



FRANCHISE DISCLOSURE DOCUMENT

KICKER GUY FRANCHISES LLC

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As an INFINITY MARTIAL ARTS franchise, you will operate a martial arts school.

The initial investment necessary to begin operation of Infinity Martial Arts Co School franchise is \$98,200 to \$261,800. This includes \$30,000 that must be paid to the franchisor or affiliate, unless you are acquiring the franchise from a Co-Owner or Affiliate.

This disclosure document summarizes certain provision of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