (ii) within the Protected Area, (iii) within a fifty (50)-mile radius of the Franchise Location, or (iv) within a fifty (50)-mile radius of the location of any Pickleball Kingdom Business then in existence or under construction.

(3) You agree that each of the foregoing covenants contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or our other business interests. Each covenant shall be construed as independent of any other

covenant or provision of this Agreement. If all or any portion of a covenant in this Section XI.C. is held unreasonable or unenforceable by a court having valid jurisdiction in an unappealed final decision to which we are a party, you and your Owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section XI.C.

(a) You and your Owners acknowledge that we will have the right, in our sole discretion, to reduce the scope of any covenant set forth in this Section XI.C. without your or their consent, effective immediately upon notice to you; and you and your Owners agree to promptly comply with any covenant as modified.

(b) You and your Owners expressly agree that the existence of any claims you or they may have against us, whether arising under this Agreement or otherwise, shall not constitute a defense to the enforcement by us of the covenants in this Section XI.C.

D. Improvements. If you, your employees, or Owners develop any new concept, process or improvement in the operation or promotion of a Pickleball Kingdom Business (an "Improvement"), you agree to promptly notify us and provide us with all necessary related information, without compensation. Any such Improvement shall become our sole property and we shall be the sole owner of all related patents, patent applications, and other intellectual property rights. You and your Owners hereby assign to us any rights you or they may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. You and your Owners agree to assist us in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. You and your Owners hereby irrevocably designate and appoint us as your and their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section XI.D. are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe your or their rights therein.

E. Injunctive Relief. You and your Owners acknowledge that any failure to comply with the requirements of this Article XI. shall constitute a material event of default under this Agreement and further acknowledge that such a violation would result in irreparable injury to us for which no adequate remedy at law may be available. You and your Owners accordingly consent to the issuance of an injunction prohibiting any conduct by you or them in violation of the terms of this Article XI., without the requirement that we post a bond. You and your Owners agree to pay all court costs and reasonable attorneys' fees and costs that we incur in connection with the enforcement of this Article XI., including all costs and expenses for obtaining specific performance, or an injunction against the violation, of the requirements of this Article, or any part of it.

F. Execution of Covenants by Your Owners and Management. You agree to require and obtain the execution of covenants similar to those set forth in Sections XI.B. and C. from all General Managers, and, at our request, any Assistant Managers or other of your personnel. These covenants must be substantially in the form set forth in Exhibit B; however, we reserve the right, in our sole discretion, to decrease the scope of the noncompetition covenant set forth in Exhibit B or eliminate such noncompetition covenant altogether for any person that is required to execute such agreement.

XII. BOOKS AND RECORDS

A. Maintenance of Books and Records. You must maintain during the term of this Agreement, in accordance with generally accepted accounting principles and in the form and manner we prescribe from time to time in the Manuals, full, complete and accurate books, records and accounts of the Pickleball Kingdom Business, including, but not limited to, sales receipts, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers. You agree to preserve such books and records for at least five (5) years from the date of preparation. Your Pickleball Kingdom Business records may not be commingled with the records of any other businesses.

B. Systems and Reporting. You agree to: (i) comply with all of our Standards on accounting systems, procedures, and formats, if any; (ii) timely submit to us complete and accurate financial, operational, and other reports we require (including bi-weekly reports detailing the Gross Sales during the preceding two-week period and monthly profit and loss statements for the prior month's operations); and (iii) use all forms we specify. In addition to other reports required by this Agreement, you agree to submit to us, in the form we prescribe from time to time and at your expense:

(1) At our request, a monthly income statement (which may be unaudited), signed by your treasurer, chief financial officer or comparable officer attesting that it is true, complete and correct.

(2) Not later than March 1st after the end of each calendar year during the term of this Agreement, your complete annual financial statement (which may be unaudited), including a balance sheet, profit and loss statement, and statement of cash flows, prepared in accordance with generally accepted accounting principles (unless otherwise approved by us) by an independent certified public accountant satisfactory to us and showing the results of your operations during such calendar year.

(3) Not later than five (5) days after filing, copies of your federal income tax returns (including any extension requests) and within five (5) days after the end of each calendar quarter, copies of your state sales tax returns. If the Pickleball Kingdom Business is in a state which does not impose a sales tax, you agree to submit a copy of your state income tax return (including any extension requests) not later than five (5) days after filing.

(4) At the times reasonably required by us, such other forms, reports, records, information and data as we may reasonably designate.

C. Audits. We or our designees will have the right at all reasonable times to review, audit, examine and copy your books and records relating to the Pickleball Kingdom Business. If you have commingled your records for various businesses in violation of this Agreement, we will have the right to review and audit the records for all commingled businesses. If any required payments to us are delinquent, or if an examination or audit should reveal that any payments have been understated in any report to us, then you must pay to us upon demand the amount overdue or understated with interest determined in accordance with Section V.E. If an examination or audit discloses an understatement in any report of two percent (2%) or more, you must, in addition to paying us any unpaid amounts plus interest, reimburse us for all costs and expenses connected with the audit (including, without limitation, legal and accounting fees and costs). These remedies shall be in addition to any other remedies we may have at law or in equity.

D. No Waiver. Our receipt or acceptance of any of the statements furnished or amounts paid to us (or the cashing of any check or processing of any electronic fund transfer) will not preclude us from questioning the correctness thereof at any time, and, in the event that any errors are discovered in such statements or payments, you must immediately correct the error and make the appropriate payment to us.

E. Authorization to Release Information. You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with whom you do business to disclose to us any financial information in their possession relating to you or the Pickleball Kingdom Business which we may request. You further authorize us to disclose to prospective franchisees or other third parties data from your reports if we determine, in our sole discretion, that such disclosure is necessary or advisable.

F. Additional Information. You shall respond promptly to requests from us for clarification and/or additional information regarding any matter entrusted to you under this Agreement. You will inform us from time to time on our request of: (i) all prices you charge for products you sell; and (ii) the prices your competitors charge in the area. We may use data and information derived from polling your Computer System or your financial reports and statements in any manner that we deem appropriate, including using the data in our Franchise Disclosure Document (the "FDD"), in performing market analyses, and in our promotional materials.

XIII. INSURANCE

A. Insurance Coverage Requirements. Not later than sixty (60) days before the Opening Date, you must procure, at your expense, an insurance policy or policies protecting you, us, our Affiliates, successors and assigns, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors and employees of each of them against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring at or in connection with the operation of the Pickleball Kingdom Business. You must maintain these policies in full force and effect at all times during the term of this Agreement. The policies shall be written by a responsible carrier or carriers rated "A" or better by the A.M. Best Company, Inc., and all policies must name us and our affiliates, officers, directors, members and agents as additional insureds. All policies must be reasonably acceptable to us and must include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by us from time to time in writing), the following:

(1) Comprehensive general liability insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability, cyber security liability and fire damage coverage, in the amount of One Million Dollars ($1,000,000) combined single limit per occurrence, Two Million Dollars ($2,000,000) general aggregate.

(2) "All Risks" coverage for the full cost of replacement of the Pickleball Kingdom Business premises and all other property in which we may have an interest with no coinsurance clause for the premises.

(3) Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than One Million Dollars ($1,000,000) combined single limit.

(4) An "umbrella" policy providing excess coverage with limits of not less than Two Million Dollars ($2,000,000), which must be excess to the general liability and automobile liability coverage required herein.

(5) Business interruption insurance covering at least twelve (12) months' loss of profits and necessary continuing expenses for interruptions caused by any occurrence covered by the insurance referred to in (1) and (2) above and your royalty and advertising fund contribution, calculated on the basis of the Gross Sales used as the basis for calculation of the business interruption insurance award. Such business interruption insurance shall be written on an all risks form, either as an endorsement to the policies described in (1) and (2) above or on a separate policy.

(6) Employment related practices liability insurance, including third party coverage, in an amount not less than $1,000,000 per occurrence and $1,000,000 aggregate, with a deductible of less than $10,000 unless we approve a higher deductible in writing.

(7) Workers' compensation insurance in amounts required by applicable law.

(8) If you elect to offer beer and/or wine at your Pickleball Kingdom Business, Specific liability coverage for the sale of alcohol in an amount equal to One Million Dollars ($1,000,000) per person/per occurrence and $2,000,000 aggregate per Pickleball Kingdom Business;

(9) Such other insurance as may be required by Franchisor from time to time or by the landlord of the premises at, and by the state or locality in, which the Pickleball Kingdom Business is located.

B. Deductibles; Waiver of Subrogation. You may elect to have reasonable deductibles in connection with the coverage required under Sections XIII.A(1)-(8) hereof. Such policies shall also include a waiver of subrogation in favor of us, our Affiliates and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them.

C. Builder's Risk Insurance. In connection with any construction, renovation, refurbishment or remodeling of the Pickleball Kingdom Business, you must maintain Builder's Risks/Installation insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, reasonably satisfactory to us.

D. No Limitation of Other Obligations. Your obligation to obtain and maintain the foregoing policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Article XVI. or Article XVII. of this Agreement.

E. Additional Insured Designation. All insurance policies required under this Agreement, with the exception of workers' compensation, shall name us and our Affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, as additional insureds, and shall expressly provide that our and their interest shall not be affected by your breach of any policy provisions. All public liability and property damage policies shall contain a provision that we and our Affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to them by reason of your negligence or that of your servants, agents or employees.

F. Certificates of Insurance. Upon the execution of this Agreement and thirty (30) days before the expiration of any policy required under this Agreement, you agree to deliver to us certificates of insurance evidencing the existence and continuation of proper coverage with limits not less than those required under this Article XIII. In addition, if we request, you agree to deliver to us a copy of the insurance policy or policies required. All required insurance policies must expressly provide that we are entitled to no less than thirty (30) days' prior written notice in the event of a material alteration to or cancellation of the policies.

G. Remedies. If you fail to procure or maintain the insurance required by this Agreement, we will have the right and authority (but no obligation) to procure such insurance and to charge to you the cost of such insurance, together with a reasonable fee for our expenses, which shall be payable by you upon demand. The foregoing remedies are in addition to any other remedies we may have at law or in equity.

XIV. DEBTS AND TAXES

A. Payment of Taxes and Other Obligations. You agree to promptly pay when due all Taxes levied or assessed and all accounts and other indebtedness of every kind incurred by you in connection with the Pickleball Kingdom Business. You are solely liable for the payment of all Taxes and agree to indemnify us for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether or not correctly or legally assessed. You will also pay to us when due any federal, state or local sales, gross receipts, use, value added, excise or other taxes levied or assessed against us on all fees and other payments paid to us under this Agreement, including any sales taxes, personal property taxes, excise taxes, value added taxes, state income taxes, franchise taxes or other tax levied or assessed against us for the privilege of doing business in your state or on account of services or goods provided by us.

B. Disputed Liability. If there is a bona fide dispute as to your liability for Taxes or other indebtedness, you may contest the validity or the amount of the Tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor, to occur against the Pickleball Kingdom Business.

C. Credit Standing. You acknowledge that the failure to make payments or repeated delays in making prompt payments to suppliers will result in a loss of credit rating or standing which will be detrimental to

the goodwill associated with the Marks and the System. Except for payments which are disputed by you in good faith, you agree to promptly pay when due all amounts owed by you to us, our Affiliates, and other suppliers.

D. Notice of Adverse Orders. You agree to notify us in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the Pickleball Kingdom Business. You also will promptly furnish to us copies of all fire, health, or other inspection reports, warnings, certificates, and ratings issued by any government agency, and must immediately provide us with any such items that assert any failure to comply strictly with any laws.

XV. TRANSFER

A. By Us. We will have the right to transfer or assign this Agreement and all or any part of our rights or obligations under this Agreement to any person or legal entity without your consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all our obligations arising subsequent to the transfer or assignment. Without limitation of the foregoing, we may sell our assets to a third party; may offer our securities privately or publicly; may merge with or, acquire other corporations, or may be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

B. By You and Your Owners. You acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted you rights under this Agreement in reliance on your business skill, financial capacity and personal character and that of your Owners. Accordingly, neither you nor any of your Owners, nor any of your or their permitted successors or assigns, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement, in the Pickleball Kingdom Business, or in you without our prior written consent. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material breach of this Agreement. If you wish to transfer all or part of your interest in the Pickleball Kingdom Business or this Agreement, or if you or an Owner wishes to transfer any ownership interest in you, the transferor shall apply to us for our consent. We will not unreasonably withhold our consent but may require any or all of the following as conditions of our consent:

(1) All accrued monetary obligations of you and your Affiliates to us and our Affiliates arising under this Agreement or any other agreement, shall have been satisfied in a timely manner, and you shall have satisfied all trade accounts and other debts of whatever nature or kind in a timely manner;

(2) You and your Affiliates shall not be in default of this Agreement or any other agreement with us or our Affiliates, and you and they shall have substantially and timely complied with all the terms and conditions of such agreements during their respective terms;

(3) The transferor and its owners, if applicable, shall have executed a general release, in a form satisfactory to us, of any and all claims, against us and our Affiliates, our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and any other agreement with us or our Affiliates, and under federal, state or local laws, rules, and regulations or orders;

(4) The proposed transferee must demonstrate to our satisfaction that it meets our then-current qualifications, and, at the transferee's expense, its Operating Partner, General Manager and at least one Assistant Manager (and any other personnel we require) shall complete any training programs then in effect for Pickleball Kingdom Businesses upon such terms and conditions as we may reasonably require;

(5) The transferee shall, at its expense and within the time period we reasonably require, renovate, modernize and otherwise upgrade the Pickleball Kingdom Business to conform to our then-current System image, Standards and specifications;

(6) The transferee shall enter into a written agreement, in a form satisfactory to us, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer, all of your obligations, covenants and agreements under this Agreement;

(7) The transferee shall execute our then-current form of franchise agreement for a term ending on the expiration date of this Agreement (including any renewal terms provided by this Agreement). The new franchise agreement shall supersede this Agreement in all respects and its terms may differ from the terms of this Agreement, including higher fees, but the transferee shall not be required to pay an initial franchise fee. If the transferee is a corporation, partnership, limited liability company or other entity, those of the transferee's owners whom we require shall execute such guaranty and assumption documents as we may require;

(8) The transferor shall remain liable for all of its obligations to us under this Agreement incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by us to evidence such liability;

(9) You must pay us a transfer fee in an amount equal to Seventy-five Percent (75%) of our then-current initial franchise fee (or 25% of our then-current initial franchise fee if the transfer is to an existing Pickleball Kingdom franchisee in good standing with us). However, if you are an individual transferring your rights and obligations under this Agreement to an entity owned solely by you pursuant to, and in accordance with, Section XV.C. of this Agreement, the transfer fee shall be a flat fee of $1,500;

(10) If the transfer relates to the grant of a security interest in any of your assets, we may require the secured party to agree that, in the event of any default by you under any documents related to the security interest, we shall have the right and option (but no obligation) to be substituted as obligor to the secured party and to cure any default.

C. Transfer for Convenience of Ownership. If the proposed transfer is to a corporation or other entity formed solely for the convenience of ownership and wholly owned by you, our consent may be conditioned upon any of the requirements in Section XV.B., except that Sections XV.B.(3), (4), (5), and (7) shall not apply and the fee provided for in Section XV.B.(9) shall be reduced to a flat fee of $1,500. In any transfer for the convenience of ownership, you must be the owner of all the voting stock or ownership interests in the new entity, or, if you are more than one individual, each individual shall have the same proportionate ownership interest in the new entity as he or she had in you before the transfer.

D. Right of First Refusal. If you or an Owner wishes to transfer any interest in this Agreement, the Pickleball Kingdom Business, or you pursuant to any bona fide offer received from a third party to purchase such interest, then the proposed seller shall promptly notify us in writing of the offer, and shall provide such information and documentation relating to the offer as we may require. We will have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all required documentation describing the terms of the offer, to send written notice to the seller that we intend to purchase the seller's interest on the terms and conditions offered by the third party. If we elect to purchase the seller's interest, closing shall occur on or before sixty (60) days from the later of the date of our notice to seller of our election to purchase and the date we receive all necessary permits and approvals, or any other date agreed by the parties in writing. If the third party offer provides for payment of consideration other than cash, we may elect to purchase seller's interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent, then that amount shall be determined by two (2) appraisers. Each party shall select one (1) appraiser and the average of the appraisers' determinations shall be binding. Each party shall bear its own legal and other costs and shall share the appraisal fees equally. If we exercise our right of first refusal, we will have the right to set off all appraisal fees and other amounts due from you to us or any of our Affiliates. A material change in the terms of any offer before closing shall constitute a new offer subject to the same right of first refusal as an initial offer. Our failure to exercise the option afforded by this Section XV.D. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section XV.B. Failure to comply with this Section XV.D. shall constitute a material event of default under this Agreement.

E. Death or Permanent Disability. You agree to promptly notify us of any death or claim of permanent disability subject to this Section XV.E. Any transfer upon death or permanent disability shall be subject to the following conditions, as well as to the conditions described in Section XV.B. for any inter vivos transfer.

(1) Upon your death (if you are a natural person) or the death of any Owner who is a natural person (the "Deceased"), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by us within six (6) months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within six (6) months after the death of the Deceased.

(2) Upon your permanent disability (if you are a natural person) or the permanent disability of any Owner who is a natural person, we may, in our sole discretion, require that person's interest to be transferred to a third party in accordance with the conditions described in this Article XV. within six (6) months after notice to you. "Permanent disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician acceptable to both you and us, upon examination of the person, or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section XV.E. Each of the parties hereto shall pay Fifty Percent (50%) of the costs of any examination required by this Section XV.E.(2).

F. Securities Offerings. Interests in you shall not be offered to the public by private or public offering without our prior written consent, which we will not unreasonably withhold. As a condition of our consent, we may, in our sole discretion, require that immediately after such offering your Owners retain a Controlling Interest in you. You agree to give us written notice at least thirty (30) days before the commencement of any offering covered by this Section XV.F. and to submit all offering materials to us for review before they are filed with any governmental agency or distributed for use. Our review of the offering materials shall be limited solely to the subject of the relationship between you and us. No offering shall imply that we are participating in an underwriting, issuance or offering of securities. We may require the offering materials to contain a written statement prescribed by us concerning the relationship between you and us. You, your Owners and the other participants in the offering must fully indemnify us, our Affiliates, our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in connection with the offering. For each proposed offering, you must reimburse us for our reasonable costs and expenses (including, without limitation, legal and accounting fees and costs) associated with reviewing the offering materials.

G. No Waiver. Our consent to the transfer of any interest described in this Article XV. shall not constitute a waiver of any claims which we may have against the transferring party, nor shall it be deemed a waiver of our right to demand the transferee's exact compliance with any of the terms of this Agreement.

XVI. INDEMNIFICATION

You agree to indemnify, defend and hold harmless us, our Affiliates, and our and their respective shareholders, members, directors, officers, employees, agents, successors and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, any and all claims, and liabilities directly or indirectly arising out of the operation of the Pickleball Kingdom Business, your breach of this Agreement, your compliance or alleged noncompliance with any law, and any allegation that we or any other Indemnified Parties are a joint employer or otherwise responsible for your acts or omissions relating to your employees, all without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of us or any other party or parties in connection therewith. Notwithstanding the foregoing, this indemnity shall not apply to any liability arising from our gross negligence or willful misconduct, except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you, your Owners, officers, directors, employees, independent contractors or Affiliates. For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential, exemplary or other) and costs reasonably incurred in the

defense of any claim against any of the Indemnified Parties, including, without limitation, accountants', mediators', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. We have the right to defend any such claim against us. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you. The terms of this Article XVI. shall survive the termination, expiration or transfer of this Agreement or any interest herein.

XVII. INDEPENDENT CONTRACTOR

A. Independent Contractor. You agree that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and we owe you no duties except as expressly provided in this Agreement. You are an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, you agree to hold yourself out to the public as an independent contractor conducting the operations of the Pickleball Kingdom Business pursuant to the rights granted by us. Nothing in this Agreement authorizes you or any of your Owners 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, or for any act or omission of you or any of your Owners or any claim or judgment arising therefrom.

B. Indemnification Based on Employer Relationship. We are not the employer, co-employer, joint employer or shared employer for your employees or any others working at or for your Pickleball Kingdom Business. If we are ever classified as an employer, co-employer, joint employer or shared employer, or are otherwise designated or assigned employer obligations for you, your employees, your contractors, or your sub-contractors, by any federal, state, or local government or agency, you must indemnify and reimburse us for all costs and expenses related to or resulting from such designation, including but not limited to, costs and expenses that we incur in performing any duties that we are deemed to have to you, your employees, your contractors, or your sub-contractors pursuant to such relationship, including, but not limited to, any (i) taxes; (ii) costs associated with providing insurance (including health, workers' compensation and unemployment insurance); and (iii) wages and benefits.

C. Indemnification for Collective Bargaining Costs. If we are ever required to collectively bargain or enter into a collective bargaining agreement with any of your employees, contractors, or sub-contractors, you must indemnify and reimburse us for (i) all costs of attending and participating in collective bargaining, including, but not limited to, travel expenses and professional fees directly attributable to collectively bargaining (and if we are required to collectively bargain with the employees, contractors, or sub-contractors of more than one franchisee, such costs will be divided pro-rata among all franchisees who are required to indemnify us for such costs), and (ii) all amounts that we are required to pay under a collective bargaining agreement that are payable to your employees, contractors, or subcontractors or that are attributable to them (such as taxes, insurance and benefits).

XVIII. TERMINATION

A. Automatic Termination. You will be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; or if you file a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admit in writing your inability to pay your debts when due; or if you are adjudicated as bankrupt or insolvent in proceedings filed against you under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver 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 thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law are instituted by or against you; or if a final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if you are dissolved; or if execution is levied against your business or property; or if judicial, non-judicial or

administrative proceedings to foreclose any lien or mortgage against the Pickleball Kingdom Business premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of your Pickleball Kingdom Business shall be sold after levy thereupon by any sheriff, marshal or constable or is otherwise sold by means of a foreclosure sale or a public or private auction or sale conducted in accordance with applicable law.

B. Termination on Notice; No Cure. You will be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon notice to you, upon the occurrence of any of the following events:

(1) Except for any relocation approved by us, if you operate the Pickleball Kingdom Business or sell any products or services authorized by us at any location other than the Franchise Location;

(2) If you fail to construct the Pickleball Kingdom Business in accordance with Article III;

(3) If you fail to begin construction of the Pickleball Kingdom Business within the time period specified in Section III.E or fail to open the Pickleball Kingdom Business for business within the time period specified in Section III.F;

(4) If you at any time cease to operate or otherwise abandon the Pickleball Kingdom Business, or lose the right to occupy the Franchise Location, or otherwise forfeit the right to do or transact business in the jurisdiction where the Pickleball Kingdom Business is located; provided, that this provision shall not apply upon the occurrence of an event of Force Majeure, if you apply within thirty (30) days after such event for our approval to relocate or reconstruct the Pickleball Kingdom Business and you diligently pursue such reconstruction or relocation. Our approval will not be unreasonably withheld but may be conditioned upon the payment of an agreed minimum fee to us during the period in which the Pickleball Kingdom Business is not in operation;

(5) If a threat or danger to public health or safety results from the construction or operation of the Pickleball Kingdom Business, including without limitation if a public official requires you to close your Pickleball Kingdom Business as a result of your violation of any laws relating to public health or safety;

(6) If you or any of your Owners is convicted of, or has entered a plea of guilty or nolo contendere to, a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interests therein;

(7) If you or any of your Owners transfer or attempt to transfer any rights or obligations under this Agreement or any interest in you or the Pickleball Kingdom Business contrary to the terms of this Agreement, or if a transfer upon death or permanent disability is not made in accordance with Section XV.E.;

(8) If, contrary to the terms of Section XI.B., you or any of your Owners disclose, divulge or misuse any Confidential Information;

(9) If you knowingly maintain false books or records, or submit any false reports to us;

(10) If you breach in any material respect any of the covenants, or have falsely made any of the representations or warranties, set forth in Article VII., or if you make any material misstatement or omission in an application for this franchise or in any other information provided to us;

(11) If you fail to comply with our quality assurance program (including any applicable cure periods provided under such program) or you refuse to allow us to inspect your Pickleball Kingdom Business for any reason;

(12) If you or any of your Owners repeatedly commit an event of default under this Agreement, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by you after notice by us;

(13) If your assets, property or interests are 'blocked' or otherwise restricted under any law, ordinance or regulation relating to terrorist activities or if you are otherwise in violation of any such law, ordinance or regulation; or

(14) If you or any of your Affiliates are in default of any other franchise agreement with us and fail to cure such default within the applicable cure period, if any.

C. Termination on Notice; Opportunity to Cure. Except as provided in Sections XVIII.A. and XVIII.B. of this Agreement, upon any default which is capable of being cured, we may terminate this Agreement by giving you written notice of termination stating the nature of the default and the time period within which the default must be cured. You may avoid termination by immediately initiating a remedy to cure such default and curing it to our satisfaction within the time period set forth below or any longer period that applicable law may require ("cure period"). If the default is not cured within the cure period, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the cure period. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following:

(1) If you fail to procure and maintain the insurance policies required by Section XIII. and fail to cure such default within seven (7) days following notice from us;

(2) If you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein and fail to cure such default within twenty-four (24) hours following notice from us;

(3) If you fail to obtain the execution of the confidentiality and related covenants as required under Section XI.F. of this Agreement within ten (10) days after we request and fail to cure such default within thirty (30) days following notice from us;

(4) If you or any of your Affiliates fail, refuse, or neglect promptly to pay any monies owed to us or any of our Affiliates when due, or fail to submit the financial or other information we require under this Agreement, and do not cure such default within five (5) days following notice from us;

(5) If you or any of your Owners fail to comply with the restrictions set forth in Section XI.C. of this Agreement and fail to cure such default within five (5) days following notice from us;

(6) If you fail to maintain or observe any of the Standards, specifications or procedures prescribed by us in this Agreement or otherwise in writing, and fail to cure such default within ten (10) days following notice from us;

(7) If you fail to secure all required state, county or local license(s) (including, but not limited to, applicable liquor licenses if you elect to offer beer and/or wine), by the date the Pickleball Kingdom Business is otherwise ready (and/or required) to open for business, or if you fail to maintain all such licenses during the term of this Agreement, and you fail to cure such default within ten (10) days following notice from us; or

(8) If you fail to comply with any other requirement imposed by this Agreement, or fail to carry out the terms of this Agreement in good faith and fail to cure such default within ten (10) days following notice from us.

D. Our Right to Communicate with Landlords, Lenders and other Third Parties. If you commit a default under this Agreement or we have reasonable cause to believe that a default has been committed, you acknowledge and agree that after sending you written notice of such default hereunder, we may, at our option, initiate communications with landlords, lenders or other relevant third parties to explore resolution options if necessary or appropriate in light of your default without liability to you of any kind.

E. Our Right to Provide Interim Management. If we have given you notice that you are in default, then we may (but are not obligated to) assume interim management of the Pickleball Kingdom Business during the pendency of any cure period or in lieu of immediately terminating this Agreement. If we elect to assume interim management of the Pickleball Kingdom Business (i) our election will not relieve you of your obligations under this

Agreement; (ii) we will not be liable for any debts, losses, costs or expenses incurred in the operation of the Pickleball Kingdom Business during any such interim management period; (iii) you must pay us reasonable fees for our management services, which will be equal to the greater of $500 per week or 10% of your weekly Gross Sales (plus you must pay our reasonable related costs, including any reasonable travel, lodging and meal expenses for our personnel engaged in operating your business); and (iv) you agree to, and hereby do, indemnify and hold us harmless against any and all claims, demands, judgments, fines, losses, liabilities, costs, amounts paid in settlement and reasonable expenses (including, but not limited to attorneys' fees) incurred in connection with our interim management of the Pickleball Kingdom Business, other than those arising solely from our gross negligence or willful misconduct.

XIX. POST-TERMINATION

A. Your Obligations Upon Termination. Upon the termination or expiration of this Agreement for any reason, all rights granted to you will terminate, and you must:

(1) Immediately cease to operate the Pickleball Kingdom Business under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as one of our present or former franchisees.

(2) Immediately and permanently cease to use, in any manner whatsoever, the Marks and any Confidential Information associated with the System. Without limitation of the foregoing, you must cease to use all signs, advertising materials, displays, stationery, forms and any other items which display the Marks.

(3) Take such action as may be necessary to cancel any assumed name, fictitious name or equivalent registration which contains the mark "Pickleball Kingdom" or any other Mark, and furnish us with satisfactory evidence of compliance within five (5) days after termination or expiration of this Agreement.

(4) Not use any reproduction, counterfeit, copy or colorable imitation of the Marks which is likely to cause confusion, mistake, or deception, or which is likely to dilute our rights in and to the Marks, nor shall you use any designation of origin or description or representation which falsely suggests or represents an association or connection with us constituting unfair competition.

(5) Promptly pay all sums owing to us and our Affiliates, and all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by us as a result of any default by you or in connection with obtaining injunctive or other relief for the enforcement of any provisions of this Article XIX., which obligation shall give rise to and remain a lien in favor of us against any and all of your assets, until such obligations are paid in full.

(6) Promptly deliver to us all Manuals, Software Programs, Confidential Information, and other materials related to the operation of the Pickleball Kingdom Business in your possession or control, and all copies thereof, all of which are acknowledged to be our property, and retain no copy or record of any of the foregoing, except your copy of this Agreement and of any correspondence between you and us and any other documents which you reasonably need for compliance with any provision of law.

(7) Comply with the restrictions against the disclosure of Confidential Information and against competition contained in Article XI. of this Agreement and cause any other person required to execute similar covenants pursuant to Article XI. also to comply with such covenants.

(8) Promptly furnish to us an itemized list of all advertising and sales promotion materials bearing the Marks, whether located at the Pickleball Kingdom Business or at any other location under your control. We will have the right to inspect these materials and the option, exercisable within thirty (30) days after such inspection, to purchase any or all of the materials at your cost. Materials we do not purchase cannot be used by you or any other person for any purpose unless authorized in writing by us.

(9) At our option, assign to us all rights to the telephone numbers of the Pickleball Kingdom Business and any related business listings and execute all forms and documents required by us to transfer

such service and numbers to us. You agree to use different telephone numbers at or in connection with any subsequent business conducted by you.

(10) If we do not elect to exercise our option to acquire the lease or sublease for the Franchise Location (as described below), you agree to make such modifications or alterations to the premises as are necessary to distinguish the appearance of the Pickleball Kingdom Business from that of other Pickleball Kingdom Businesses, and, if you fail or refuse to do so, we shall have the right to enter upon the premises, without being guilty of trespass or any other crime or tort, to make or cause such changes to be made, at your expense.

B. Our Post-Term Purchase Options. Upon the termination or expiration of this Agreement, we shall have the following options:

(1) The option, exercisable by giving written notice to you within sixty (60) days from the date of such termination or expiration, as applicable, to acquire the Franchise Location and the assets of the Pickleball Kingdom Business from you (subject to any rights of approval retained by the owner of the leasehold). The date on which we notify you whether or not we are exercising our option is referred to as the "Notification Date." We will have the unrestricted right to assign this option and we or our assignee will be entitled to all customary warranties and representations in connection with the asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise; and a general release.

(2) The option, exercisable at the time and in the manner set forth in subsection (1) above, to assume your leasehold interest in the Franchise Location or, if you own the Franchise Location, to enter into a lease agreement with you. If we exercise our option, you agree to assign your leasehold interest to us at no cost to us other than our assumption of the obligation to make post-assignment rental payments to the landlord under the lease; or if you own the Franchise Location, to lease the Franchise Location to us at a reasonable commercial rent and upon terms comparable to rental terms for similar leased property in the marketplace where the Pickleball Kingdom Business is located.

(3) If we exercise our option under subsection (1) to purchase the assets of the Pickleball Kingdom Business from you, the purchase price for the assets will be their fair market value, determined in a manner consistent with reasonable depreciation of the Pickleball Kingdom Business's leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies. The age and condition of the improvements, equipment, fixtures, furnishings, décor, and signs of the Pickleball Kingdom Business, will also be considered in determining the fair market value. We may exclude from the assets we elect to purchase cash or its equivalent and any leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies that are not necessary or appropriate (in function or quality) to the Pickleball Kingdom Business's operation or that we have not approved as meeting the Standards for Pickleball Kingdom Businesses, and the purchase price will reflect such exclusions.

(4) If we and you are unable to agree on the fair market value of the Pickleball Kingdom Business's assets, or the fair rental value of the Franchise Location, such fair market value (or fair rental value) will be determined by three (3) independent appraisers who collectively will conduct one (1) appraisal. We will appoint one appraiser, you will appoint one appraiser, and those appraisers will appoint the third appraiser. You and we agree to select our respective appraisers within fifteen (15) days after the Notification Date, and we and you agree that we will instruct the two appraisers so chosen to appoint the third appraiser within fifteen (15) days after the date on which the last of our appointed appraisers is appointed. You and we will each bear the cost of our own appraiser and share equally the fees and expenses of the third appraiser. We and you agree that we will instruct the three (3) appraisers to complete their appraisal within thirty (30) days after the third appraiser's appointment.

(5) The purchase price will be paid at the closing of the purchase, which will take place not later than ninety (90) days after the determination of the purchase price. We will have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your Owners owe to us. At the closing, you agree to deliver instruments transferring to us: (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances, with all sales and other transfer taxes paid by you; (ii) all licenses and permits of the Pickleball Kingdom Business which may be assigned or transferred; and (iii) a leasehold interest in (or unencumbered title to) the Franchise Location and improvements. If you cannot deliver clear title to all of the

purchased assets, or if there are other unresolved issues, the closing of the sale will be accomplished through an escrow. As a condition of our purchase of the Pickleball Kingdom Business, you and your Owners further agree to execute general releases, in form satisfactory to us, of any and all claims against us and our subsidiaries, shareholders, officers, directors, employees, agents, successors and assigns.

(6) We may assign our options under this Section XIX.B. to any person or entity without your consent.

XX. MISCELLANEOUS

A. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by overnight delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to us:

Pickleball Kingdom Franchising, LLC
275 E. Rivulon Blvd.
Gilbert, Arizona 85297
Attention: Michael "Ace" Rodrigues
Telephone: (888) 788-0999
e-mail: ace@pickleballkingdom.com

Notices to you and your Owners:

_____
_____
_____
Attention: _____
Telephone: _____
e-mail: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of overnight delivery service, on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of electronic mail, upon transmission (provided confirmation is sent by overnight delivery service or registered or certified mail).

B. No Waiver. No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default by you or your Owners under this Agreement shall constitute a waiver by us to enforce any such right, option, duty or power against you or your Owners, or as to a subsequent breach or default by you or your Owners.

C. Approval or Consent. Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us, and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to you, and no neglect, delay or denial of any request therefor, shall constitute a warranty or guaranty by us, nor do we assume any liability or obligation to you or any third party as a result thereof.

D. Force Majeure. Upon the occurrence of an event of Force Majeure, the party affected thereby shall give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. An affected party shall be liable for failure to give timely notice only to the extent of damage actually caused. If an event of Force Majeure shall occur, then, in addition to payments required under Section XVIII.B.(4), you must continue to pay to us any and all amounts that you have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event and the Indemnitees shall continue to be indemnified and held harmless by you in accordance with Article XVI. and Article XVII. Except as provided in Section XVIII.B.(4) and the immediately preceding sentence, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.

E. Severability. Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision 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, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

F. MEDIATION. WE AND YOU ACKNOWLEDGE THAT DURING THE TERM OF THIS AGREEMENT CERTAIN DISPUTES MAY ARISE THAT WE AND YOU ARE UNABLE TO RESOLVE, BUT THAT MAY BE RESOLVABLE THROUGH MEDIATION. TO FACILITATE SUCH RESOLUTION, YOU AND WE AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN US OR ANY OF OUR AFFILIATES (AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND YOU (AND YOUR OWNERS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU, (b) OUR RELATIONSHIP WITH YOU, OR (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU, TO MEDIATION BEFORE BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL.

(1) THE MEDIATION SHALL BE CONDUCTED BY A MEDIATOR AGREED UPON BY YOU AND US AND, FAILING SUCH AGREEMENT WITHIN NOT MORE THAN FIFTEEN (15) DAYS AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION OR ANY SUCCESSOR ORGANIZATION ("AAA") IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION SHALL BE HELD AT THE OFFICES OF THE AAA NEAREST TO OUR PRINCIPAL PLACE OF BUSINESS. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS' FEES INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY.

(2) IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN THIRTY (30) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING PURSUANT TO SECTION XX.G. WE AND YOU AGREE THAT STATEMENTS MADE BY EITHER YOU OR US IN ANY SUCH MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE FOR ANY PURPOSE IN ANY SUBSEQUENT LEGAL PROCEEDING.

(3) NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SECTION XX.F., YOUR AND OUR AGREEMENT TO MEDIATE SHALL NOT APPLY TO CONTROVERSIES, DISPUTES OR CLAIMS RELATED TO OR BASED ON THE MARKS, YOUR NON-COMPETE OBLIGATIONS, OR THE CONFIDENTIAL INFORMATION. MOREOVER, REGARDLESS OF YOUR AND OUR AGREEMENT TO MEDIATE, YOU AND WE EACH HAVE THE RIGHT IN A PROPER CASE TO SEEK TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF.

G. LITIGATION. WITH RESPECT TO ANY CONTROVERSIES, DISPUTES OR CLAIMS WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED IN SECTION XX.F. ABOVE, THE PARTIES IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE COURTS OF MARICOPA COUNTY, ARIZONA AND THE FEDERAL DISTRICT COURT FOR THE DISTRICT OF ARIZONA AND HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. YOU AND WE AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS

AGREEMENT BY ANY MEANS ALLOWED BY ARIZONA OR FEDERAL LAW. YOU AND WE FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE MARICOPA COUNTY, ARIZONA.

H. GOVERNING LAW. EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER ARIZONA LAW (EXCEPT FOR ARIZONA CONFLICT OF LAW RULES).

I. PARTIES' ACKNOWLEDGMENTS. YOU AND WE ACKNOWLEDGE THAT THE AGREEMENTS REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF US WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT. YOU AND WE FURTHER ACKNOWLEDGE THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT. IN ADDITION, THE PARTIES ACKNOWLEDGE THAT THE EXECUTION OF THIS AGREEMENT AND ACCEPTANCE OF THE TERMS BY THE PARTIES OCCURRED IN MARICOPA COUNTY, ARIZONA, AND FURTHER ACKNOWLEDGE THAT THE PERFORMANCE OF CERTAIN OBLIGATIONS OF FRANCHISEE ARISING UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE PAYMENT OF MONIES DUE HEREUNDER AND THE SATISFACTION OF CERTAIN TRAINING REQUIREMENTS OF FRANCHISOR, SHALL OCCUR IN MARICOPA COUNTY, ARIZONA.

J. WAIVER OF PUNITIVE DAMAGES. EXCEPT WITH RESPECT TO YOUR OBLIGATION TO INDEMNIFY US PURSUANT TO ARTICLE XVI AND ARTICLE XVII AND CLAIMS WE BRING AGAINST YOU FOR YOUR UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, WE AND YOU AND YOUR OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

K. LIMITATIONS OF CLAIMS. EXCEPT FOR CLAIMS WE BRING WITH REGARD TO YOUR OBLIGATIONS TO INDEMNIFY US PURSUANT TO ARTICLE XVI AND ARTICLE XVII, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN YOU AND US PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR ONE (1) YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

L. WAIVER OF JURY TRIAL AND CLASS ACTION SUITS. YOU AND WE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ANY OTHER AGREEMENTS BETWEEN YOU AND US OR YOUR AND OUR RESPECTIVE AFFILIATES. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT. IN ADDITION, YOU AGREE THAT ANY DISPUTE OR ACTION BETWEEN YOU AND US WILL BE OF OUR AND YOUR INDIVIDUAL CLAIMS. NONE OF YOUR CLAIMS WILL BE LITIGATED ON A CLASS-WIDE BASIS OR OTHERWISE CONSOLIDATED WITH ANY CLAIMS OF ANY THIRD PARTIES.

M. Costs and Attorneys' Fees. If we incur expenses in connection with your failure to pay when due amounts owed to us, or to submit when due any reports, information or supporting records, or otherwise to comply

with this Agreement, you agree to reimburse us for any of the costs and expenses which we incur, including, without limitation, court costs and any accounting, attorneys', mediators', arbitrators' and related fees.

N. Binding Effect. This Agreement is binding upon us and you and your and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest.

O. Modification of Agreement. Except for those changes permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either you or us unless mutually agreed to and executed by our and your authorized officers or agents in writing.

P. Consents And Approvals. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed or effected actions that require our approval.

Q. Owners. If two or more persons are at any time the "Franchisee" under this Agreement, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several.

R. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

S. Headings. The captions used in connection with the articles, sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

T. Survival. Any obligation of you or the Owners that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest in you, shall be deemed to survive such termination, expiration or transfer. Without limitation of the foregoing, the provisions of Sections XX.F., G. and H. will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

U. Gender. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable.

V. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your Affiliates, and us or any of our Affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of our rights pursuant to Section XVIII. of this Agreement shall not discharge or release you or any of the Owners from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

W. No Third Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors and personnel and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Section XV.), any rights or remedies under or as a result of this Agreement.

X. Further Assurances. You and we agree to promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

Y. Agreement Effective Upon Execution by Us. This Agreement shall not become effective until signed by one of our authorized representatives.

Z. Entire Agreement. This Agreement, and the exhibits hereto, which are incorporated herein by reference, constitute the entire, full and complete Agreement between the parties hereto concerning the subject matter hereof, and they supersede any and all prior negotiations, understandings, representations and agreements; **provided, however, that nothing in this or any related agreement is intended to disclaim the representations made in the franchise disclosure document that we furnished to you.** You acknowledge and agree that no other representations by us or any third party have induced you to execute this Agreement.

XXI. FRANCHISEE'S ACKNOWLEDGEMENTS

A. Independent Investigation. Franchisee acknowledges that it has conducted a thorough, independent investigation of the business contemplated by this Agreement and recognizes that the success of this business involves substantial risks and will largely depend upon the ability and efforts of Franchisee. Franchisor expressly disclaims making, 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.

B. Consultation With Advisors. Franchisee acknowledges that Franchisee has received, read and understands this Agreement and the related Attachments and agreements and that Franchisor has afforded Franchisee sufficient time and opportunity to consult with advisors selected by Franchisee about the potential benefits and risks of entering into this Agreement.

C. Development of the System. Franchisee acknowledges and agrees that some aspects of Franchisor's franchise program and the System are currently under development and that Franchisor expects that there will be some significant variations in the System in different markets which may exist for an initial or transitional period, or on a permanent basis. Franchisee acknowledges and agrees that no variations from the System or Manuals are permitted without Franchisor's prior written consent and that over time during the term of this Agreement Franchisor and its affiliates will continue to develop and refine various aspects of the System and that as new products, operating procedures, trade dress and other refinements are introduced, Franchisor may, in its sole discretion, cease to allow some or all variations from the System and Manuals and may require local, regional or national uniformity among Pickleball Kingdom Businesses with regard to aspects of the System and Manuals for which Franchisor previously permitted variations.

D. Franchisor's Obligations. Franchisee expressly understands and acknowledges that it is relying solely on Franchisor, and not on any affiliated entities or parent companies related to Franchisor, with regard to Franchisor's financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise representing, Franchisor has made any statement or promise to the effect that Franchisor's affiliated entities or parent companies guarantee Franchisor's performance or financially back Franchisor.

[_____ INITIAL HERE]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

FRANCHISEE:

_____

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

EXHIBIT A

OWNERS' GUARANTY AND ASSUMPTION AGREEMENT

This Guaranty and Assumption Agreement (the "Guaranty") is given this _____ day of _____, 20__, by the undersigned in connection with the Franchise Agreement dated _____, 20__ between Pickleball Kingdom Franchising, LLC ("Franchisor") and _____ ("Franchisee").

In consideration of, and as an inducement to, the execution of the Franchise Agreement by Franchisor, each of the undersigned and any other parties who sign counterparts of this Guaranty (individually, a "Guarantor" and collectively, the "Guarantors") hereby personally and unconditionally guarantee to Franchisor and its successors and assigns, that Franchisee will punctually perform its obligations and pay all amounts due under the Franchise Agreement, including, without limitation, amounts due for initial franchise fees, royalties, advertising fund contributions and purchases of equipment, materials, and supplies.

Each Guarantor waives:

(i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and

(ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and

(iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and

(iv) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and

(v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of his or her execution of and performance under this Guaranty (including by way of counterparts); and

(vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

(i) his or her direct and immediate liability under this Guaranty will be joint and several not only with Franchisee, but also among the Guarantors; and

(ii) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; and

(iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

(iv) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Franchise Agreement or by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Franchise Agreement and for so long thereafter as there are any monies or obligations owing by Franchisee to Franchisor under the Franchise Agreement; and

(v) Franchisee's written acknowledgment, accepted in writing by Franchisor, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Franchisee will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties and agreements of the Owners set forth in the Franchise Agreement and is obligated to perform thereunder, including, without limitation, under Articles VII., XI., XV., XVI., XVII. and XIX. and Sections XX.F. through M (which include, among other things, the mediation of disputes and WAIVERS OF JURY TRIAL RIGHTS AND PUNITIVE DAMAGES).

If Franchisor is required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevails in such proceeding, Franchisor will be entitled to reimbursement of its costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, mediators', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

IN WITNESS WHEREOF, each Guarantor has hereunto affixed his signature on the same day and year as the Franchise Agreement was executed.

GUARANTORS

_____

Name: _____

_____

Name: _____

_____

Name: _____

_____

Name: _____

EXHIBIT B

CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

This Agreement is made and entered into this ____ day of _____, 20__, between Pickleball Kingdom Franchising, LLC, an Arizona limited liability company ("Franchisor," "we," "us," or "our")[1], _____ ("Franchisee") and _____ ("Covenantor" or "you") in connection with a Franchise Agreement between us and Franchisee dated _____, 20__ ("Franchise Agreement"). Initially capitalized terms used, but not defined in this Agreement, have the meanings given to them in the Franchise Agreement.

RECITALS

We have the right to use and license the use of a System for the establishment and operation of Pickleball Kingdom Businesses.

The System is identified by certain Marks including, the mark "PICKLEBALL KINGDOM" and includes certain Confidential Information which provides economic advantages to us and licensed users of the System.

We have granted Franchisee the right to operate a Pickleball Kingdom Business pursuant to the Franchise Agreement.

You are employed by or associated with Franchisee and it will be necessary for you to have access to some or all of the Confidential Information.

We and Franchisee have agreed on the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from you a written agreement protecting the Confidential Information and further protecting the System against unfair competition.

You acknowledge that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by you herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

1. You shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of your employment by or association with Franchisee in connection with the operation of a Pickleball Kingdom Business under the Franchise Agreement.

2. You shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without our express written permission.

3. You shall not at any time disclose or permit the disclosure of the Confidential Information except to Franchisee's other authorized employees and only to the limited extent necessary to train or assist such other employees in the operation of the Pickleball Kingdom Business.

4. You shall surrender any material containing some or all of the Confidential Information to Franchisee or us, upon request, or upon termination of your employment by or association with Franchisee.

5. You shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

6. You acknowledge that all Manuals are loaned by us to Franchisee for limited purposes only and remain our property. You agrees that no Manuals may be reproduced, in whole or in part, without our written consent.

Covenants Not to Compete

In order to protect the goodwill of the System, and in consideration for the disclosure of the Confidential Information to you, you agree that, during the term of your association with or employment by Franchisee, and for a period of two (2) years following the earlier of (i) the termination thereof, or (ii) the termination, expiration or transfer of Franchisee's interest in the Franchise Agreement, you will not, without our prior written consent or as permitted under other valid Franchise Agreements for Pickleball Kingdom Businesses between Franchisee and us:

a. Directly or indirectly divert, or attempt to divert any business opportunity or customer of Pickleball Kingdom Businesses to any competitor; and

b. Directly or indirectly, for yourself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other association or entity, own, maintain, operate, engage in or have any financial or beneficial interest in, advise, assist or make loans to, any business which is the same as or similar to a Pickleball Kingdom Business (i.e. any business offering pickleball-related services or products) and which is, or is intended to be, located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we or our Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks; provided that during the two year-period following termination, expiration or transfer of the Franchise Agreement, the non-compete restrictions shall be limited to operations: (i) at the Franchise Location, (ii) within the Protected Area, (iii) within a fifty (50)-mile radius of the Franchise Location, and (iv) within a fifty (50)-mile radius of any Pickleball Kingdom Business then in existence or under construction.

Franchisee's Undertaking

Franchisee agrees to make all commercially reasonable efforts to ensure that you act as required by this Agreement.

Miscellaneous

1. You agree that:

a. Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill of the System or our other business interests.

b. Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we is a party, you agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

c. In the event of a breach of this Agreement, we and the Franchisee would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, you agree that we and/or the Franchisee shall be entitled, in addition to any other remedies which we or it may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific

performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

2. You agree to pay all expenses (including court costs and reasonable attorneys' fees and costs) incurred by us and/or the Franchisee in enforcing this Agreement.

3. Any failure by us or Franchisee to object to or take action with respect to any breach of any provision of this Agreement by you shall not operate or be construed as a waiver of or consent to that breach of any subsequent breach by you.

4. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARIZONA, WITHOUT REFERENCE TO ARIZONA CONFLICT OF LAW PRINCIPLES. YOU HEREBY IRREVOCABLY SUBMIT YOURSELF TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY OR JUDICIAL DISTRICT IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED. YOU HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. YOU HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON YOU IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY ARIZONA OR FEDERAL LAW. YOU FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, WE OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

5. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

6. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by overnight delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

Pickleball Kingdom Franchising, LLC
275 E. Rivulon Blvd.
Gilbert, Arizona 85297
Attention: Michael "Ace" Rodrigues
Telephone: (888) 788-0999
e-mail: ace@pickleballkingdom.com

If directed to Franchisee, the notice shall be addressed to:

_____
_____
_____
Attention:_____
Telephone: _____
e-mail: _____

If directed to Covenantor, the notice shall be addressed to:

_____
_____
_____
Attention:_____
Telephone: _____
e-mail: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of overnight delivery service on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of electronic mail, upon transmission (provided confirmation is sent by overnight delivery service or registered or certified mail).

7. Our rights and remedies under this Agreement are fully assignable and transferable and shall inure to the benefit of our Affiliates, successors and assigns. Your obligations and those of the Franchisee may not be assigned without our prior written consent.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

FRANCHISEE:

_____

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

COVENANTOR:

_____

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

EXHIBIT C

SELECTED TERMS:
DESIGNATED SEARCH AREA, FRANCHISE LOCATION, PROTECTED AREA, AND OPENING DATE

1. DESIGNATED SEARCH AREA:

   The Designated Search Area in which your Pickleball Kingdom Business may be located is:

   _____

   _____

2. FRANCHISE LOCATION:

   The "Franchise Location" shall be the following address: _____

3. PROTECTED AREA:

   The Protected Area shall be: _____.

4. OPENING DATE: The Opening Date of the Pickleball Kingdom Business is _____, 20__.

EXHIBIT D

OWNERSHIP AND MANAGEMENT INFORMATION

1. The following is a list of all shareholders, partners, members or other investors owning a direct or indirect interest in you, and a description of the nature of their interest:

NAME	OWNERSHIP INTEREST IN YOU	NATURE OF INTEREST

2. Your Operating Partner is: _____

3. Your initial General Manager is: _____

EXHIBIT E

ELECTRONIC FUNDS TRANSFER
AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO

PICKLEBALL KINGDOM FRANCHISING, LLC/PAYEE

BANK NAME	ACCOUNT #	ABA#	FEIN
_____	_____	_____	_____

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

(1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

(2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

(3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository: _____

Name of Depositor: _____

Designated Bank Acct.: _____
(Please attach one voided check for the above account.)

Pickleball Kingdom Business Location: _____

For information call: _____

Address: _____

Phone #: _____

Fax #: _____

_____
Name of you/Depositor (please print)

By: _____
Signature and Title of Authorized Representative

Date: _____

EXHIBIT F

STATE SPECIFIC ADDENDA

CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, the Franchise Agreement, for franchises in the State of California, is amended to include the following:

1. Sections IV(B)(7), XV(B)(3) and XIX(B)(5) of the Franchise Agreement are amended by adding the following at the end of these sections:

   This release will not apply to claims as you may have under the California Franchise Investment Law and the California Franchise Relations Act."

2. The Franchise Agreement is governed by Arizona law. This requirement may be unenforceable under California law.

3. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

4. The Franchise Agreement does not contain a liquidated damage clause. Under California Civil Code Section 1671, certain liquidated damage clauses are unenforceable.

5. The Franchise Agreement currently requires that any litigation be conducted in Arizona. This provision may not be enforceable under California law.

6. 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. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

FRANCHISOR: **Pickleball Kingdom Franchising, LLC**

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

FRANCHISEE: _____

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

HAWAII

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Hawaii:

1. Based upon the franchisor's financial condition, the Securities Compliance Branch of the Hawaii Department of Commerce and Consumer Affairs has required a financial assurance. Therefore, all initial fees and payments owed by you under this Agreement shall be deferred until the franchisor completes its pre-opening obligations under this Agreement and your franchised business has begun operations.

2. Any provision of the Franchise Agreement that requires you, at the time you enter into the Agreement, to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by Hawaii Franchise Investment Law is deleted from the Franchise Agreement.

3. 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.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

FRANCHISEE:

_____

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

ILLINOIS

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Illinois:

1. Illinois law governs the Franchise Agreement.

2. 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.

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

4. 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.

5. 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.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

FRANCHISEE:

_____

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

INDIANA

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the disclosure document, the Franchise Agreement, or Arizona law, if the provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as including any material breach of the Franchise Agreement, will supersede the provisions of Article XVIII of the Franchise Agreement to the extent Article XVIII may be inconsistent with this prohibition.

3. Any provision in the Franchise Agreement which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that the provision violates this law.

4. Section XI.C of the Franchise Agreement will be modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. The following provision will be added to the Franchise Agreement as a second paragraph to Section XX.K:

> Notwithstanding the foregoing provisions of this Section XX.K, any provision in this Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any contractual provision violates the Indiana Deceptive Franchise Practices Law.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

FRANCHISEE:

_____

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

MARYLAND

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all residents of the State of Maryland, all franchises to be operated in the State of Maryland, and all franchises offered and sold in the State of Maryland. Accordingly, the Franchise Agreement is herby amended as follows:

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

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

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

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

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

6. 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. Section XXI of the Franchise Agreement (Franchisee's Acknowledgements) is hereby deleted in its entirety.

The undersigned does hereby acknowledge receipt of this addendum dated _____.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC

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

FRANCHISEE:

_____

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

MINNESOTA

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that the contractual provision violates this law.

2. Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any Agreement relating to franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Agreement relating to exclusive mediation.

3. The following language will appear as a second paragraph of Section XX.K of the Agreement: Pursuant to Minnesota Statutes, Section 80C.21, Section XX.K of this Agreement will not in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C.

4. With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

5. We will protect your rights under this Franchise Agreement to use the Marks, or indemnify you from any loss, costs or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and the System Standards.

6. Under Minnesota law, you cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

7. Under Minnesota law, Section XX.K of the Franchise Agreement (and any other franchise agreement provisions regarding limitations of claims) must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and will be void to the extent that such contractual provisions violate Minnesota Statutes, Section 80C.17, Subd. 5.

8. Section V.A of the Franchise Agreement is amended to add the following language at the end of such section:

Based upon the franchisor's financial condition, the Minnesota Commerce Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by you under this Agreement shall be deferred until the franchisor completes its pre-opening obligations and you have begun operations under this Agreement.

The undersigned does hereby acknowledge receipt of this addendum, dated _____.

[SIGNATURES ON FOLLOWING PAGE]

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

FRANCHISEE:

_____

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

NEW YORK

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of New York:

1. No release language set forth in the Franchise Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of New York.

2. Section XV.A is amended by the addition of the following sentence immediately after the first sentence of that section:

> Notwithstanding the foregoing, no assignment will be made by us except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement (to the extent assigned).

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

FRANCHISEE:

_____

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

NORTH DAKOTA

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of North Dakota:

1. The following statement is added to Section V.A. of the Franchise Agreement:

   The North Dakota Division of Securities requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement.

2. Covenants not to compete upon termination or expiration of the Franchise Agreement are subject to Section 9-08-06, N.D.C.C., and may be generally unenforceable in the State of North Dakota.
3. Section IV.B.7 of the Franchise Agreement is hereby amended to state that franchisee shall not be required to sign a general release upon renewal of the Franchise Agreement.
4. Sections XIX.A.5 & XIX.C of the Franchise Agreement are hereby amended to delete any requirement that franchisee consent to termination or liquidated damages.
5. To the extent that Article XX of the Franchise Agreement would otherwise violate North Dakota law, these sections are amended by providing that all litigation by or between you and us, involving a franchised business operating in the State of North Dakota, will be commenced and maintained, at our election, in the state courts of North Dakota or the United States District Court for North Dakota, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.
6. North Dakota law applies to this transaction and supersedes any conflicting provisions of the Franchise Agreement or Arizona law.
7. Article XX of the Franchise Agreement is amended to include a statement that in the event that either party will make a demand for mediation, such mediation will be conducted in a mutually agreed upon site.
8. Article XX of the Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. This jury trial waiver is deemed deleted and shall not in any way abrogate or reduce any rights of the franchisee as provided for in the North Dakota Franchise Investment Law, including the right to a trial by jury and the right to submit matters to the jurisdiction of the Courts of North Dakota.
9. Article XX of the Franchise Agreement includes a waiver of exemplary and punitive damages. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Agreement.
10. Article XX of the Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. That requirement will not apply to North Dakota franchisees and is deemed amended to allow claims to be brought within the applicable statute of limitations under North Dakota law.
11. Article XX.M of the Franchise Agreement states that franchisee must pay all costs and expenses incurred by franchisor in enforcing the Agreement. Such provision is hereby amended to state that the prevailing party in any enforcement action is entitled to recover all of its costs and expenses, including its attorneys' fees.
12. 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.

[SIGNATURES ON FOLLOWING PAGE]

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

FRANCHISEE:

_____

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

RHODE ISLAND

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Rhode Island:

1. To the extent that Article XX of the Franchise Agreement would otherwise violate Rhode Island law, these sections are amended by providing that all litigation by or between you and us, involving a business operating in the State of Rhode Island, will be commenced and maintained, at our election, in the state courts of Rhode Island or the United States District Court for Rhode Island, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

FRANCHISEE:

_____

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

SOUTH DAKOTA

The following statement is added to Section V.A. of the Franchise Agreement:

The South Dakota Department of Labor and Regulation's Division of Securities requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

FRANCHISEE:

_____

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

VIRGINIA

1. Pursuant to Section 31.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds 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.

2. Section V.A of the Franchise Agreement is hereby amended to include the following statement:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

FRANCHISEE:

_____

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

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Pursuant to RCW 19.100.050 and WAC 460-80-400, the Securities Division of the Washington Department of Financial Institutions requires us to defer payment of all initial franchise fees described in Item 5 of the Franchise Disclosure Document until we have completed our pre-opening obligations under the applicable franchise agreement and other documents and you have opened for business. In addition, if you sign a Multi-Unit Development Agreement, the initial development fee payable under such agreement will be

prorated so that an applicable portion of the development fee is due and payable only when each unit opens for business.

The undersigned does hereby acknowledge receipt of this addendum dated _____.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

FRANCHISEE:

_____

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

WISCONSIN

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. The Wisconsin Fair Dealership Law, Chapter 135, Stats. supersedes any provisions of the Franchise Agreement that are inconsistent with that law.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

FRANCHISEE:

_____

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

EXHIBIT G

CONDITIONAL LEASE ASSIGNMENT

This Conditional Lease Assignment (this "Agreement") is made on _____, 20___, by and between Pickleball Kingdom Franchising, LLC, an Arizona limited liability company having a principal address at 275 E. Rivulon Blvd., Gilbert, Arizona 85297 ("Franchisor"); and _____ ("Franchisee"); and _____ ("Landlord") concerning the Pickleball Kingdom business ("Pickleball Kingdom Business") located, or to be located, at _____ (the "Franchise Location"), with reference to the following facts:

On _____, 20___, Franchisee leased the Franchise Location from Landlord to operate the Pickleball Kingdom Business, pursuant to a lease, attached as Exhibit "A" (the "Lease"). On _____, 20__, Franchisee obtained a franchise from Franchisor to operate the Pickleball Kingdom Business at the Franchise Location, pursuant to a written Franchise Agreement. If any of certain events occurs, the parties want Franchisor to have the right to accept an assignment of the Lease from Franchisee, on the terms in this Agreement. Accordingly, the parties have agreed as follows:

1. Conditional Assignment. Franchisee conditionally assigns to Franchisor all of Franchisee's right, title and interest in and to the Lease. Landlord consents to this conditional assignment. This assignment shall become effective only on Franchisor's exercise of the option, granted hereby, to accept the assignment, which may be exercised any time after the occurrence of any of the following events:

a. If Franchisee breaches or defaults under any term of the Lease, unless cured within the period provided in the Lease or 10 days after written demand by Franchisor, whichever is sooner;

b. Any act that would result in termination as provided in the Franchise Agreement, applicable law, or the continuance beyond the period or periods specified in the Franchise Agreement or applicable law of any breach or default by Franchisee under the Franchise Agreement;

c. If Franchisee shall have had an option to renew or extend the Lease and shall have failed or elected not to do so within the time specified in the Lease for renewal or extension;

d. Franchisee's abandonment of or sale of Franchisee's interest in and to the Pickleball Kingdom Business operated at the Franchise Location.

e. Any other event or occurrence that would result in loss of Franchisee's right to continue to lease the premises as lessee under the Lease.

2. Notice. Landlord shall deliver to Franchisor copies of all breach or default notices that Landlord delivers to Franchisee, concurrently with delivery to Franchisee. If Franchisee fails to cure a breach or default within the period stated in the lease or notice, Landlord shall promptly give Franchisor written notice, specifying each default Franchisee failed to cure. Franchisor shall have at least thirty-five (35) days after receipt of the notice to exercise by written notice to Landlord and Franchisee its right to assume the lease.

3. Lease Default. Franchisor shall not be required to cure defaults or begin paying rent until after Franchisor exercises the option and Landlord delivers possession of the premises to Franchisor or its designee. If Landlord is unable to deliver possession of the premises to Franchisor within 3 months after the date Franchisor exercises its option, Franchisor shall have the right, at any time until Landlord delivers possession of the premises to rescind its exercise of the option, by written notice to Landlord.

4. Franchisor Determination. Franchisor's reasonable determination that an event in Sections 2(a) -2(e) occurred and Franchisor's notice to Landlord and exercise of its option shall be sufficient to permit and require Landlord to assign the lease to Franchisor and shall release Landlord from any liability to Franchisee as a result of the assignment.

5. Franchisor Exercise of Option. Franchisor may exercise the option and make this assignment unconditional by delivering written notice to Franchisee and Landlord of its exercise of the option.

6. Further Assignment. Franchisor shall have the right, concurrently with or after exercising the option herein, to assign its rights under this Agreement and the Lease to a different franchisee selected by Franchisor, or affiliate, to operate the Pickleball Kingdom Business, with prior written consent of Landlord, which shall not be unreasonably withheld. That franchisee or affiliate shall obtain the assignment and assume the obligations of the Lease in place of Franchisor. On receipt by Landlord of an assumption agreement pursuant to which the franchisee or affiliate agrees to assume the lease and to perform its terms, Franchisor shall be released from all liability from and after the date of assignment, without need for written acknowledgment by Landlord. Franchisee shall not purport to assign any interest in this Agreement, or to sublet the Franchise Location, without Franchisor's prior written consent.

7. Termination of Franchisee Rights. Upon Franchisor exercising its option hereunder, Franchisee shall no longer be entitled to use the Franchise Location, and all Franchisee's rights under the Lease will have been terminated and, by the terms of this Agreement, assigned to Franchisor, or Franchisor's designated assignee.

8. Vacate Location. Franchisee shall immediately vacate the Franchise Location within the time permitted by the Lease or one week after delivery of the notice from Franchisor under Section 6, whichever is sooner. If Franchisee fails or refuses to do so, then in addition to all the parties' other remedies Franchisor shall have the right to enter and take possession of the Franchise Location.

9. Indemnification. Franchisee shall indemnify, defend and hold Landlord and Franchisor harmless from and against any and all loss, costs, expenses, (including attorneys' fees), damages, claims and liabilities, however caused, resulting directly or indirectly from or pertaining to the exercise by Franchisor and/or Landlord of the rights and remedies granted under this Agreement.

10. Remedies. The remedies granted in this Agreement are additional to and not in substitution of other remedies available at law or in equity.

11. NO LIABILITY. BY EXECUTING THIS AGREEMENT, FRANCHISOR DOES NOT ASSUME ANY LIABILITY WITH RESPECT TO THE PREMISES OR ANY OBLIGATION AS TENANT UNDER THE LEASE, UNLESS AND UNTIL FRANCHISOR EXPRESSLY ASSUMES SUCH LIABILITY AND/OR OBLIGATION AS DESCRIBED IN SECTION 6.

12. Liability. Franchisee shall remain liable to Landlord for all of its obligations under the Lease, notwithstanding any assignment of the Lease to Franchisor or its designee.

13. Further Acts. The parties agree to execute such other documents and perform such further acts as may be necessary or desirable to carry out the purpose of this Agreement.

14. Successors. This Agreement shall bind and benefit the parties, their heirs, successors and assigns.

15. Notices. Notices, requests, demands, payments, consents and other communications hereunder shall be transmitted in writing and shall be deemed to have been duly given when sent by registered or certified United States mail; postage prepaid, addressed as follows:

To Franchisor:	To Franchisee:	To Landlord:
Pickleball Kingdom Franchising, LLC	_____	_____
275 E. Rivulon Blvd.	_____	_____
Gilbert, Arizona 85297	_____	_____
Attn: Michael "Ace" Rodrigues		

Mailed notices shall be deemed communicated within three (3) days from time of mailing or one day after being sent by Federal Express or other receipt overnight courier service. Any party may change its address by giving notice of such change of address to the other parties.

16. Assignment. Neither this Agreement nor any rights under this Agreement may be assigned by the Franchisee without prior written consent of Franchisor. Franchisor and the Landlord have no limitations on assigning their interest granted herein. Additionally, the Lease shall not be amended, assigned, extended or renewed, without Franchisor's prior written consent.

17. Waiver. Failure by a party to enforce rights under this Agreement shall not be construed as a waiver of such rights. A waiver, including waiver of default, in any instance shall not constitute a continuing waiver or a waiver in any other instance.

18. Headings. The headings herein are for convenience only and shall not be used in construing any provisions. The provisions of this Agreement shall be interpreted according to their fair meanings and not strictly for or against any party.

19. Attorney Fees. In any dispute between any of the parties, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs of suit.

20. Governing Law. Except as precluded by applicable law, this Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

21. Entire Agreement. This is the parties' entire Agreement on its subject and supersedes all negotiations, agreements, representations and covenants, oral or written. This Agreement may not be amended or modified except by a written instrument signed by the party to be charged.

Signed as of the date first written above.

FRANCHISEE:	***LANDLORD*:**	***FRANCHISOR:***
_____	_____	**Pickleball Kingdom Franchising, LLC**
By: _____	By: _____	By:_____
Name: _____	Name: _____	Name: _____
Title: _____	Title: _____	Title: _____

EXHIBIT C TO THE FRANCHISE DISCLOSURE DOCUMENT

MULTI-UNIT DEVELOPMENT AGREEMENT

PICKLEBALL KINGDOM

MULTI-UNIT DEVELOPMENT AGREEMENT

_____

DEVELOPER

_____

DATE OF AGREEMENT

Exhibit C to Franchise Disclosure Document issued as of: 4/20/2026

PICKLEBALL KINGDOM
MULTI-UNIT DEVELOPMENT AGREEMENT

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PICKLEBALL KINGDOM
MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this "Agreement") is made and entered into this ____ day of _____, 20____ ("Effective Date"), between Pickleball Kingdom Franchising, LLC, an Arizona limited liability company having its principal business address at 275 E. Rivulon Blvd., Gilbert, Arizona 85297 ("Franchisor"), and _____, a _____ _____ whose principal address is _____ ("Developer") and shall be effective as of the date on which Franchisor executes this Agreement. Certain initially capitalized terms used frequently in this Agreement are defined in Section 14.

Recitals:

Franchisor has the right to use and license the use of a business system (the "System", as further defined below) for the establishment and operation of indoor pickleball facilities offering pickleball lessons, leagues, clinics and pick-up games with multiple membership offerings for players of all skill levels (each a "Pickleball Kingdom Business") under the Marks (defined below).

The distinguishing characteristics of the System include, without limitation, distinctive exterior design and signage; interior design that includes our unique décor and color scheme, showcasing 10 to 20 pickleball courts with outdoor surfaces, an event area for parties, meetings, etc., a pro shop with paddle rentals and gear for sale, viewing area, cafe area with snacks and beverages, including beer and wine (optional), and locker room/bathrooms with showers; policies and procedures for operations, including membership sales, court reservation systems, customer service standards, facility management, and overall quality control provisions; procedures for inventory management and financial control; training and assistance for you and your management, including pre-opening training, grand opening training, and ongoing support; and advertising and promotional programs to establish and maintain your business visibility and reputation, all of which we may change, improve, further develop or otherwise modify from time to time.

Pickleball Kingdom Businesses operate under the System and are identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin determined by Franchisor (the "Marks," as further defined below).

Franchisor licenses franchisees to use the Marks and the System to establish and operate multiple Pickleball Kingdom Businesses under Franchise Agreements with Franchisor.

Developer wishes to obtain certain development rights hereunder and to establish and operate multiple Pickleball Kingdom Businesses under separate Franchise Agreements with Franchisor in the Territory described in Attachment E to this Agreement;

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. GRANT

1.1 Grant of Rights

Franchisor hereby grants to Developer, and Developer hereby accepts, the right and obligation to develop Pickleball Kingdom Businesses within the Territory described in Attachment E (the "Territory"),

in accordance with the terms and conditions set forth in this Agreement. The development rights shall be exercised following satisfaction of the conditions set forth in Section 3.1 hereof and as provided in the Development Schedule.

1.2 Scope of Developer's Rights

Developer acknowledges and agrees that the rights granted hereunder pertain only to the development of Pickleball Kingdom Businesses and that this Agreement does not confer upon Developer a right or franchise to establish or operate any Pickleball Kingdom Business. This Agreement is intended by the parties to set forth the terms and conditions which, if fully satisfied by Developer, shall entitle Developer to obtain Franchise Agreements for the establishment and operation of Pickleball Kingdom Businesses within the Territory. This Agreement is not a franchise agreement and does not grant to Developer any right or license to operate a Pickleball Kingdom Business or distribute goods or services, or any right to use, or interest in, the Marks. Developer further acknowledges and agrees that the rights and duties set forth in this Agreement are personal to Developer and that Franchisor has granted such rights in reliance on the representations and warranties of Developer and its Principals. Developer and its Principals have represented to Franchisor that they have entered this Agreement for the purpose and with the intention to fully comply with the Pickleball Kingdom Business development obligations hereunder.

1.3 Retained Rights

Subject to Developer's full compliance with this Agreement and the full compliance by Developer and its affiliates with any other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates, neither Franchisor nor any affiliate of Franchisor shall establish, or authorize any person or entity other than Developer or any of its affiliates to establish, a Pickleball Kingdom Business in the Territory during the term of this Agreement. Notwithstanding the foregoing, Developer expressly acknowledges and agrees that Franchisor and its affiliates retain all other rights, including, without limitation, the right: (i) to operate, and license others to operate, Pickleball Kingdom Businesses in any Reserved Area and at any location outside the Territory, including locations that are adjacent to or surrounded by the Territory; (ii) within and outside the Territory to develop and establish other business systems (including Pickleball Kingdom Business systems that distribute products or services similar to those offered at Pickleball Kingdom Businesses) using other names or marks and to grant licenses to use those systems; (iii) to advertise and promote the System both within and outside the Territory; (iv) to acquire, or be acquired by, any competing system or other third party, including a competing system that has one or more units located within the Territory; and (v) except for the restriction in this Section 1.3 against the establishment of another Pickleball Kingdom Business in the Territory, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license and sale of any and all services and products, under the Marks or under other names or marks, within and outside the Territory, through any other method of distribution, including, but not limited to, catalogs, the Internet, telemarketing and other direct marketing sales, etc., regardless of the competitive impact on your Pickleball Kingdom Businesses.

2. FEES

2.1 Development Fee

Upon the execution of this Agreement, Developer shall pay to Franchisor a development fee in the amount of [_____ Dollars ($_____)]. The development fee shall be: (a) $150,000 if Developer elects to develop three (3) Pickleball Kingdom Businesses hereunder; or (b) $230,000 if Developer elects to develop five (5) Pickleball Kingdom Businesses hereunder, determined as of the date this Agreement is executed, in accordance with Section 2.2 below. The pro rata portion of the development fee allocable to each Pickleball Kingdom Business will be credited against the initial

franchise fee that would otherwise be paid under the Franchise Agreement for such Pickleball Kingdom Business. Accordingly, Developer will not be required to pay any initial franchise fee when Developer or its affiliate signs the Franchise Agreements for each of the applicable Pickleball Kingdom Businesses to be developed pursuant to the obligations set forth in this Agreement. The development fee shall be deemed fully earned, and nonrefundable, by Franchisor for administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the rights granted to Developer herein.

2.2 Initial Franchise Fees

In accordance with Section 2.1 above, Developer will not be required to pay any initial franchise fee under the Franchise Agreements entered into pursuant to this Agreement.

2.3 Past Due Amounts; Acceptance and Application of Payments

(1) Any payment not actually received by Franchisor on or before the due date shall be deemed overdue. Time is of the essence for all payments to be made by Developer to Franchisor. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of eighteen (18%) percent per annum or the maximum rate allowed by applicable law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment.

(2) Acceptance by Franchisor of any payments due subsequent to the due date shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer or the Principals of any terms, provisions, covenants or conditions of this Agreement.

(3) Franchisor shall have the right to apply any payment it receives from Developer to any amounts Developer owes Franchisor or its affiliates under this Agreement or any other agreement between them, even if Developer has designated the payment for another purpose or account. Franchisor may accept any check or payment in any amount from Developer without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

(4) Developer shall have no right to withhold any payments due Franchisor on account of Franchisor's breach or alleged breach of this Agreement, and no right to offset any amount due Franchisor against any obligation that Franchisor may owe to Developer.

3. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1 Franchise Agreement Execution; Compliance with Conditions

(1) Developer shall exercise the development rights granted hereunder only by entering into (or, with Franchisor's written consent, causing a majority-owned affiliate or subsidiary of Developer to enter into) a separate Franchise Agreement with Franchisor for each Pickleball Kingdom Business for which a development right is granted. The Franchise Agreement for the first Pickleball Kingdom Business to be developed by Developer or its affiliate under this Agreement shall be in the form of the Franchise Agreement attached as Attachment C and shall be executed within ninety (90) days of

the Effective Date of this Agreement. All subsequent Pickleball Kingdom Businesses developed under this Agreement shall be established and operated pursuant to the then-current form of Franchise Agreement then being used by Franchisor for new franchisees of Pickleball Kingdom Businesses under the System, except that the initial franchise fee shall be determined as provided in Section 2.2 above. These franchise agreements shall also be included in the term "Franchise Agreement" as used in this Agreement and shall be executed by Developer or its affiliate in accordance with this Section 3.

(2) Prior to exercising any development right granted hereunder, Developer shall apply to Franchisor for a franchise to operate a Pickleball Kingdom Business within the Territory. If Franchisor, in its sole discretion, determines that Developer has met each of the following operational, financial, and legal conditions, then Franchisor will grant Developer a franchise for a Pickleball Kingdom Business in the Territory:

(a) Operational Conditions: Developer is in compliance with the Development Schedule and this Agreement, and Developer and its affiliates are in compliance with any other agreement between them and Franchisor or its affiliates. Developer is conducting the operation of its existing Pickleball Kingdom Businesses, if any, and is capable of also conducting the operation of the proposed Pickleball Kingdom Business in accordance with the terms and conditions of this Agreement, the respective Franchise Agreements, and the standards, specifications, and procedures set forth and described in the Manuals (defined in the Franchise Agreement).

(b) Financial Conditions: Developer and the Principals satisfy Franchisor's then-current financial criteria for developers and principals of Pickleball Kingdom Businesses. Developer and the Principals have been and are faithfully performing all terms and conditions under each of the existing Franchise Agreements with Franchisor. Developer is not in default, and has not been in default during the twelve (12) months preceding Developer's request for financial approval, of any monetary obligations owed to Franchisor or its affiliates under any Franchise Agreement or other agreement between Developer or its affiliates and Franchisor or its affiliates. Developer acknowledges and agrees that it is vital to Franchisor's interest that each of its franchisees be financially sound to avoid failure of a Pickleball Kingdom Business and that such failure would adversely affect the reputation and good name of Franchisor and the System.

(c) Legal Conditions: Developer has submitted to Franchisor, in a timely manner, all information and documents requested by Franchisor as a basis for the issuance of individual franchises or pursuant to any right granted to Franchisor by this Agreement or by any Franchise Agreement.

3.2 Development Schedule

Acknowledging that time is of the essence, Developer agrees to exercise its development rights according to Section 3.1 and in compliance with the Development Schedule set forth in this section. Developer may, subject to the terms and conditions of this Agreement and only with Franchisor's prior written consent, which may be withheld in its sole discretion, develop more than the total minimum number of Pickleball Kingdom Businesses which Developer is required to develop during any Development Period. Any Pickleball Kingdom Businesses in excess of the minimum number of Pickleball Kingdom Businesses required to be developed shall be applied to satisfy Developer's development obligation during the next succeeding Development Period, if any. Notwithstanding the above, Developer shall not open or operate more than the cumulative total number of Pickleball Kingdom Businesses Developer is obligated to develop under the Development Schedule.

DEVELOPMENT SCHEUDULE			
Development Period	**Expiration Date of Development Period**	**Number of Pickleball Kingdom Businesses that must be opened in the Territory during the Development Period**	**Cumulative Total Number of Pickleball Kingdom Businesses that must be open and operating in the Territory at the end of the Development Period**
1	One-year anniversary of the Effective Date		
2	Two-year anniversary of the Effective Date		
3	Three-year anniversary of the Effective Date		

(1) If during the term of this Agreement, Developer ceases to operate any Pickleball Kingdom Business developed under this Agreement for any reason, Developer shall develop a replacement Pickleball Kingdom Business. The replacement Pickleball Kingdom Business shall be developed and opened within a reasonable time (not to exceed two hundred ten (210) days) after Developer ceases to operate the original Pickleball Kingdom Business. If, during the term of this Agreement, Developer transfers its interest in a Pickleball Kingdom Business in accordance with the terms of the applicable Franchise Agreement for the Pickleball Kingdom Business, the transferred Pickleball Kingdom Business shall continue to be counted in determining whether Developer has complied with the Development Schedule so long as it continues to be operated as a Pickleball Kingdom Business. If the transferred Pickleball Kingdom Business ceases to be operated as a Pickleball Kingdom Business during the term of this Agreement, Developer shall develop and open a replacement Pickleball Kingdom Business within a reasonable time (not to exceed two hundred ten (210) days) thereafter.

(2) Failure by Developer to adhere to the Development Schedule (including any extensions thereof approved by Franchisor in writing) or to any time period for the development of replacement Pickleball Kingdom Businesses shall constitute a material breach of this Agreement.

3.3 Projected Opening Dates

Developer acknowledges that the Projected Opening Date for each Pickleball Kingdom Business, as set forth below, is reasonable. Subject to Developer's compliance with Section 3.1 hereof, Developer shall execute a Franchise Agreement for each Pickleball Kingdom Business no later than one hundred twenty (120) days prior to the Projected Opening Date for the applicable Pickleball Kingdom Business.

Pickleball Kingdom Business	**Projected Opening Date**
1	
2	
3	

4. TERM

The term of this Agreement will begin on the Effective Date and, unless sooner terminated, will expire on the earlier of: (i) the date Developer has completed its development obligations under this Agreement, or (ii) 12:00 midnight on the last day of the final development period specified in the Development Schedule in Section 3.2 of this Agreement.

5. DUTIES OF FRANCHISOR

Franchisor agrees to provide the services described below:

5.1 Site Selection Guidelines and Assistance

To assist Developer in its selection of sites for its Pickleball Kingdom Businesses, Franchisor will provide to Developer:

(1) Franchisor's written site selection guidelines and such site selection assistance as Franchisor deems advisable; and

(2) Such on-site evaluation as Franchisor may deem necessary on its own initiative or in response to Developer's reasonable request for site selection assistance; provided, that Franchisor shall not provide an on-site evaluation for any proposed site prior to receiving all required information and materials prepared and submitted pursuant to Section 6.7, below and, in Franchisor's discretion, prior to receiving such information for multiple proposed sites. Franchisor will provide up to two (2) on-site evaluations for the first (1st) Pickleball Kingdom Business developed pursuant to this Agreement at no additional charge to Developer, except that Franchisor may require Developer to pay or reimburse Franchisor for the reasonable expenses incurred by Franchisor in conducting such on-site evaluation(s), including, without limitation, the cost of travel, lodging, meals and wages. If more than two (2) on-site evaluations are deemed appropriate by Franchisor, or are requested by Developer, for selecting a site for the first (1st) Pickleball Kingdom Business to be developed under this Agreement, then Franchisor may require Developer to pay Franchisor a reasonable fee for performing each additional site evaluation and to pay or reimburse Franchisor for the amount of the reasonable expenses incurred by Franchisor in conducting such on-site evaluation. Franchisor may require Developer to pay Franchisor a reasonable fee for any on-site evaluation and to pay or reimburse Franchisor's reasonable expenses incurred in conducting any on-site evaluation with respect to Developer's second and subsequent Pickleball Kingdom Businesses.

5.2 Training

Training of Developer's Principal Owner and any District Manager in accordance with Section 6.6 of this Agreement. With Franchisor's prior written consent and subject to its then-current certification procedures, Franchisor may authorize Developer to implement a training program for the employees of the Pickleball Kingdom Businesses developed pursuant to this Agreement in accordance with Franchisor's then-current standards.

5.3 Manuals

Franchisor will provide Developer with access to one (1) set of Manuals for each Pickleball Kingdom Business to be developed hereunder (which, at our option, may be provided in either hard copy or electronic format).

6. DEVELOPER'S OBLIGATIONS

6.1 Continuing Obligations

Developer and its Principals make the following representations, warranties and covenants and accept the following obligations. Such representations, warranties and covenants are continuing obligations, and Developer and its Principals acknowledge and agree that any failure to comply with them shall constitute a material event of default under this Agreement. Developer will cooperate with Franchisor to verify compliance with the following representations, warranties and covenants.

6.2 Organization

If Developer is a corporation, partnership, limited liability company or other legal entity:

(1) Developer is duly organized and validly existing under the law of the state of its formation;

(2) Developer is duly qualified and is authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualification;

(3) Developer's corporate charter or written partnership or limited liability company agreement shall at all times provide that the activities of Developer are confined exclusively to the development and operation of Pickleball Kingdom Businesses;

(4) The execution of this Agreement and the performance of the transactions contemplated hereby are within Developer's corporate power, if Developer is a corporation, or if Developer is a partnership or a limited liability company, are permitted under Developer's written partnership or limited liability company agreement and have been duly authorized by Developer; and

(5) If Developer is a corporation, copies of Developer's articles of incorporation, bylaws, other governing documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be reasonably required by Franchisor shall have been furnished to Franchisor prior to the execution of this Agreement; or, if Developer is a partnership or limited liability company, copies of Developer's written partnership or limited liability company agreement, other governing documents and any amendments thereto shall have been furnished to Franchisor prior to the execution of this Agreement, including evidence of consent or approval of the execution and performance of this Agreement by the requisite number or percentage of partners or members, as applicable, if such approval or consent is required by Developer's written partnership or limited liability company agreement.

6.3 Ownership

(1) If Developer is a corporation, partnership, limited liability company or other legal entity, the ownership interests in Developer are accurately and completely described in Attachment D. If Developer is a corporation, Developer shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in Developer or, if Developer is a partnership, limited liability company or other form of legal entity, Developer shall maintain at all times a current list of all owners of an interest in the partnership, limited liability company or other entity. Developer shall make its list of owners available to Franchisor upon request.

(2) If Developer is a corporation, Developer shall maintain stop-transfer instructions against the transfer on its records of any of its equity securities and each stock certificate representing stock of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to Franchisor that it is held subject to all restrictions imposed upon assignments by this Agreement. If Developer is a partnership or limited liability company, its written partnership or limited liability company agreement shall provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions imposed upon assignments by this Agreement.

(3) If required by Franchisor, Developer's Principals who do not sign the Principals' Guaranty and Assumption Agreement attached as Attachment A shall each execute the Confidentiality Agreement and Ancillary Covenants Not to Compete with Principal's Undertaking in the form of Attachment B to this Agreement.

(4) If, after the execution of this Agreement, any person ceases to qualify as one of the Developer's Principals or if any individual succeeds to or otherwise comes to occupy a position which, upon designation by Franchisor, would qualify him as one of Developer's Principals, Developer shall notify Franchisor within ten (10) days after any such change and, upon designation of such person by Franchisor as one of Developer's Principals or as a Principal such person shall execute all documents and instruments (including, as applicable, this Agreement) as Franchisor may require others in such positions to execute.

6.4 Financial Matters

(1) Developer and, at Franchisor's request, each of the Principals have provided Franchisor with the most recent financial statements of Developer and such Principals. Such financial statements present fairly the financial position of Developer and each of the Principals, as applicable, at the dates indicated therein and, with respect to Developer, the results of its operations and its cash flow for the years then ended. Each of the financial statements are certified as true and correct and have been prepared in conformity with generally accepted accounting principles and, except as expressly described in the applicable notes, applied on a consistent basis. There are no material liabilities, adverse claims, commitments or obligations of any nature, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on the financial statements.

(2) The Principals that Franchisor designates shall jointly and severally guarantee the performance of Developer's obligations under this Agreement pursuant to the terms and conditions of the Principal's Guaranty and Assumption Agreement at Attachment A hereto, and shall otherwise bind themselves to the terms of this Agreement as stated herein.

(3) Developer shall provide Franchisor with any and all loan or other documents regarding the financing of the business contemplated hereby that Franchisor may request.

(4) Developer shall maintain at all times during the term of this Agreement sufficient working capital to fulfill its obligations under this Agreement.

6.5 Principal Owner; District Manager

Upon the execution of this Agreement, Developer shall designate, and shall retain at all times during the term of this Agreement, an individual to serve as Developer's Principal Owner. If Developer is an individual, Developer shall perform all obligations of the Principal Owner. The Principal Owner under this Agreement and under each Franchise Agreement executed pursuant hereto shall be the same individual. The Principal Owner shall, during the entire period he serves as such, meet the following

qualifications and such other standards as may be set forth by Franchisor in the Manuals or otherwise in writing:

(1) The Principal Owner shall maintain a direct or indirect ownership interest of not less than ten percent (10%) in Developer. Except as may otherwise be provided in this Agreement, the Principal Owner's interest in Developer shall be and remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. The Principal Owner shall execute the Principals' Guaranty and Assumption Agreement attached hereto as Attachment A, and shall be individually, jointly and severally, bound by all obligations of Developer, the Principal Owner and a Principal hereunder.

(2) Notwithstanding Section 6.5(1), Developer may, at its option, and subject to Franchisor's written consent, designate a District Manager to supervise the operation of the business contemplated by this Agreement; provided, that the District Manager under this Agreement and under each Franchise Agreement executed pursuant hereto is the same individual; and provided further, that Developer and its Principal Owner shall remain fully responsible for the District Manager's performance. The District Manager shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete attached as Attachment B to this Agreement.

(3) Unless a District Manager is designated pursuant to Section 6.5(2), Developer's Principal Owner shall devote full time and best efforts to the supervision of the business contemplated by this Agreement, and, without Franchisor's written consent, shall not engage in any other business. The foregoing provision shall not apply if a District Manager is designated, provided, the District Manager shall devote his or her full time and best efforts to the supervision and operation of the business contemplated by this Agreement.

(4) The Principal Owner and any District Manager shall meet Franchisor's qualifications, as set forth in this Agreement, the Manuals, or otherwise in writing and, without limitation, shall be empowered with full authority to act for and on behalf of Developer.

Developer must promptly notify Franchisor if the Principal Owner cannot continue to serve in that capacity or no longer qualifies as such, and must take corrective action within thirty (30) days thereafter. During such thirty (30) day period, Developer must provide for interim management of its operations in accordance with this Agreement. Any failure to comply with this Section 6.5 will be a material breach of this Agreement.

6.6 Training

Developer's Principal Owner and any District Manager shall successfully complete Franchisor's management training program within a reasonable period of time after the execution of this Agreement. Any successor or replacement Principal Owner or District Manager shall successfully complete Franchisor's management training program within a reasonable time after such persons are designated. Such persons, and any other personnel of Developer whom Franchisor may designate, shall attend and complete any additional training that Franchisor may from time to time require. Training shall be conducted at locations designated by Franchisor.

(1) Initial management training for Developer's Principal Owner and District Manager is provided at no additional charge; however, Franchisor reserves the right to charge a reasonable fee for training successor or replacement personnel and for any additional training programs. Developer shall be responsible for any and all expenses incurred in connection with any initial or

additional training, including, without limitation, the costs of travel, lodging, meals and wages incurred by Developer, its Principal Owner, District Manager or other personnel.

(2) If Developer's Principal Owner or District Manager fails, in Franchisor's sole judgment, to satisfactorily complete Franchisor's management training program, and Developer fails to cure such default within ninety (90) days following written notice from Franchisor, Franchisor may terminate this Agreement.

6.7 Site Selection

Developer assumes all cost, liability, expense and responsibility for selecting, obtaining and developing a site within the Territory for each Pickleball Kingdom Business to be developed pursuant to this Agreement.

(1) Before acquiring a site for a Pickleball Kingdom Business, Developer shall submit to Franchisor, in the form specified by Franchisor, a description of the site, evidence satisfactory to Franchisor demonstrating that the site satisfies Franchisor's site selection guidelines, and such other information and materials as Franchisor may reasonably require, including, but not limited to, copies of a proposed lease (which incorporates a lease rider in substantially the form attached to Franchisor's then-current form of franchise agreement) or contract of sale for the site. Recognizing that time is of the essence, Developer agrees that it will submit such site information to Franchisor no later than sixty (60) days after the execution of the Franchise Agreement. Any proposed lease must be approved by Franchisor prior to its execution. Franchisor shall have thirty (30) days after receiving a copy of the proposed lease to accept or not accept it, in its sole discretion. If requested by Franchisor, Developer shall promptly pay, or reimburse Franchisor for, Franchisor's reasonable attorneys' fees and other reasonable costs and expenses incurred by Franchisor in connection with reviewing and/or modifying the lease.

(2) Franchisor shall have thirty (30) days after receiving Developer's site information to accept or not accept, in its sole discretion, the proposed site as the location for the Pickleball Kingdom Business. No site may be used for a Pickleball Kingdom Business unless it is first accepted in writing by Franchisor, and Developer shall not make any binding commitment with respect to a site for a Pickleball Kingdom Business unless the site is first accepted in writing by Franchisor. If Franchisor accepts multiple sites for a Pickleball Kingdom Business, Developer shall notify Franchisor in writing within ten (10) days of the date of such acceptance of the site that Developer intends to acquire for the Pickleball Kingdom Business. Developer acknowledges that Franchisor's acceptance of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by Franchisor that the Pickleball Kingdom Business operated at that site will be profitable or otherwise successful.

(3) Promptly following Franchisor's acceptance of the site for each Pickleball Kingdom Business, but in no event no later than ninety (90) days after the execution of the Franchise Agreement, Developer shall acquire the site by purchase or lease, at Developer's expense.

(4) Developer shall furnish to Franchisor a copy of the executed lease or contract of sale within ten (10) days after execution.

(5) After a site for a Pickleball Kingdom Business is accepted by Franchisor and acquired by Developer, the address of the site shall be entered on Attachment C to the Franchise Agreement as the Location of the Pickleball Kingdom Business.

6.8 Internet Website

Developer shall not establish any website or other listing on the Internet (social media accounts, etc.) except as provided herein.

(1) Franchisor has established, or may establish, an Internet Website that provides information about the System and the products and services offered by Pickleball Kingdom Businesses. Franchisor has sole discretion and control over the Website (including timing, design, contents and continuation). Franchisor may use part of the creative fund monies it collects under the Franchise Agreement to pay or reimburse the costs associated with the development, maintenance and update of the Website.

(2) Franchisor may, but is not required to, include at the Website an interior page containing information about the Pickleball Kingdom Businesses developed under this Agreement. If Franchisor includes such information on the Website, Franchisor may require Developer to prepare all or a portion of the page, at Developer's expense, using a template that Franchisor provides. All such information will be subject to Franchisor's approval prior to posting. Developer acknowledges and understands that it shall not establish its own Website using the Marks or referring in any way to the Pickleball Kingdom Business without Franchisor's prior written consent, which Franchisor is not obligated to provide. If Developer is in default of this Agreement at any time, Franchisor reserves the right to suspend Developer's web page or Pickleball Kingdom Business listing until such time as Developer is in full compliance with the terms of this Agreement.

(3) Franchisor also shall have the sole right, but no obligation, to develop an Intranet through which Franchisor and its developers and franchisees can communicate by e-mail or similar electronic means. If Franchisor develops such an Intranet, Developer agrees to use the facilities of the Intranet in strict compliance with the standards, protocols and restrictions that Franchisor includes in the Manual (including, without limitation, standards, protocols and restrictions relating to the encryption of Confidential Information and prohibitions against the transmission of libelous, derogatory or defamatory statements).

6.9 Legal Compliance

In addition to complying with its obligations under this Agreement, Developer shall comply with all requirements of federal, state and local laws, rules, regulations, ordinances and orders at all times during the term of this Agreement.

7. DEFAULT AND TERMINATION; POST TERMINATION OBLIGATIONS

7.1 Automatic Termination

Developer shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Developer, if Developer (including any of Developer's partners, if Developer is a partnership, or any of its officers, directors, shareholders, or members, if Developer is a corporation or limited liability company) shall become insolvent or makes a general assignment for the benefit of creditors; or if Developer files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing its inability to pay its debts when due; or if Developer is adjudicated as bankrupt or insolvent in proceedings filed against Developer under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's

business or assets is filed and consented to by Developer; or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Developer; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Developer is dissolved; or if execution is levied against Developer's business or property; or if suit to foreclose any lien or mortgage against the Developer's business or property is instituted against Developer and not dismissed within thirty (30) days; or if the real or personal property of any business operated by Developer hereunder shall be sold after levy thereupon by any sheriff, marshal or constable.

7.2 Termination on Notice; No Right to Cure

Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Developer any opportunity to cure the default, effective immediately upon written notice to Developer, upon the occurrence of any of the following events of default:

(1) If Developer fails to comply with the Development Schedule under this Agreement or otherwise fails to satisfy its obligations set forth in Section 3.

(2) If Developer or any of the Principals is convicted of, or enters a plea of guilty or nolo contendere to, a felony, a crime involving moral turpitude or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith or Franchisor's interests therein.

(3) If a threat or danger to public health or safety results from the construction, maintenance or operation of any Pickleball Kingdom Business developed under this Agreement.

(4) If Developer or any of the Principals breach in any material respect any of the representations, warranties and covenants in Section 4.

(5) If Developer or any of the Principals transfers or attempts to transfer any rights or obligations under this Agreement, or any interest in Developer or the business contemplated hereby contrary to the terms of this Agreement, or if an approved transfer upon death or permanent disability is not effected within the time period and in the manner prescribed by Section 8.6.

(6) If Developer or any of the Principals fails to comply with the covenants in Section 9.

(7) If Developer, or any of the Principals, repeatedly commits a default under this Agreement, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured after notice by Franchisor.

7.3 Termination After Notice and Opportunity to Cure

Upon the occurrence of any event set forth below, Developer shall be deemed to be in material default, and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, by giving Developer written notice stating the nature of the default and the applicable cure period (defined below). Developer may avoid termination by curing such default to Franchisor's satisfaction within the time period set forth below or such longer period as applicable law may require ("cure period"). If a default is not cured within the applicable cure period, Developer's rights under this Agreement shall

terminate without further notice to Developer effective immediately upon the expiration of the cure period.

(1) If Developer or any of its affiliates fails, refuses or neglects promptly to pay when due any monetary obligation owing to Franchisor or any of its affiliates and fails to cure such default within five (5) days following notice from Franchisor, or if Developer or any of its affiliates are otherwise in default under any Franchise Agreement and fails to cure such default within the applicable cure period, if any, contained in such Franchise Agreement.

(2) If Developer fails to designate a qualified replacement Principal Owner or District Manager within thirty (30) days after any initial or successor Principal Owner or District Manager ceases to serve.

(3) If Developer fails to obtain the execution of the covenants required under Section 9.6 within thirty (30) days following Franchisor's request that Developer do so.

(4) If Developer misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated therewith or with the System or Franchisor's rights therein and fails to cure such default within twenty-four (24) hours following notice from Franchisor.

(5) If Developer fails to comply with any other term or condition imposed by this Agreement and fails to cure within thirty (30) days following notice from Franchisor.

7.4 Additional Remedies

Upon default by Developer under Section 7.2 or 7.3, Franchisor may, in its sole discretion, elect to exercise any one or more of the following remedies in lieu of terminating this Agreement: (i) terminate or modify any territorial protections granted to Developer in Section 1, (ii) reduce the size of the Territory, or (iii) reduce the number of Pickleball Kingdom Businesses which Developer may establish pursuant to the Development Schedule.

(1) If Franchisor elects to exercise one or more of the additional remedies set forth above, Developer shall continue to develop Pickleball Kingdom Businesses in accordance with its rights and obligations hereunder, as so modified. To the extent such rights are modified pursuant to this Section 7.4, Developer acknowledges that Franchisor shall be entitled to establish, and to license others to establish, Pickleball Kingdom Businesses in some or all of the Territory, except as may be otherwise provided under any Franchise Agreement which is then in effect between Franchisor and Developer.

(2) Franchisor's exercise of any of its remedies under this Section 7.4 shall not constitute a waiver by Franchisor to exercise its option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

7.5 Effect on Franchise Agreements; Remedies Non-Exclusive

(1) No default under this Agreement shall constitute a default under any Franchise Agreement, unless the default is also a default under the terms of such Franchise Agreement.

(2) No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or in equity.

7.6 Post-Termination Obligations

Upon the termination or expiration of this Agreement, Developer shall have no right to establish or operate any Pickleball Kingdom Business for which a Franchise Agreement has not been executed by Franchisor and delivered to Developer at the time of termination or expiration (but may complete development of and/or operate Pickleball Kingdom Businesses under then-existing Franchise Agreements) and Franchisor may develop, or authorize others to develop, Pickleball Kingdom Businesses in the Territory. Upon the expiration or termination of this Agreement:

(1) Developer and the Principals shall comply with the restrictions on confidential information contained in Section 9.1 and the covenants against competition contained in Section 9.2. Any other person required to execute similar covenants pursuant to Section 9.6 shall also comply with such covenants.

(2) Developer and its Principals shall promptly pay all sums owing to Franchisor and its subsidiaries or affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Developer, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Developer and on the premises operated under any Franchise Agreement at the time of default.

(3) Developer and the Principals shall pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 7.6.

8. TRANSFER OF INTEREST

8.1 By Franchisor

Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity without Developer's consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all Franchisor's obligations arising hereunder subsequent to the transfer or assignment. Without limitation of the foregoing, Franchisor may sell its assets to a third party; may offer its securities privately or publicly; may merge with or, acquire other corporations, or may be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

8.2 By Developer and Principals

Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer, and that Franchisor has granted such rights in reliance on the business skill, financial capacity and personal character of Developer and its Principals. Accordingly, neither Developer nor any Principal, nor any successor or assign of Developer or any Principal, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement (including, without limitation, any or all of Developer's rights or obligations hereunder), the business operated under this Agreement, or in Developer (except as provided in Section 8.4 below) without the prior written consent of Franchisor. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material breach of this Agreement.

(1) If Developer wishes to transfer all or part of its interest in this Agreement or in the business operated hereunder, or if Developer or a Principal wishes to transfer any interest in Developer (except as permitted in Section 8.4), transferor and the proposed transferee shall apply to Franchisor for its consent. Franchisor shall not unreasonably withhold its consent to a transfer of any interest in Developer, in this Agreement or in the business operated hereunder, but Franchisor may, in its sole discretion, require any or all of the following as conditions of its approval to any such transfer:

(a) All the accrued monetary obligations of Developer and its affiliates and all other outstanding obligations to Franchisor and its affiliates arising under this Agreement or any Franchise Agreement or other agreement shall have been satisfied in a timely manner and Developer shall have satisfied all trade accounts and other debts, of whatever nature or kind, in a timely manner;

(b) Developer and its affiliates shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any Franchise Agreement or other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates; and Developer shall have substantially and timely complied with all the terms and conditions of such agreements during the terms thereof;

(c) The transferor and its principals (if applicable) shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims, against Franchisor, its affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement, any Franchise Agreement and any other agreement between Developer and Franchisor or any of its affiliates or under federal, state or local laws, rules, regulations and orders;

(d) The transferee shall enter into a written agreement, satisfactory to Franchisor, assuming full, unconditional, joint and several, liability for and agreeing to perform from the date of the transfer, all obligations, covenants and agreements of Developer in this Agreement; and, if transferee is a corporation, partnership or limited liability company, such of transferee's principals as Franchisor may designate as principals shall execute such agreement as transferee's principals, and personally guarantee the performance of all such obligations, covenants and agreements;

(e) The transferee shall execute the standard form development agreement then being offered to new System developers or a revised form of this Agreement, as Franchisor deems appropriate, and such other ancillary agreements as Franchisor may require, which agreements shall supersede this Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms of this Agreement, and if the transferee is a corporation, partnership, or limited liability company, such of transferee's principals as Franchisor may designate shall execute such agreement and personally guarantee the performance thereof;

(f) The transferee shall demonstrate to Franchisor's satisfaction that transferee meets the criteria considered by Franchisor when reviewing a prospective developer's application for development rights, including, but not limited to, Franchisor's educational, managerial and business standards, transferee's good moral character, business reputation and credit rating, transferee's aptitude and ability to conduct the business contemplated hereunder (as may be evidenced by prior related business experience or otherwise), transferee's financial resources and capital for operation of the business, and the geographic proximity of other territories with respect to which transferee has been granted development rights or of other businesses operated by transferee, if any;

(g) The transferor shall remain liable for all of the obligations to Franchisor in connection with this Agreement incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(h) Developer shall pay Franchisor a transfer fee in an amount equal to 75% of Franchisor's then-current initial franchise fee (or 25% of Franchisor's then-current initial franchise fee if the transfer is to an existing Pickleball Kingdom franchisee in good standing with Franchisor); provided that if Developer is an individual transferring its rights and obligations under this Agreement to an entity owned solely by such individual, the transfer fee shall be reduced to a flat fee of $1,500. If Developer's existing owners are merely transferring ownership among themselves or adding a minority owner that does not alter the majority ownership or control of the developer entity, then the transfer fee will be a flat fee of $1,500;

(i) If transferee is a corporation, partnership or limited liability company, transferee shall make and will be bound by any or all of the representations, warranties and covenants in Section 6 as Franchisor requests. Transferee shall provide to Franchisor evidence satisfactory to Franchisor that the terms of Sections 6.2, 6.3 and 6.4 have been satisfied and are true and correct on the date of transfer.

(2) If the transfer relates to the grant of a security interest in any of Developer's assets, Franchisor may require the secured party to agree that, in the event of any default by Developer under any documents related to the security interest, Franchisor shall have the right and option (but no obligation) to be substituted as obligor to the secured party and to cure any default of Developer.

(3) Developer acknowledges and agrees that each condition which must be met by the transferee is reasonable and necessary to assure such transferee's full performance of the obligations hereunder.

8.3 Transfer for Convenience of Ownership

If the proposed transfer is to a corporation or other entity formed solely for the convenience of ownership, Franchisor's consent may be conditioned upon any of the requirements in Section 8.2(1), except that the requirements in Sections 8.2(1)(c), (e), and (f) shall not apply and the fee provided for in Section 8.2(1)(h) shall be a flat fee of $1,500. In any transfer for the convenience of ownership, Developer shall be the owner of all the voting stock or interest of the corporation or other business entity, as applicable, and if Developer is more than one individual, each individual shall have the same proportionate ownership interest in the corporation or other business entity, as applicable, as he had in Developer prior to the transfer.

8.4 Transfer of Non-Controlling Interest

If any person holding an interest in Developer (other than a Principal signing the Principals' Guaranty and Assumption Agreement) proposes to transfer such interest, then Developer shall promptly notify Franchisor of such proposed transfer in writing and shall provide such information relative thereto as Franchisor may reasonably request prior to the transfer. Franchisor may reject any such proposed transfer for any reason in its sole discretion. The transferee shall not be an owner or operator of any of Franchisor's competitors (i.e. any business offering pickleball-related services or products) and may be required to execute a confidentiality agreement and ancillary covenants not to compete in the form then required by Franchisor, which form shall be in substantially the same as the form attached to this Agreement as Attachment B. Franchisor reserves the right to require such transferee to sign the Principals' Guaranty and Assumption Agreement.

8.5 Right of First Refusal

If Developer or a Principal wishes to transfer any interest in this Agreement, the business operated hereunder, or in Developer, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all required documentation describing the terms of such offer, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, closing shall occur on or before sixty (60) days from the later of the date of Franchisor's notice to seller of its election to purchase and the date Franchisor receives all necessary permits and approvals, or any other date agreed by the parties in writing. If the third party offer provides for payment of consideration other than cash, Franchisor may elect to purchase seller's interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent, then that amount shall be determined by two (2) appraisers. Each party shall select one (1) appraiser and the average of the appraisers' determinations shall be binding. Each party shall bear its own legal and other costs and shall share the appraisal fees equally. If Franchisor exercises its right of first refusal, it shall have the right to set off all appraisal fees and other amounts due from Developer to Franchisor or any of its affiliates. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Section 8.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 8 relating to a proposed transfer. Failure to comply with this Section 8.5 shall constitute a material event of default under this Agreement.

8.6 Death or Permanent Disability

Developer or its representative shall promptly notify Franchisor of any death or claim of permanent disability subject to this Section 8.6. Any transfer upon death or permanent disability shall be subject to the following conditions, as well as to the conditions described in Section 8.2 for any inter vivos transfer.

(1) Upon the death of Developer (if Developer is a natural person) or any Principal who is a natural person (the "Deceased"), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by Franchisor within six (6) months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by Franchisor. If the distributee is not approved by Franchisor, then the distributee shall transfer such interest to a third party approved by Franchisor within six (6) months after the death of the Deceased.

(2) Upon the permanent disability of Developer (if Developer is a natural person) or any Principal who is a natural person, Franchisor may, in its sole discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Section 8 within six (6) months after notice to Developer. "Permanent disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Franchisor, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the

purpose of this Section 8.6. The costs of any examination required by this Section shall be paid by Franchisor.

8.7 Securities Offerings

Interests in Developer shall not be offered to the public by private or public offering without Franchisor's prior written consent, which shall not be unreasonably withheld. As a condition of its consent, Franchisor may, in its sole discretion, require that, Developer reimburse Franchisor for any expenses resulting from such offering (including, without limitation, legal and accounting fees and costs associated with reviewing the offering materials), and Franchisor may require that immediately after such offering, Developer and the Principals retain a Controlling Interest in Developer. Developer shall give Franchisor written notice at least thirty (30) days prior to the commencement of any offering covered by this Section 8.7. All offering materials shall be submitted to Franchisor for review prior to being filed with any governmental agency or distributed for use. Franchisor's review of the offering materials shall be limited solely to the subject of the relationship between Developer and Franchisor. No offering shall imply that Franchisor is participating in an underwriting, issuance or offering of securities. Franchisor may require the offering materials to contain a written statement prescribed by Franchisor concerning the relationship of Developer and Franchisor. Developer, its Principals and the other participants in the offering must fully indemnify Franchisor, its affiliates, their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in connection with the offering.

8.8 No Waiver

Franchisor's consent to a transfer of any interest described herein shall not constitute a waiver of any claims which Franchisor may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

9. COVENANTS

9.1 Confidentiality

Neither Developer nor any Principal shall, during the term of this Agreement and thereafter, communicate, divulge, or use for the benefit of, any other person, persons, partnership, limited liability company, corporation or other entity or association and, following the termination or expiration of this Agreement, they shall not use for their own benefit, any Confidential Information, knowledge or know-how which may be communicated to them or of which they may be apprised concerning the methods of conducting the business contemplated by this Agreement, including, without limitation, the methods of development and operation of the Pickleball Kingdom Businesses and other information contained in the Manuals or otherwise disclosed. Developer and each of the Principals shall disclose such Confidential Information only to those employees of Developer who must have access to it in connection with their employment. Neither Developer nor the Principals shall at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such Confidential Information, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenant in this Section shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Developer and each of the Principals.

9.2 Noncompetition Covenants

Developer and the Principals specifically acknowledge that, pursuant to this Agreement, they will receive access to valuable training, trade secrets and Confidential Information which are beyond their present skills and experience, including, without limitation, information regarding operational, sales,

promotional and marketing methods and techniques of the System. Developer and the Principals further acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage, and that gaining access thereto is a primary reason for entering into this Agreement. In consideration therefor, Developer and the Principals covenant as follows:

(1) With respect to Developer, during the term of this Agreement (or with respect to each of the Principals, for so long as such individual or entity satisfies the definition of "Principal" under this Agreement) except as otherwise approved in writing by Franchisor, neither Developer nor any of the Principals shall, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company, corporation or other entity or association:

(a) Divert, or attempt to divert, any business or customer of the business described hereunder to any competitor (i.e. any business offering pickleball-related services or products), 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 Marks and the System.

(b) Except with respect to Pickleball Kingdom Businesses operated under valid Franchise Agreements with Franchisor, own, maintain, operate, engage in, be employed by, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar to a Pickleball Kingdom Business (i.e. any business offering pickleball-related services or products) (a "Competitive Business") and which is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor has used, sought registration of or registered the Marks or similar marks or operates or licenses others to operate a business under the Marks or similar marks.

(2) With respect to Developer, and for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of Developer's interest in, this Agreement (or with respect to each of the Principals, commencing upon the earlier of (i) the expiration, termination, or transfer of all of Developer's interest in this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of "Principal" under this Agreement), and continuing for two (2) years thereafter, except as otherwise approved in writing by Franchisor, neither Developer nor any of the Principals shall, directly or indirectly, for themselves or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company, corporation or other entity or association:

(a) Divert, or attempt to divert, any business or customer of the business described hereunder to any competitor (i.e. any business offering pickleball-related services or products), 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 Marks and the System.

(b) Except with respect to Pickleball Kingdom Businesses operated under valid Franchise Agreements with Franchisor, own, maintain, operate, engage in, be employed by, or have any financial or beneficial interest in, advise, assist or make loans to, a Competitive Business (i.e. any business offering pickleball-related services or products) that is, or is intended to be, located (i) within the Territory, or (ii) within a fifty (50)-mile radius of the location of any Pickleball Kingdom Business then in existence or under construction.

9.3 Reasonable Restrictions

The parties acknowledge and agree that each of the covenants contained herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not

impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. Each such covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 9 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer and the Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

9.4 Reduction of Scope of Covenant

Developer and the Principals acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section 9 without their consent, effective immediately upon notice to Developer, and Developer and the Principals agree that they shall promptly comply with any covenant as so modified.

9.5 Enforcement

Developer and the Principals expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 9.

9.6 Execution of Covenants

Developer shall require and obtain execution of covenants similar to those set forth in Section 9 from all Principals, from all District Managers and, if requested by Franchisor, other personnel of Developer who have received or will have access to Confidential Information or training from Franchisor. Such covenants shall be substantially in the form set forth in Attachment B. Notwithstanding the foregoing, Franchisor reserves the right, in its sole discretion, to decrease the scope of the noncompetition covenant set forth in Attachment B or eliminate such noncompetition covenant altogether for any person that is required to execute such agreement under this Section 9.6.

9.7 Injunctive Relief

Developer and the Principals acknowledge that any failure to comply with the requirements of this Section shall constitute a material breach of this Agreement. Developer and the Principals acknowledge that a violation of this Section would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Developer and the Principals accordingly consent to the issuance of an injunction prohibiting any conduct by Developer or the Principals in violation of the terms of this Section, without the requirement that Franchisor post a bond. Developer and the Principals agree to pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in connection with the enforcement of this Section, including payment of all costs and expenses for obtaining injunctive relief or any other remedy available to Franchisor for any violation of the requirements of this Section.

9.8 New Developments

If Developer, its employees, or Principals develop any new concept, process or improvement in the operation or promotion of the business contemplated by this Agreement or any Pickleball Kingdom Business developed pursuant to this Agreement, Developer shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such concept, process or improvement shall become Franchisor's sole property and Franchisor shall be the sole owner of all patents, patent applications, and other intellectual property rights related thereto. Developer and its Principals hereby assign to Franchisor any rights they may have or acquire therein, including the right to modify such concept, process or improvement, and otherwise waive and/or release all rights of restraint

and moral rights therein and thereto. Developer and its Principals agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. Developer and its Principals hereby irrevocably designate and appoint Franchisor as their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such concept, process or improvement. In the event that the foregoing provisions of this Section 9.8 are found to be invalid or otherwise unenforceable, Developer and its Principals hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe their rights therein.

9.9 Anti-Terrorism Laws

Developer and its owners agree to comply, and to assist Franchisor to the fullest extent possible in its efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, Developer and its owners certify, represent, and warrant that none of Developer's property or interests is subject to being blocked under, and that Developer and its owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by Developer or its owners, or any blocking of Developer's or its owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

10. INDEPENDENT CONTRACTOR

10.1 Independent Contractor Relationship

Developer agrees that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and Franchisor owes Developer no duties except as expressly provided in this Agreement. Developer shall be an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, Developer shall hold itself out to the public as an independent contractor conducting its operations pursuant to the rights granted by Franchisor.

10.2 No Authority

Nothing in this Agreement authorizes Developer or any of the Principals to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of Developer or any of the Principals or any claim or judgment arising therefrom.

11. INDEMNIFICATION

11.1 Indemnity

Developer and each of the Principals shall, at all times, indemnify and hold harmless to the fullest extent permitted by law Franchisor, its affiliates, successors and assigns, and the officers, directors,

shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them ("Indemnitees") from all Losses and Expenses, defined below, incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or relates to this Agreement in any way or which arises out of or is based upon any of the following:

(1) The infringement, alleged infringement, or any other violation or alleged violation by Developer or any of the Principals of any patent, mark, copyright or other proprietary right owned or controlled by third parties (except as such may occur with respect to any right to use the Marks, any copyrights or other proprietary information granted to Developer under a Franchise Agreement);

(2) The violation, breach or asserted violation or breach by Developer or any of the Principals of any federal, state or local law, regulation, ruling, standard or directive, or any industry standard;

(3) Libel, slander or any other form of defamation of Franchisor, the System, or any developer or franchisee under the System, by Developer or by any of the Principals;

(4) The violation or breach by Developer or by any of the Principals of any warranty, representation, agreement or obligation in this Agreement or in any Franchise Agreement or other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates; and

(5) Acts, errors or omissions of Developer, any of Developer's affiliates, any of the Principals and the respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of any of them in connection with the performance of the development activities contemplated under this Agreement or the establishment and operation of any Pickleball Kingdom Business pursuant to a Franchise Agreement.

11.2 Defense of Claim

Developer and each of the Principals agree to give Franchisor immediate notice of any such action, suit, proceeding, claim, demand, inquiry or investigation. At the expense and risk of Developer and each of the Principals, Franchisor may elect to assume (but under no circumstance is obligated to undertake), or associate counsel of its own choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by Franchisor shall, in no manner or form, diminish the obligation of Developer and each of the Principals to indemnify the Indemnitees and to hold them harmless.

11.3 Remedial Action

In order to protect persons or property or its reputation or goodwill, or the reputation or goodwill of others, Franchisor may, at any time and without notice, as it, in its judgment deems appropriate, consent or agree to settlements or take such other remedial or corrective action as it deems expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in Franchisor's sole judgment, there are reasonable grounds to believe that:

(1) any of the acts or circumstances enumerated in Section 11.1(1) - (4) above has occurred; or

(2) any act, error or omission as described in Section 11.1(5) may result directly or indirectly in damage, injury or harm to any person or any property.

11.4 Losses and Expenses

(1) All Losses and Expenses incurred under this Section 11 shall be chargeable to, and paid by, Developer and the Principals pursuant to the obligations of indemnity under this Section, regardless of any action, activity or defense undertaken by Franchisor or the subsequent success or failure of such action, activity or defense.

(2) As used in this Section 11, the phrase "Losses and Expenses" shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys' fees and costs, court costs, settlement amounts, judgments, compensation for damages to Franchisor's reputation and goodwill, costs of or resulting from delays, financing costs, costs of advertising material and media time/space and costs of changing, substituting or replacing the same, any and all expenses of recall, refunds, compensation and public notices and all other payments of money incurred in connection with the matters described.

11.5 Contributory Negligence

The Indemnitees do not assume any liability for acts, errors or omissions of those with whom Developer or the Principals may contract, regardless of the purpose. Developer and the Principals shall hold harmless and indemnify the Indemnitees as set forth herein without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of Franchisor or any other party or parties arising in connection therewith.

11.6 No Duty to Mitigate; Survival of Obligations

Under no circumstances shall Franchisor be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim under the indemnity and against Developer, and the failure of Franchisor to pursue such recovery or mitigate such loss will no way reduce the amounts recoverable by Franchisor from Developer. Developer and the Principals expressly agree that the terms of this Section 11 shall survive the termination, expiration or transfer of this Agreement or any interest herein.

12. MISCELLANEOUS

12.1 Notices

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: Pickleball Kingdom Franchising, LLC
275 E. Rivulon Blvd.
Gilbert, Arizona 85297
Attention: Michael "Ace" Rodrigues
Telephone: (888) 788-0999
e-mail: ace@pickleballkingdom.com

Notices to Developer and
the Principals: _____

_____

Attention: _____

Telephone: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service, on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of electronic mail, upon transmission.

12.2 Entire Agreement

This Agreement, the documents referred to herein and the Attachments hereto, constitute the entire, full and complete agreement between Franchisor and Developer and the Principals concerning the subject matter hereof and shall supersede all prior related agreements. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Developer to waive reliance on any representation that Franchisor made in the most recent Franchise Disclosure Document (including its exhibits and amendments) that Franchisor delivered to Developer or its representative, subject to any agreed-upon changes to the contract terms and conditions described in that Franchise Disclosure Document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement). Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

12.3 No Waiver

No delay, waiver, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising out of any breach or default by Developer or the Principals under this Agreement shall constitute a waiver by Franchisor to enforce any such right, option, duty or power against Developer or the Principals, or as to a subsequent breach or default by Developer or the Principals.

12.4 Approval or Consent

Whenever this Agreement requires the prior approval or consent of Franchisor, Developer shall make a timely written request to Franchisor and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to Developer, and no neglect, delay or denial of any request therefor, shall constitute a warranty or guaranty by Franchisor, nor does Franchisor assume any liability or obligation to Developer or any third party as a result thereof.

12.5 Force Majeure

Upon the occurrence of an event of Force Majeure, the party affected thereby shall give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused. If an event of Force Majeure shall occur, then, Developer shall continue to be obligated to pay to Franchisor any and all amounts that it shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event and the Indemnitees shall continue to be indemnified and held harmless by Developer in accordance with Section 11. Except as provided in the immediately preceding sentence, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.

12.6 Mediation

THE PARTIES ACKNOWLEDGE THAT DURING THE TERM OF THIS AGREEMENT CERTAIN DISPUTES MAY ARISE THAT THE PARTIES ARE UNABLE TO RESOLVE, BUT THAT MAY BE RESOLVABLE THROUGH MEDIATION. TO FACILITATE SUCH RESOLUTION, THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN FRANCHISOR OR ITS AFFILIATES (AND ITS AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND DEVELOPER (AND ITS OWNERS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND DEVELOPER, (b) THE RELATIONSHIP BETWEEN THE PARTIES, OR (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND DEVELOPER, TO MEDIATION BEFORE BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL.

(1) THE MEDIATION SHALL BE CONDUCTED BY A MEDIATOR AGREED UPON BY FRANCHISOR AND DEVELOPER AND, FAILING SUCH AGREEMENT WITHIN NOT MORE THAN FIFTEEN (15) DAYS AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION OR ANY SUCCESSOR ORGANIZATION ("AAA") IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION SHALL BE HELD AT THE OFFICES OF THE AAA NEAREST TO FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS (CURRENTLY GILBERT, ARIZONA). THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS' FEES INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY.

(2) IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN THIRTY (30) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING PURSUANT TO SECTION 12.7. FRANCHISOR AND DEVELOPER AGREE THAT STATEMENTS MADE BY EITHER PARTY IN ANY MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE FOR ANY PURPOSE IN ANY SUBSEQUENT LEGAL PROCEEDING.

(3) NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SECTION 12.6, THE PARTIES' AGREEMENT TO MEDIATE SHALL NOT APPLY TO CONTROVERSIES, DISPUTES OR CLAIMS RELATED TO OR BASED ON THE MARKS OR THE CONFIDENTIAL INFORMATION. MOREOVER, REGARDLESS OF THE PARTIES' AGREEMENT TO MEDIATE, DEVELOPER AND FRANCHISOR EACH HAVE THE RIGHT IN A PROPER CASE TO SEEK TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF.

12.7 Litigation, Jurisdiction and Venue

FOR ANY CLAIMS, CONTROVERSIES OR DISPUTES WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED ABOVE, DEVELOPER AND PRINCIPALS HEREBY IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY

OR JUDICIAL DISTRICT IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED. DEVELOPER AND PRINCIPALS HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION AND AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ANY OF THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED HEREBY BY ANY MEANS ALLOWED BY ARIZONA OR FEDERAL LAW. DEVELOPER AND PRINCIPALS FURTHER AGREE THAT VENUE FOR ANY SUCH PROCEEDING SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY GILBERT, ARIZONA); PROVIDED, THAT FRANCHISOR MAY BRING ANY ACTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF OR (iii) INVOLVING POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE MARKS, OR THE CONFIDENTIAL INFORMATION, IN ANY STATE OR FEDERAL DISTRICT COURT WHICH HAS JURISDICTION.

12.8 Governing Law

THIS AGREEMENT AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN FRANCHISOR AND DEVELOPER SHALL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER ARIZONA LAW (EXCEPT FOR ARIZONA CONFLICT OF LAW RULES).

12.9 Mutual Acknowledgments

THE PARTIES ACKNOWLEDGE THAT THEIR AGREEMENT REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF THEM WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE PARTIES' RELATIONSHIP CREATED BY THIS AGREEMENT. EACH PARTY FURTHER ACKNOWLEDGES THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT. IN ADDITION, THE PARTIES ACKNOWLEDGE THAT THE EXECUTION OF THIS AGREEMENT AND ACCEPTANCE OF THE TERMS BY THE PARTIES OCCURRED IN GILBERT, ARIZONA, AND FURTHER ACKNOWLEDGE THAT THE PERFORMANCE OF CERTAIN OBLIGATIONS OF DEVELOPER ARISING UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE PAYMENT OF MONIES DUE HEREUNDER AND THE SATISFACTION OF CERTAIN TRAINING REQUIREMENTS OF FRANCHISOR, SHALL OCCUR IN GILBERT, ARIZONA.

12.10 Waiver of Jury Trial and Damages

(1) IN ANY LITIGATION BETWEEN THE PARTIES FOUNDED UPON OR ARISING FROM THIS AGREEMENT, THE PARTIES HEREBY WAIVE THEIR RIGHTS TO A JURY TRIAL, AND THE PARTIES HEREBY STIPULATE THAT ANY SUCH TRIAL SHALL OCCUR WITHOUT A JURY.

(2) DEVELOPER AND THE PRINCIPALS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OF ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST FRANCHISOR, ITS AFFILIATES, AND THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MEMBERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, SERVANTS AND EMPLOYEES OF EACH OF THEM, IN THEIR

CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREE THAT IN THE EVENT OF A DISPUTE, DEVELOPER AND THE PRINCIPALS SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY THEM. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE IN FULL FORCE AND EFFECT.

12.11 Business Judgment

DEVELOPER, THE PRINCIPALS AND FRANCHISOR ACKNOWLEDGE THAT VARIOUS PROVISIONS OF THIS AGREEMENT SPECIFY CERTAIN MATTERS THAT ARE WITHIN THE DISCRETION OR JUDGMENT OF FRANCHISOR OR ARE OTHERWISE TO BE DETERMINED UNILATERALLY BY FRANCHISOR. IF THE EXERCISE OF FRANCHISOR'S DISCRETION OR JUDGMENT AS TO ANY SUCH MATTER IS SUBSEQUENTLY CHALLENGED, THE PARTIES TO THIS AGREEMENT EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION OR JUDGMENT IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF SUCH DISCRETION OR JUDGMENT, WITHOUT REGARD TO WHETHER OTHER REASONS FOR ITS DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

12.12 Limitation of Claims

EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO (i) ANY MISREPRESENTATION OR OMISSION MADE BY DEVELOPER OR ITS PRINCIPALS UNDER THIS AGREEMENT OR IN ANY APPLICATION THEREFOR, (ii) DEVELOPER'S OBLIGATIONS TO PROTECT FRANCHISOR'S CONFIDENTIAL INFORMATION, OR (iii) DEVELOPER'S OBLIGATIONS TO INDEMNIFY FRANCHISOR PURSUANT TO SECTION 11, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF DEVELOPER AND FRANCHISOR PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR ONE (1) YEAR FROM THE DATE ON WHICH DEVELOPER OR FRANCHISOR KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

12.13 Counterpart Execution

This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

12.14 Headings

The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

12.15 Survival

Any obligation of Developer or the Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Developer or the Principals therein, shall be deemed to survive such termination, expiration or transfer. Without limitation of the foregoing, the provisions of Sections 12.6, 12.7 and 12.8 are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

12.16 Severability

Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision 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, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

12.17 Gender

All references to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Principals under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by Developer in this Agreement shall be deemed, jointly and severally, undertaken by all of the Principals.

12.18 Remedies Cumulative

All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Section 7 of this Agreement shall not discharge or release Developer or any of the Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement. Additionally, Developer and the Principals shall pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in obtaining any remedy available to Franchisor for any violation of this Agreement.

12.19 No Third Party Beneficiary

Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Developer, Franchisor, and Franchisor's, officers, directors and personnel and such of Developer's and Franchisor's respective

successors and assigns as may be contemplated (and, as to Developer, authorized by Section 8), any rights or remedies under or as a result of this Agreement.

12.20 Further Assurances

The parties will promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

12.21 Agreement Effective Upon Execution by Franchisor

This Agreement shall not become effective until signed by an authorized representative of Franchisor.

13. ACKNOWLEDGMENTS

13.1 Independent Investigation

Developer acknowledges that it has conducted an independent investigation of the business venture contemplated by this Agreement and recognizes that the success of this business venture involves substantial business risks and will largely depend upon the ability of Developer. Franchisor expressly disclaims making, and Developer 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.

13.2 Consultation with Advisors

Developer acknowledges that Developer has received, read and understands this Agreement and the related Attachments and agreements and that Franchisor has afforded Developer sufficient time and opportunity to consult with advisors selected by Developer about the potential benefits and risks of entering into this Agreement.

13.3 Disclosure

Developer acknowledges that it received a complete copy of Franchisor's Franchise Disclosure Document required by the Federal Trade Commission's Franchise Trade Regulation Rule (16 C.F.R. Part 436) within the time period required by applicable law. Developer further acknowledges that Franchisor and its representatives have not made any promises, representations or agreements, oral or written, except as expressly contained in this Agreement and the Franchise Disclosure Document.

13.4 Franchisor's Obligations

Developer acknowledges that it is relying solely on Franchisor, and not on any affiliated entities or parent companies related to Franchisor, with regard to Franchisor's financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise representing, Franchisor has made any statement or promise to the effect that Franchisor's affiliated entities or parent companies guarantee Franchisor's performance or financially back Franchisor.

14. CERTAIN DEFINITIONS

14.1 An "affiliate" of a named person is any person or entity that is controlled by, controlling or under common control with such named person.

14.2 "Business Day" means any day other than Saturday, Sunday or the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

14.3 "Confidential Information" means any confidential information, knowledge or know-how concerning the methods of establishing and operating a Pickleball Kingdom Business which may be communicated to Developer or any of the Principals or of which they may be apprised under this Agreement. Any and all information, knowledge, know-how, techniques, Internet/Intranet passwords, and any materials used in or related to the System which Franchisor provides to Developer in connection with this Agreement shall be deemed confidential for the purposes of this Agreement.

14.4 "Controlling Interest" means (a) if Developer is a corporation, that the Principals, either individually or cumulatively, (i) directly or indirectly own at least fifty-one percent (51%) of the shares of each class of Developer's issued and outstanding capital stock and (ii) be entitled, under its governing documents and under any agreements among the shareholders, to cast a sufficient number of votes to require such corporation to take or omit to take any action which such corporation is required to take or omit to take under this Agreement, or (b) if Developer is a partnership, that the Principals (i) own at least fifty-one percent (51%) interest in the operating profits and operating losses of the partnership as well as at least fifty-one percent (51%) ownership interest in the partnership (and at least fifty-one percent (51%) interest in the shares of each class of capital stock of any corporate general partner) and (ii) be entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement, or (c) if Developer is a limited liability company, that the Principals, either individually or cumulatively, (i) directly or indirectly own at least fifty-one percent (51%) of the membership interest in the limited liability company, and (ii) are entitled, under its governing documents and under any agreements among the members, to cast a sufficient number of votes to require such limited liability company to take or omit to take any action which such limited liability company is required to take or omit to take under this Agreement.

14.5 "Developer's Principals" shall include, collectively and individually, Developer's spouse all officers and directors of Developer (including the officers and directors of any general partner of Developer) whom Franchisor designates as Developer's Principals and all holders of an ownership interest in Developer and of any entity directly or indirectly controlling Developer.

14.7 "Development Period(s)" means the discrete periods set forth in the Development Schedule within which Developer must establish and have in operation the designated number of Pickleball Kingdom Businesses.

14.8 "Development Schedule" means, collectively, the schedule in Section 3.2 of this Agreement which designates the number of Pickleball Kingdom Businesses to be established and operated by Developer in the Territory upon the expiration of each designated Development Period and the schedule in Section 3.3 which establishes the Projected Opening Date for each such Pickleball Kingdom Business.

14.7 "District Manager" means a qualified individual who meets the requirements in Section 6.5 of this Agreement but who is not required to own an interest in Developer, designated by Developer and approved by Franchisor to supervise the Developer's operations under this Agreement.

14.8 “Force Majeure” means acts of God, strikes, lockouts or other industrial disturbances, war, terrorism, riot, epidemic, fire or other catastrophe or other forces beyond Developer’s control. Developer’s lack of financing is not considered to be a Force Majeure

14.9 “Franchise Agreements” means franchise agreements for Pickleball Kingdom Businesses executed pursuant to this Agreement, as described in Section 3.1(1).

14.11 “Projected Opening Date” means the date by which each Pickleball Kingdom Business must be open for business, which shall be no later than the dates set forth in Section 3.3 hereof.

14.12 “Publicly held Corporation” is a corporation registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or a corporation subject to the requirements of Section 15(d) of such Act.

14.13 “Reserved Area” means any amusement parks, zoos, parks, aquariums, museums, fairs, theme parks, sports stadiums and arenas, concert venues, convention centers, theaters, casinos, gasoline service stations, highway rest stops and travel plazas, supermarkets, convenience stores, department stores, enclosed shopping centers, airports, bus stations, train stations and other public transportation facilities, hospitals or other health care facilities, schools, colleges, universities and other education facilities, hotels, office buildings, business complexes, military bases and other limited access or captive audience facilities/events and other mass gathering locations.

14.14 “Territory” means the geographic area described in Attachment E to this Agreement, excluding any Reserved Area.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC

By:_____
Name: Michael "Ace" Rodrigues
Title: Chief Executive Officer
Date:_____

DEVELOPER:

_____

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

ATTACHMENT A

PRINCIPALS' GUARANTY AND ASSUMPTION AGREEMENT

This Guaranty and Assumption Agreement (this "Guaranty") is given this ____ day of _____, 20__, by the undersigned.

In consideration of, and as an inducement to, the execution of the Multi-Unit Development Agreement (the "Development Agreement") by Pickleball Kingdom Franchising, LLC, an Arizona limited liability company having its principal business address at 275 E. Rivulon Blvd., Gilbert, Arizona 85297 ("Franchisor"), each of the undersigned and any other parties who sign counterparts of this Guaranty (referred to herein individually as a "Guarantor" and collectively as "Guarantors") hereby personally and unconditionally guarantees to Franchisor and Franchisor's successors and assigns, that Developer will punctually perform all of its obligations and pay all fees owed to Franchisor, including but not limited to, development fees, royalties, marketing and advertising fund contributions and purchases of equipment, materials, supplies and other amounts due under the Development Agreement and under all Franchise Agreements entered into pursuant to the development of Pickleball Kingdom Businesses under the Development Agreement.

Each Guarantor waives:

(i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and

(ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and

(iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and

(iv) any right he or she may have to require that an action be brought against Developer or any other person as a condition of liability; and

(v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Developer arising as a result of his or her execution of and performance under this guaranty by the undersigned (including by way of counterparts); and

(vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

(a) his or her direct and immediate liability under this Guaranty will be joint and several not only with Developer, but also among the Guarantors; and

(b) he or she will render any payment or performance required under the Development Agreement upon demand if Developer fails or refuses punctually to do so; and

(c) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; and

(d) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Development Agreement or by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Development Agreement and for so long thereafter as there are any monies or obligations owing by Developer to Franchisor under the Development Agreement; and

(e) Developer's written acknowledgment, accepted in writing by us, or the judgment of any court of competent jurisdiction establishing the amount due from Developer will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties and agreements of the Principals set forth in the Development Agreement and is obligated to perform thereunder, including, without limitation, under Sections 7.6; 8; 9; 11; and 12.6, 12.7, 12.8, 12.9, and 12.10.

If Franchisor is required to enforce this Guaranty in an administrative or judicial proceeding, and prevail in such proceeding, Franchisor will be entitled to reimbursement of its costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative or judicial proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by Franchisor.

IN WITNESS WHEREOF, each Guarantor has hereunto affixed his signature on the same day and year as the Development Agreement was executed.

GUARANTORS:

_____

*Name: _____

_____

Name: _____

_____

Name: _____

* Denotes individual who is Developer's Principal Owner

ATTACHMENT B

CONFIDENTIALITY AGREEMENT AND ANCILLARY COVENANTS NOT TO COMPETE

This Agreement is made and entered into this ____ day of _____, 20__, between Pickleball Kingdom Franchising, LLC, an Arizona limited liability company having its principal business address at 275 E. Rivulon Blvd., Gilbert, Arizona 85297 ("Franchisor"), _____, a _____ _____ whose principal address is _____ ("Developer") and _____ ("Covenantor") in connection with a development agreement between Franchisor and Developer dated _____, 20__ ("Development Agreement"). Initially capitalized terms used, but not defined in this Agreement, have the meanings contained in the Development Agreement.

RECITALS

Franchisor has the right to use and license the use of a System for the establishment and operation of Pickleball Kingdom Businesses.

The System is identified by certain Marks, including the mark "PICKLEBALL KINGDOM" and includes certain Confidential Information which provides economic advantages to Franchisor and licensed users of the System.

Franchisor has granted Developer the limited right to develop Pickleball Kingdom Businesses using the System, the Marks and the Confidential Information under the Development Agreement.

In connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the Confidential Information.

Franchisor and Developer have agreed on the importance of restricting the use, access and dissemination of the Confidential Information, and Developer therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition.

Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

1. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Developer in connection with the development and operation of Pickleball Kingdom Businesses under the Development Agreement or Franchise Agreements.

2. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission.

3. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except to other employees of Developer and only to the limited extent necessary to train or assist other employees of Developer in the development or operation of a Pickleball Kingdom Business using the System.

4. Covenantor shall surrender any material containing some or all of the Confidential Information to Developer or Franchisor, upon request, or upon termination of employment by Developer.

5. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Trade Secrets and the System.

6. Covenantor acknowledges Franchisor provides access to the Manuals to Developer for limited purposes only and remains the property of Franchisor. Covenantor agrees that no Manuals may be reproduced, in whole or in part, without Franchisor's written consent.

Covenants Not to Compete[1]

In order to protect the goodwill of the System, and in consideration for the disclosure of the Confidential Information to Covenantor, Covenantor agrees that, during the term of his or her association with or employment by Developer, and for a period of two (2) years following the earlier of (i) the termination thereof, or (ii) the termination, expiration or transfer of Developer's interest in the Development Agreement, Covenantor will not, without Franchisor's prior written consent or as permitted under valid Franchise Agreements for Pickleball Kingdom Businesses granted pursuant to the Development Agreement:

a. Directly or indirectly divert, or attempt to divert any business opportunity or customer of the business described hereunder to any competitor (i.e. any business offering pickleball-related services or products); and

b. Directly or indirectly, for himself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other association, or entity, own, maintain, operate, engage in or have any financial or beneficial interest in, advise, assist or make loans to, any business which is the same as or similar to a Pickleball Kingdom Business (i.e. any business offering pickleball-related services or products), which is, or is intended to be, located (i) within the Territory, or (ii) within a fifty (50)-mile radius of any Pickleball Kingdom Business then in existence or under construction.

Principal's Undertaking

Covenantor also makes all of the covenants, representations, warranties and agreements of the Principals set forth in Sections 8; 9.1, 9.2, 9.3, 9.4, 9.5, 9.7, 9.8 and 9.9; and 12.6, 12.7, 12.8, 12.9, and 12.10 of the Development Agreement and is obligated to perform thereunder.

Miscellaneous

1. Developer shall make all commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement.

---

2. Covenantor agrees that:

a. Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

b. Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, Covenantor shall be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

c. In the event of a breach of this Agreement, Franchisor would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, Franchisor shall be entitled, in addition to any other remedies which it may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees and costs) incurred by Franchisor and Developer in enforcing this Agreement.

4. Any failure by Franchisor or the Developer to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach of any subsequent breach by Covenantor.

5. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OFARIZONA, WITHOUT REFERENCE TO ARIZONA CHOICE OF LAW PRINCIPLES. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY ARIZONA OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR DEVELOPER MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

6. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

7. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

Pickleball Kingdom Franchising, LLC
275 E. Rivulon Blvd.
Gilbert, Arizona 85297
Attention: Michael "Ace" Rodrigues
Telephone: (888) 788-0999
e-mail: ace@pickleballkingdom.com

If directed to Developer, the notice shall be addressed to:

_____
_____
_____
Attention: _____
Telephone: _____
e-mail: _____

If directed to Covenantor, the notice shall be addressed to:

_____
_____
_____
Attention:_____
Telephone: _____
e-mail: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of electronic mail, upon transmission.

8. Franchisor and its successors and assigns shall be third party beneficiaries of this Agreement, with the full and independent right, at their option and in their sole discretion, to enforce this Agreement.

9. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall insure to the benefit of its respective affiliates, successors and assigns. The respective obligations of Developer and Covenantor hereunder may not be assigned by Developer or Covenantor, without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC

By:_____
Name: Michael "Ace" Rodrigues
Title: Chief Executive Officer
Date:_____

DEVELOPER:

_____

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

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

COVENANTOR:

_____

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

ATTACHMENT C

Franchise Agreement

(See Exhibit B of Disclosure Document)

ATTACHMENT D

STATEMENT OF OWNERSHIP INTERESTS AND DEVELOPER'S PRINCIPALS

A. The following is a list of all shareholders, partners, members or other investors owning a direct or indirect interest in Developer, and a description of the nature of their interest:

NAME	OWNERSHIP INTEREST IN DEVELOPER	NATURE OF INTEREST

B. The following is a list of all of Developer's Principals, as defined in and designated pursuant to Section 14.10 of the Development Agreement, each of whom shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment B to the Development Agreement:

_____

_____

_____

_____

ATTACHMENT E

DESCRIPTION OF TERRITORY

TERRITORY:

The “Territory” granted under this Agreement is:
_____.

ATTACHMENT F

STATE SPECIFIC ADDENDA
CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, the Multi-Unit Development Agreement ("Development Agreement") for franchises in the State of California, is amended to include the following:

1. Sections 8.2(1)(c) and 9.8 of the Development Agreement are amended by adding the following at the end of these sections:

   This release will not apply to claims as you may have under the California Franchise Investment Law and the California Franchise Relations Act."

2. The Development Agreement is governed by Arizona law. This requirement may be unenforceable under California law.

3. The Development Agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

4. The Development Agreement does not contain a liquidated damage clause. Under California Civil Code Section 1671, certain liquidated damage clauses are unenforceable.

5. The Development Agreement currently requires that any litigation be conducted in Arizona. This provision may not be enforceable under California law.

6. 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. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

FRANCHISOR: **Pickleball Kingdom Franchising, LLC**,

By:_____
Name:_____
Title: _____

DEVELOPER: _____

By:_____
Name:_____
Title: _____

HAWAII

Notwithstanding anything to the contrary set forth in the Multi-Unit Development Agreement ("Development Agreement"), the following provision will supersede and apply to all development franchises offered and sold in the State of Hawaii:

1. Based upon the franchisor's financial condition, the Securities Compliance Branch of the Hawaii Department of Commerce and Consumer Affairs has required a financial assurance. Therefore, all initial fees and payments owed by you under this Agreement shall be deferred until the franchisor completes its pre-opening obligations under this Agreement, and all initial fees owed by you in connection with a franchised unit to be developed under this Agreement shall be deferred until such unit has opened for business.

2. Any provision of the Development Agreement that requires you, at the time you enter into the Agreement, to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by Hawaii Franchise Investment Law is deleted from the Development Agreement.

3. 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.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

DEVELOPER:

_____

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

ILLINOIS

Notwithstanding anything to the contrary set forth in the Multi-Unit Development Agreement ("Development Agreement"), the following provisions will supersede and apply to all franchises offered and sold in the State of Illinois:

1. Illinois law governs the Development Agreement.

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

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

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

5. 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.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

DEVELOPER:

_____

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

INDIANA

Notwithstanding anything to the contrary set forth in the Multi-Unit Development Agreement ("Development Agreement"), the following provisions will supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the disclosure document, the Development Agreement, or Arizona law, if the provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the development franchise without good cause or in bad faith, good cause being defined therein as including any material breach of the Development Agreement, will supersede the provisions of Article 7 of the Development Agreement to the extent Article 7 may be inconsistent with this prohibition.

3. Any provision in the Development Agreement which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that the provision violates this law.

4. Section 9.2 of the Development Agreement will be modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. The following provision will be added to the Development Agreement as a second paragraph to Section 12.12:

> Notwithstanding the foregoing provisions of this Section 12.12, any provision in this Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any contractual provision violates the Indiana Deceptive Franchise Practices Law.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

DEVELOPER:

_____

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

MARYLAND

Notwithstanding anything to the contrary set forth in the Multi-Unit Development Agreement ("Development Agreement"), the following provisions will supersede and apply to all residents of the State of Maryland, all development franchises to be operated in the State of Maryland, and all development franchises offered and sold in the State of Maryland. Accordingly, the Multi-Unit Development Agreement is herby amended as follows:

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

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

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

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

5. 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.

6. Section 13 of the Multi-Unit Development Agreement (Acknowledgements) is hereby deleted.

7. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all development fees and initial payments by area developers shall be deferred until the first franchise under the multi-unit development agreement opens.

The undersigned does hereby acknowledge receipt of this Maryland addendum dated _____.

FRANCHISOR:
Pickleball Kingdom Franchising, LLC

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

DEVELOPER: _____

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

MINNESOTA

Notwithstanding anything to the contrary set forth in the Multi-Unit Development Agreement ("Development Agreement"), the following provisions will supersede and apply to all franchises offered and sold in the State of Minnesota:

1. Any provision in the Development Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that the contractual provision violates this law.

2. Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Development Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Any provision in the Development Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any Agreement relating to franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Agreement relating to exclusive mediation.

3. The following language will appear as a second paragraph of Section 12.12 of the Development Agreement: Pursuant to Minnesota Statutes, Section 80C.21, Section 12.12 of this Agreement will not in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C.

4. With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Development Agreement.

5. We will protect your rights under this Development Agreement to use the Marks, or indemnify you from any loss, costs or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Development Agreement and the System Standards.

6. Under Minnesota law, you cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

7. Under Minnesota law, Section 12.12 of the Development Agreement (and any other agreement provisions regarding limitations of claims) must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and will be void to the extent that such contractual provisions violate Minnesota Statutes, Section 80C.17, Subd. 5.

8. Section 2.1 of the Development Agreement is hereby amended to add the following language at the end of such section:

Based upon the franchisor's financial condition, the Minnesota Commerce Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by you under this Agreement shall be deferred until the franchisor completes its pre-opening obligations and you have begun operations under this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

The undersigned does hereby acknowledge receipt of this addendum, dated _____.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

DEVELOPER:

_____

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

NEW YORK

Notwithstanding anything to the contrary set forth in the Multi-Unit Development Agreement ("Development Agreement"), the following provision will supersede and apply to all franchises offered and sold in the State of New York:

1. No release language set forth in the Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of New York.

2. Section 8.1 is amended by the addition of the following sentence immediately after the first sentence of that section:

> Notwithstanding the foregoing, no assignment will be made by us except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement (to the extent assigned).

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

DEVELOPER:

_____

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

NORTH DAKOTA

Notwithstanding anything to the contrary set forth in the Multi-Unit Development Agreement ("Development Agreement"), the following provisions will supersede and apply to all franchises offered and sold in the State of North Dakota:

1. Sections 2.1 and 2.2 of the Multi-Unit Development Agreement are hereby amended by adding the following statement at the end of such sections:

The North Dakota Division of Securities requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement and Multi-Unit Development Agreement.

2. Covenants not to compete upon termination or expiration of the Development Agreement are subject to Section 9-08-06, N.D.C.C., and may be generally unenforceable in the State of North Dakota.
3. Section 4 of the Development Agreement is hereby amended to state that Developer shall not be required to sign a general release upon a renewal of the Development Agreement.
4. Article 7 of the Development Agreement is hereby amended to delete any requirement that Developer consent to termination or liquidated damages.
5. To the extent that Article 12 of the Development Agreement would otherwise violate North Dakota law, these sections are amended by providing that all litigation by or between you and us, involving a franchised business operating in the State of North Dakota, will be commenced and maintained, at our election, in the state courts of North Dakota or the United States District Court for North Dakota, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.
6. North Dakota law applies to this transaction and supersedes any conflicting provisions of the Development Agreement or Arizona law.
7. Article 12 of the Development Agreement is amended to include a statement that in the event that either party will make a demand for mediation, such mediation will be conducted in a mutually agreed upon site.
8. Article 12 of the Development Agreement requires the Developer to consent to a waiver of trial by jury. This jury trial waiver is deemed deleted and shall not in any way abrogate or reduce any rights of the Developer as provided for in the North Dakota Franchise Investment Law, including the right to a trial by jury and the right to submit matters to the jurisdiction of the Courts of North Dakota.
9. Article 12 of the Development Agreement includes a waiver of exemplary and punitive damages. That requirement will not apply to North Dakota Developers and is deemed deleted in each place it appears in the Agreement.
10. Article 12 of the Development Agreement requires the Developer to consent to a limitation of claims within one year. That requirement will not apply to North Dakota developers and is deemed amended to allow claims to be brought within the applicable statute of limitations under North Dakota law.
11. Section 12.18 of the Development Agreement states that Developer must pay all costs and expenses incurred by franchisor in enforcing the Agreement. Such provision is hereby amended to state that the prevailing party in any enforcement action is entitled to recover all of its costs and expenses, including its attorneys' fees.
12. 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

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

DEVELOPER:

_____

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

RHODE ISLAND

Notwithstanding anything to the contrary set forth in the Multi-Unit Development Agreement ("Development Agreement"), the following provision will supersede and apply to all franchises offered and sold in the State of Rhode Island:

1. To the extent that Article 12 of the Development Agreement would otherwise violate Rhode Island law, these sections are amended by providing that all litigation by or between you and us, involving a business operating in the State of Rhode Island, will be commenced and maintained, at our election, in the state courts of Rhode Island or the United States District Court for Rhode Island, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

DEVELOPER:

_____

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

SOUTH DAKOTA

The following statement is added to Sections 2.1 and 2.2 of the Multi-Unit Development Agreement ("Development Agreement"):

The South Dakota Department of Labor and Regulation's Division of Securities requires us to defer payment of the initial franchise fee and other initial payments owed by developers to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement and Multi-Unit Development Agreement.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

DEVELOPER:

_____

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

VIRGINIA

1. Pursuant to Section 31.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Multi-Unit Development Agreement ("Development 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.

2. Section 2.1 of the Development Agreement is hereby amended to include the following statement:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Development Agreement.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

DEVELOPER:

_____

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

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Pursuant to RCW 19.100.050 and WAC 460-80-400, the Securities Division of the Washington Department of Financial Institutions requires us to defer payment of all initial franchise fees described in Item 5 of the Franchise Disclosure Document until we have completed our pre-opening obligations under the applicable franchise agreement and other documents and you have opened for business. As a party to a Multi-Unit Development Agreement, the initial development fee payable under your Multi-Unit Development**

Agreement will be prorated so that an applicable portion of the development fee is due and payable only when each unit opens for business.

The undersigned does hereby acknowledge receipt of this addendum dated _____.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

DEVELOPER:

_____

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

WISCONSIN

Notwithstanding anything to the contrary set forth in the Multi-Unit Development Agreement ("Development Agreement"), the following provision will supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. The Wisconsin Fair Dealership Law, Chapter 135, Stats. supersedes any provisions of the Development Agreement that are inconsistent with that law.

FRANCHISOR:

Pickleball Kingdom Franchising, LLC,
an Arizona limited liability company

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

DEVELOPER:

_____

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

EXHIBIT D TO THE FRANCHISE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISED PICKLEBALL KINGDOM BUSINESSES

SEE TABLE ON FOLLOWING PAGE

NOTE 1: AS INDICATED IN THE TABLE, SOME OF THE FRANCHISEES LISTED IN THE FOLLOWING TABLE HAVE SIGNED A FRANCHISE AGREEMENT, BUT HAD NOT OPENED FOR BUSINESS, AS OF 12/31/2025.

NOTE 2: FRANCHISEES WHO ARE CURRENTLY PARTIES TO A MULTI-UNIT DEVELOPMENT AGREEMENT WITH US ARE DESIGNATED WITH THE SYMBOL "(MUDA)" IN THE TABLE BELOW.

Franchise Owner(s)	Clubs Operating (End of 2025)	Number of Franchise Agreements Signed	Address	Phone Number
ALABAMA				
Southeast Pickleball Partners LLC Attn: Bappa Mukherji & Anjali Doria*	0	2	823 Tyne Valley Ct, Nashville, TN 37220 211 Lexington Circle, Manchester, TN 37355	(615) 308-8800 (615) 720-8838
ARKANSAS				
SOKYND LLC Attn: Chandramouli Nukala, Sanjeev Reddy, Suman Siddamreddy, Naveen Yarlagadda*	1	1	215 Haywood Drive, Little Rock, AR 72223	(773) 841-9035
ARIZONA				
Southeast Pickleball Partners LLC Attn: Bappa Mukherji & Anjali Doria*	0	1	823 Tyne Valley Ct, Nashville, TN 37220 211 Lexington Circle, Manchester, TN 37355	(615) 308-8800 (615) 720-8838
Hall and Mitchell Enterprise, LLC Attn: Tim Hall & Monya Mitchell*	0	2	5289 W Muriel Dr., Glendale, AZ 85308 1212 Lavanham Ct., Apopka, FL 32712	(602) 574-5720 (303) 437-3394
CALIFORNIA				
Pickle Nest, LLC Attn: Parminder Saini*	0	3	9032 Plympton Loop, Roseville, CA 95747	(916) 532-3816
COLORADO				

Hall and Mitchell Enterprise, LLC Attn: Tim Hall & Monya Mitchell*	0	1	5289 W Muriel Dr., Glendale, AZ 85308 1212 Lavanham Ct., Apopka, FL 32712	(602) 574-5720 (303) 437-3394
CONNECTICUT				
Pickleball X Equity LLC Attn: Sanjay & Danny Patel*	1	1	4656 Veterans Pkwy, Mason, OH 45040	(513) 767-1999 (270) 319-2193
FLORIDA				
Tampa Bay Kingdom, LCC Attn: Jerry Campbell*	0	1	13700 Rudi Loop, Spring Hill, FL 34609	(727) 267-6067
Tampa Pickleball Holdings, LLC Attn: Steve Poborka*	0	1	19258 Fishermans Bend Dr., Lutz, FL 33558	(813) 352-2592
Pickleball Ocala, LLC Attn: Tim Campbell*	0	1	512 West Mirror Lake Drive, Fruitland Park, FL 34731	(386) 546-7453
Hall and Mitchell Enterprise, LLC Attn: Tim Hall & Monya Mitchell*	0	2	5289 W Muriel Dr., Glendale, AZ 85308 1212 Lavanham Ct., Apopka, FL 32712	(602) 574-5720 (303) 437-3394
GEORGIA				
Khurram Thobhani Attn: Khurram Thobhani*	0	1	940 Pennington Lane, Alpharetta, GA 30004	(704) 658-5126
Wreak Havoc Sports, LLC Attn: Moran & Middleton*	0	1	348 Cochran Dr. NW, Atlanta, GA 30327	(650) 291-5103 (404) 852-7767
AAA Sporty Dynasty, LLC Attn: Nithi & Usha Anand*	1	1	4079 Oak Forest Circle, Marietta, GA 30062	(770) 317-6236
IOWA				
Neel Amin & Khobe Nguyen Attn: Neel Amin & Khobe Nguyen*	0	1	1263 Shadow Moss Lane, Lincoln, NE 68521	(402) 570-9906 (402) 217-1595
ILLINOIS				
Prism Pathways LLC Attn: Saumil Parikh Chirdip Sheth Hemang Patel Dhaval Sheth*	0	1	2008 Snow Creek Rd, Naperville, IL 60564	(630) 297-2558 (312) 218-0639 (630) 677-1652 (847) 882-3867

Pickleball X Equity LLC Attn: Sanjay & Danny Patel*	1	2	4656 Veterans Pkwy, Mason, OH 45040	(513) 767-1999 (270) 319-2193
KANSAS				
1-800 Pickleball, LLC Attn: Calon Heindel Jason "JJ" Miller Andrew Brody Justen Glad*	0	2	1025 N 920 W, Apt 1003, Orem, UT 84057 755 E 150 N, Vineyard, UT 84059 8940 Mauere Ct, Apt 4407, Lenexa, KS 66219 643 S 1200 E, Salt Lake City, UT 84102	(952) 607-9195 (801) 620-0235 (407) 473-0996 (520) 465-6618
KENTUCKY				
Pickleball X Equity LLC Attn: Sanjay & Danny Patel*	1	1	4656 Veterans Pkwy, Mason, OH 45040	(513) 767-1999 (270) 319-2193
LOUISIANA				
Kitchen Crewe, LLC Attn: Lawrence Maestri George Murrell Ransom Pipes Jonathan Walker*	0	1	9018 Jefferson Highway, Baton Rouge, LA 70809	(225) 298-1250 (225) 445-5299 (225) 278-5439 (225) 276-6380
MASSACHUSETTS				
Pickleball X Equity LLC Attn: Sanjay & Danny Patel*	1	1	4656 Veterans Pkwy, Mason, OH 45040	(513) 767-1999 (270) 319-2193
MISSOURI				
1-800 Pickleball, LLC Attn: Calon Heindel Jason "JJ" Miller Andrew Brody Justen Glad*	0	1	1025 N 920 W, Apt 1003, Orem, UT 84057 755 E 150 N, Vineyard, UT 84059 8940 Mauere Ct, Apt 4407, Lenexa, KS 66219 643 S 1200 E, Salt Lake City, UT 84102	(952) 607-9195 (801) 620-0235 (407) 473-0996 (520) 465-6618

Neel Amin & Khobe Nguyen Attn: Neel Amin & Khobe Nguyen*	0	1	1263 Shadow Moss Lane, Lincoln, NE 68521	(402) 570-9906 (402) 217-1595
NEBRASKA				
Neel Amin & Khobe Nguyen Attn: Neel Amin & Khobe Nguyen*	0	3	1263 Shadow Moss Lane, Lincoln, NE 68521	(402) 570-9906 (402) 217-1595
NEW JERSEY				
NJ Pickleball Brothers LLC Attn: Andrew & Matt LoBrace*	0	1	100 W High St. Unit A, Somerville, NJ 08876	(908) 380-9693
East Coast Pickleball Inc. Attn: Sam Sood*	1	1	31 Eddington Ln, Monroe Township, NJ 08831	(405) 627-8217
Pickleplex, LLC Attn: Sri Adimulam Subhashini Katha Murali Samala Rajitha Madishetty Sireesha Penumatsa*	0	1	497 Milltown Rd, Bridgewater, NJ 08807	(908) 745-9565 (732) 277-7094 (201) 208-4849 (609) 423-3019 (609) 454-7024
Baron Pickleball LLC Attn: Todd Baron*	0	1	134 Minell Place, Teaneck, NJ 07666	(201) 725-5393
VN Developments LLC Attn: Ved Mishra & Neha Bharti*	1	1	460 Morning Glory Dr, Monroe Twp, NJ 08831	(562) 455-9370
Yashraj Kurani and Dip Jadawal Attn: Yash Kurani & Dip Jadawala*	0	1	315 Roycefield Road, Hillsborough, NJ 08844	(732) 822-4829
Yashraj Kurani Attn: Yash Kurani*	0	1	432 Morning Glory Drive, Monroe, NJ 08831	(732) 822-4829
OHIO				
Pickleball X Equity LLC Attn: Sanjay & Danny Patel*	2	2	4656 Veterans Pkwy, Mason, OH 45040	(513) 767-1999 (270) 319-2193
Pickle Time LLC Attn: Steve Niehoff*	0	3	8815 Lindsey Ct., Westerville, OH 43082	(609) 213-4911
OREGON				
PK Tigard LLC Attn: Harrison (Gunn) & Dana Robison*	1	1	16800 SW 72nd Ave, Tigard, OR 97224	(206) 605-6260

PENNSYLVANIA				
LightSpeed PickleBall Enterprises, LLC Attn: Chris Monteith*	1	1	414 Broad Street, Perkasie, PA 18944	(215) 272-3665
PB King, LLC Attn: Scott Medrow & Greg Lutz*	0	1	525 Clarendon Court, Yardley, PA 19067	(215) 588-6580
SOUTH CAROLINA				
LCP Belle Hall, LLC Attn: Chris & Kelly Ogden* (MUDA)	1	6	39 Hackney Pony Ln., Hilton Head, SC 29926	(843) 384-4032
TENNESSEE				
Southeast Pickleball Partners LLC Attn: Bappa Mukherji & Anjali Doria*	1	3	823 Tyne Valley Ct, Nashville, TN 37220 211 Lexington Circle, Manchester, TN 37355	(615) 308-8800 (615) 720-8838
Let's Go Nashville, LLC Attn: Jesse & Emily DeMund*	1	1	1016 Lawson Ln, Nolensville, TN 37135	(603) 387-7724 (603) 387-4264
Second Mountain Enterprises, LLC Attn: Maggie & Dennis Pearson*	0	2	372 Augusta Ave., Pleasant View, TN 37146	(714) 294-4098
Zolt Ventures, LLC Attn: Sam & Jami Zolt*	0	1	3069 Tanglefoot Cove, Murfreesboro, TN 37129	(615) 364-7030
SJNC Enterprises, LLC Attn: Steven & Jaclyn Kilbas*	1	2	107 Shorecrest Cr., Hendersonville, TN 37075	(626) 512-4807
TEXAS				
Arshad Nizam Attn: Arshad Nizam*	0	1	6245 Ryeworth Drive, Frisco, TX 75035	(214) 585-8356
Centex Pickleball LLC Attn: Jared Jolly*	1	2	1113 Rutgers Dr., Pflugerville, TX 78660	(512) 590-9992
Smarter Today, LLC Attn: Sheryl Miller*	0	1	2080 Ravenstone Loop, College Station, TX 77845	(979) 595-6303
UTAH				
John Peterson & Kaleb Scholes Attn: John Peterson & Kaleb Scholes*	0	2	8641 Tintic Ln, West Jordan, UT 84081	(801) 647-8062 (208) 557-9385
VIRGINIA				

Stylos, LLC Attn: Brynn Walker Cristina Walker*	0	1	5702 Fenwick Dr, Alexandria, VA 22303	(813) 786-0660 (757) 848-7428
WASHINGTON				
Harrison (Gunn) & Dana Robison Attn: Harrison (Gunn) & Dana Robison*	0	1	16800 SW 72nd Ave, Tigard, OR 97224	(206) 605-6260
John Hylton Attn: John Hylton*	2	2	1840 W Rockrose Way, Chandler, AZ 85248	(480) 335-7955
Shane Martin & Mei-Lynne Statler Attn: Shane Martin & Mei-Lynne Statler*	0	2	8901 Grove Ave, Yakima, WA 98908	(509) 768-2422
WISCONSIN				
GTOne Management Group, LLC Attn: Abhi Kattpalli*	1	1	2515 Bellflower Lane, Sun Prairie, WI 53590	(813) 335-2786
Pickle Pals LLC Attn: Abhi Kattpalli*	0	1	2515 Bellflower Lane, Sun Prairie, WI 53590	(813) 335-2786
Pickleball Sports, LLC Attn: Greg Straub, Doug Reigle, & Nancy Kane*	1	3	19255 Edmonton Dr., Brookfield, WI 53045	(414) 617-3714

EXHIBIT E TO THE FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM IN THE LAST YEAR

PK Plano LLC and Pickleball-NTX GP, LLC (NOTE: 2 Texas franchised locations, each owned by Daniel and Amy Jenkins, ceased operation in 2025)
Daniel and Amy Jenkins
Plano, Texas and Dallas, Texas
Telephone: (206) 679-8568

EXHIBIT F TO THE FRANCHISE DISCLOSURE DOCUMENT

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EXHIBIT G TO THE FRANCHISE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS AND LIST OF STATE ADMINISTRATORS

1. State Franchise Administrators

We intend to register this disclosure document in some or all of the following states, in accordance with the applicable state law. The following are the state administrators responsible for the review, registration, and oversight of registrations in that state:

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 1515 K Street, Suite 200 Sacramento, California 95814 (415) 972-8559 or toll-free at (866) 275-2677	MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360
HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	MICHIGAN Consumer Protection Division Franchise Section Attn: Marilyn McEwen 670 Law Building Lansing, Michigan 48913 (517) 373-7117
ILLINOIS Illinois Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	MINNESOTA Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101 (612) 296-6328
INDIANA Indiana Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	NEW YORK New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222

NORTH DAKOTA Securities Commissioner State Capitol 600 East Boulevard Avenue Bismarck, North Dakota 58505 (701) 224-4712	VIRGINIA Securities and Retail Franchising Division State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051
RHODE ISLAND Department of Business Regulation John O. Pastore Complex, Bldg. 69-1 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 277-3048	WASHINGTON Dept. of Financial Institutions Securities Administrator P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760
SOUTH DAKOTA Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	WISCONSIN Office of the Commissioner of Securities Fourth Floor 101 East Wilson Street Madison, Wisconsin 53702 (608) 266-8559

2. Agents For Service Of Process

We intend to register this disclosure document as a "franchise" in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in those states:

ARIZONA Michael "Ace" Rodrigues 1162 E. Nolan Place Chandler, Arizona 85249	MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 1515 K Street, Suite 200 Sacramento, California 95814 (415) 972-8559 or toll-free at (866) 275-2677	
HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	MICHIGAN Consumer Protection Division Franchise Section 670 Law Building Lansing, Michigan 48913 (517) 373-7117
ILLINOIS Illinois Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	MINNESOTA Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101 (612) 296-6328
INDIANA Indiana Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	NEW YORK New York Secretary of State 99 Washington Street Albany, New York 12231 (2518) 473-2492
NORTH DAKOTA Securities Commissioner 600 East Boulevard Avenue State Capitol Bismarck, North Dakota 58505 (701) 224-4712	

RHODE ISLAND Director of Department of Business Regulation John O. Pastore Complex, Bldg. 69-1 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 277-3048	WASHINGTON Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, Washington 98501 (360) 902-8760
SOUTH DAKOTA Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	WISCONSIN Commissioner of Securities Fourth Floor 101 East Wilson Street Madison, Wisconsin 53702 (608) 266-8559
VIRGINIA Clerk of State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051	

EXHIBIT H TO THE FRANCHISE DISCLOSURE DOCUMENT

GENERAL RELEASE

THIS GENERAL RELEASE (**"Release"**) is signed on _____, 20___ by _____ ("Franchisee") and _____ ("Guarantors") as a condition of (1) the transfer of the Pickleball Kingdom Franchise Agreement dated _____, 20___ between Pickleball Kingdom Franchising, LLC ("we", "us" or "our") and Franchisee ("Franchise Agreement"); or (2) the signing of a successor Franchise Agreement between Franchisee and us.

1. Release by Franchisee and Guarantors. Franchisee (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees, in their corporate and individual capacities) and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively, the "Releasors") freely and without any influence forever release (i) us, (ii) our past and present officers, directors, shareholders, managers, members, partners, agents, and employees, in their corporate and individual capacities, and (iii) our parent, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees, in their corporate and individual capacities, (collectively, the "Released Parties") from any and all claims, debts, demands, liabilities, suits, judgments, and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "Claims"), which any Releasor ever owned or held, now own or hold, or may in the future own or hold, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances and claims arising out of, or relating to, the Franchise Agreement and all other agreements between any Releasor and us or our parent, subsidiaries, or affiliates, arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law. **This Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.**

2. Risk of Changed Facts. Franchisee and Guarantors understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true. Franchisee and Guarantors accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 will nevertheless be effective in all respects and not subject to termination or rescission by virtue of any difference in facts.

3. Covenant Not to Sue. Franchisee and Guarantors (on behalf of all Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

4. No Prior Assignment and Competency. Franchisee and Guarantors represent and warrant that: (i) Releasors are the sole owners of all Claims and rights released in Section 1 and that Releasors have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1; (ii) each Releasor has full and complete power and authority to sign this Release, and that the signing of this Release will not violate the terms of any contract or agreement

between them or any court order; and (iii) this Release has been voluntarily and knowingly signed after each of them has had the opportunity to consult with counsel of their own choice.

5. California Release. California Civil Code §1542 provides as follows:

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

CIVIL CODE §1542 IS WAIVED BY THE PARTIES, EXCEPT AS OTHERWISE PROVIDED IN THIS GENERAL RELEASE.

6. Complete Defense. Franchisee and Guarantors: (i) acknowledge that the release in Section 1 is a complete defense to any Claim released under Section 1; and (ii) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any Claim.

7. Successors and Assigns. This Release inures to the benefit of and binds the successors, assigns, heirs, and personal representatives of the Released Parties and each Releasor.

8. Counterparts. This Release may be signed in 2 or more counterparts (including by facsimile), each of which will be deemed an original, and all of which constitute one and the same instrument.

9. Capitalized Terms. Any capitalized terms that are not defined in this Release have the meaning given them in the Franchise Agreement.

IN WITNESS WHEREOF, Franchisee and Guarantors have signed this Release as of the date shown above.

FRANCHISEE:

_____

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

GUARANTORS:

_____,
a _____ resident

Date: _____

EXHIBIT I TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT

CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law, California Corporations Code §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, the Disclosure Document for Pickleball Kingdom Franchising, LLC in connection with the offer and sale of franchises for use in the State of California is amended to including the following:

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

2. Neither the franchisor nor any person included 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.

3. California Business and Professions Code 20000 through 20043 provides rights to franchisees concerning termination, transfer or non-renewal of a franchise. If the franchise agreement attached to this disclosure document contains a provision that is inconsistent with the law, the law will control.

4. Item 6 of this disclosure document is amended to include the following statement: The franchise agreement attached to this disclosure document provides for interest to be paid (at a rate equal to the lesser of 18% per year or the maximum lawful rate) on any past due amounts owed to the franchisor. The maximum lawful rate of interest under California law is 10% per annum.

5. The franchise agreement attached to this disclosure document provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

6. The franchise agreement attached to this disclosure document contains a covenant not to compete which extends beyond the termination of the franchise agreement. This provision may not be enforceable under California law.

7. The franchise agreement attached to this disclosure document does not contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

8. The franchise agreement attached to this disclosure document does not require disputes to be settled through binding arbitration.

9. The franchise agreement attached to this disclosure document requires disputes to be settled in Arizona under Arizona law. Prospective franchisees are encourage 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 the franchise agreement restricting venue to a forum outside the State of California.

10. The franchise agreement attached to this disclosure document requires application of the laws of Arizona. This provision may not be enforceable under California law.

11. 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.

12. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

13. Item 19 of this disclosure document is revised to add the following statement:

    "The financial performance representation figure(s) does (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 your franchise business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information."

14. Regarding our website, www.pickleballkingdom.com, please note the following:
    OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

15. THE ANTIRUST LAW SECTION OF THE OFFICE OF THE CALIFORNIA ATTORNEY GENERAL VIEWS MINIMUM AND MAXIMUM PRICE AGREEMENTS AS PER SE VIOLATIONS OF THE CARTWRIGHT ACT.

16. The franchise agreement attached to this disclosure document states that we reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices you may charge for products or services, but California's Cartwright Act limits our ability to set maximum, minimum, or other pricing requirements with respect to prices be charged by franchisees in the State of California.

17. 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.

HAWAII

THESE FRANCHISES WILL BE/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 (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE 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.

A. As of the date of this disclosure document, we have not registered or filed a disclosure document in any state.

1. Unless exempt, the registration or filing of this disclosure document is pending in the States shown on the State Effective Dates page to this disclosure document.

2. No states have refused, by order or otherwise, to register these franchises.

3. No states have revoked or suspended the right to offer these franchises.

4. The proposed registration of these franchises has not been withdrawn in any state.

B. Any provision of the Franchise Agreement that would require you, at the time you enter into the Agreement, to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by Hawaii Franchise Investment Law is void to the extent that the provision violates this law.

ILLINOIS

Illinois law governs the agreements between the parties to this franchise:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside Illinois.

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

The conditions under which your franchise can be terminated, and your rights upon non-renewal of a franchise agreement, are found in sections 19 and 20 of the Illinois Franchise Disclosure Act.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i)

waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

INDIANA

The following provisions supersede any inconsistent provisions in the disclosure document, and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the disclosure document, the Franchise Agreement or Arizona law, if these provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as including any material breach of the Franchise Agreement, will supersede the provisions of Article XVIII of the Franchise Agreement to the extent such sections may be inconsistent with this prohibition.

3. Any provision in the Franchise Agreement which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that the provision violates this law.

4. The following provision will be added to the Franchise Agreement at the end of Section XX.K.:

> **No Limitation on Litigation**. Regardless of any contrary provisions contained in this Section XX.K, any provision in the Franchise Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any contractual provision violates the Indiana Deceptive Franchise Practices Law.

MARYLAND

The following provisions supersede any inconsistent provisions in the disclosure document, and apply to all residents of the State of Maryland, all franchises to be operated in the State of Maryland, and all franchises offered and sold in the State of Maryland:

Item 5 of the FDD is amended to include the following disclosures:

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

Item 17 of the FDD is amended to include the following disclosures:

1. Any provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law.

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

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

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

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.

MINNESOTA

The following provisions supersede any inconsistent provisions in the disclosure document and apply to all franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statutes sections 80C.01 to 80C.22 will be void to the extent that the contractual provision violates this law.

2. Minnesota Statute §80C.21 and Minnesota 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 of the jurisdiction. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any Franchise Agreement relating to franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect any obligation in the Franchise Agreement relating to exclusive mediation.

3. Minnesota Statute 604.113 places a cap of $30 on service charges for checks rejected due to insufficient funds. Any provision in the Franchise Agreement which would require you to pay more than this amount will be void to the extent that it violates this law.

4. The following language will appear as Section XX.AA of any Franchise Agreement issued in the State of Minnesota.

> **XX.AA.** **No Abrogation**. Pursuant to Minnesota Statutes, Section 80C.21, the provisions contained in this Agreement, including this Section XX, will not in any way abrogate or reduce any of your rights as provided for in the Minnesota Statutes, Chapter 80C.

5. Item 17 of this disclosure document is amended by the addition of the following language:

> With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

6. Item 13 of this disclosure document is amended by the addition of the following language:

We will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our Standards.

7. Item 5 of this Disclosure Document is amended to add the following language:

Based upon the franchisor's financial condition, the Minnesota Commerce Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by you under the Franchise Agreement and/or the Multi-Unit Development Agreement shall be deferred until the franchisor completes its pre-opening obligations and you have begun operations under the Franchise Agreement and/or the Multi-Unit Development Agreement, as applicable.

8. 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 with the franchise.

NEW YORK

1. 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 G OR YOUR PUBLIC LIBRARY FOR SOURCES OF 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 THAT ANYTHING IN THE 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 CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE

FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, with regard 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 choice of law provision 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.

NORTH DAKOTA

The following provisions supersede any inconsistent provisions in the disclosure document and apply to all franchises offered and sold in the State of North Dakota:

1. The following statement is added to Item 5 of the Franchise Disclosure Document:

> **The North Dakota Securities Department requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees until we have completed our pre-opening obligations under the applicable franchise agreement, multi-unit development agreement and other documents and you have commenced operation of your franchised business pursuant to the franchise agreement.**

2. Covenants not to compete upon termination or expiration of the Franchise Agreement are subject to Section 9-08-06, N.D.C.C., and may be generally unenforceable in the State of North Dakota.

3. Item 17(c) is hereby amended to state that franchisee shall not be required to sign a general release upon renewal of the Franchise Agreement.

(a) Item 17(i) is hereby amended to delete any requirement that franchisee consent to termination or liquidated damages.

(b) Item 17(u) and (v) are hereby amended to state that in the event that either party will make a demand for mediation, such mediation will be conducted in a mutually

agreed upon site.

4. To the extent that Article XX of the Franchise Agreement would otherwise violate North Dakota law, these sections are amended by providing that all litigation by or between you and us, involving a franchised business operating in the State of North Dakota, will be commenced and maintained, at our election, in the state courts of North Dakota or the United States District Court for North Dakota, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

5. North Dakota law applies to this transaction and supersedes any conflicting provisions of the Franchise Agreement or Arizona law.

6. The Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. The jury trial waiver provision is deemed deleted and shall not in any way abrogate or reduce any rights of the franchisee as provided for in the North Dakota Franchise Investment Law, including the right to a trial by jury and the right to submit matters to the jurisdiction of the Courts of North Dakota.

7. The Franchise Agreement includes a waiver of exemplary and punitive damages. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Disclosure Document and the Franchise Agreement.

8. The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. That requirement will not apply to North Dakota franchisees and is deemed amended to allow claims to be brought within the applicable statute of limitations under North Dakota law.

9. 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.

RHODE ISLAND

The following provision supersedes the disclosure document and applies to all franchises offered and sold in the State of Rhode Island:

1. To the extent that Article XX of the Franchise Agreement would otherwise violate Rhode Island law, these sections are amended by providing that all litigation by or between you and us,

involving a Franchised Business operating in the State of Rhode Island, will be commenced and maintained, at our election, in the state courts of Rhode Island or the United States District Court for Rhode Island, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

SOUTH DAKOTA

The following provisions supersede any inconsistent provisions in the disclosure document and apply to all franchises offered and sold in the State of South Dakota.

1. The following statement is added to Item 5 of the Franchise Disclosure Document:

> The South Dakota Department of Labor and Regulation's Division of Securities requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement and multi-unit development agreement, if applicable.

2. Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota, except in certain instances as provided by law.

3. Franchise registration, employment, covenants to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this Agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement, and interpretation under the governing law of the State of Arizona.

4. To the extent that Article XX of the Franchise Agreement would otherwise violate South Dakota law, these sections are amended by providing that all litigation by or between you and us, involving a Franchised Business operating in the State of South Dakota, will be commenced and maintained, at our election, in the state courts of South Dakota or the United States District Court for South Dakota, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

5. Termination provisions covering breach of the Franchise Agreement, failure to meet performance and quality standards, and failure to make royalty payments contained in the disclosure document, and Franchise Agreement will afford you thirty (30) days written notice with an opportunity to cure the default before termination.

VIRGINIA

The following provisions supersede any inconsistent provisions in the disclosure document and apply to all franchises offered and sold in the State of Virginia:

In recognition of the restrictions contained in Section 31.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Pickleball Kingdom Franchising, LLC for use the Commonwealth of Virginia shall be amended as follows:

Additional Disclosures:

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from $998,800 to $2,474,297. This amount exceeds the franchisor's stockholders' equity as of December 31, 2025, which is $(6,033,281).

The following statements are added to Item 17.h:

Pursuant to Section 31.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds 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.

The following statement is added to Item 5:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement.

WASHINGTON

The following provisions supersede any inconsistent provisions in the disclosure document and apply to all franchises offered and sold in the State of Washington:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

1. If any of the provisions in this disclosure document or Franchise Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the disclosure document and Franchise Agreement, as applicable, with regard to any franchise sold in the State of Washington.

4. A release or waiver of rights signed by a franchisee will not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when signed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as the right to a jury trial may not be enforceable.

5. Transfer fees are collectable to the extent they reflect the franchisor's reasonable estimated or actual cost in effecting a transfer.

6. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions

contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

9. Item 6 of the FDD is hereby modified to add the following statement to the remarks column in the "Taxes" section of the Item 6 table included in the FDD:

Washington franchisees will have no obligation to pay any taxes (including the Franchisor's income taxes) imposed by any taxing authority as a result of the Franchisor's receipt of payments made by the Washington franchisee.

10. 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.

11. The following statements are added to Item 5 of the FDD:

Pursuant to RCW 19.100.050 and WAC 460-80-400, the Securities Division of the Washington Department of Financial Institutions requires us to defer payment of all initial franchise fees described in Item 5 of the Franchise Disclosure Document until we have completed our pre-opening obligations under the applicable franchise agreement and other documents and you have opened for business. In addition, if you sign a Multi-Unit Development Agreement, the initial development fee payable under such agreement will be prorated so that an applicable portion of the development fee is due and payable only when each unit opens for business.

WISCONSIN

The following provision supersedes any inconsistent provision in the disclosure document and applies to all franchises offered and sold in the State of Wisconsin:

1. The Wisconsin Fair Dealership Law, Chapter 135, Stats., supersedes any provisions of this disclosure document and the Franchise Agreement that are inconsistent with that law.

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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.

ITEM 23

RECEIPTS

RECEIPT

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

If Pickleball Kingdom Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in (a) Michigan and Oregon require us to provide you the disclosure document at least 10 business 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 and (b) New York and Rhode Island require us to provide you the disclosure document at the earlier of the first personal meeting or 10 business 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.

If Pickleball Kingdom Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in ***Exhibit G*** to this disclosure document).

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

Name	Principal Business Address	Telephone Number
Rob Streett	275 E. Rivulon Blvd., Gilbert, Arizona 85297	(888) 788-0999

Issuance Date: April 20, 2026

I received a Disclosure Document dated April 20, 2026. The Disclosure Document included the following Exhibits:

A	FINANCIAL STATEMENTS
B	FORM OF FRANCHISE AGREEMENT
C	FORM OF MULTI-UNIT DEVELOPMENT AGREEMENT
D	LIST OF FRANCHISED UNITS
E	LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM IN LAST YEAR
F	MANUAL TABLE OF CONTENTS
G	AGENTS FOR SERVICE OF PROCESS AND LIST OF STATE ADMINISTRATORS
H	GENERAL RELEASE
I	STATE SPECIFIC ADDENDA

Dated:_____

_____
Individually and as an Officer

_____
Printed Name

of_____
(a_____Corporation)
(a_____Partnership)
(a_____Limited Liability Company)

[Keep this page for your records]

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Dated:_____

_____
Individually and as an Officer

_____
Printed Name

of_____
(a_____Corporation)
(a_____Partnership)
(a_____Limited
Liability Company)

[Sign and return this page to Pickleball Kingdom Franchising, LLC]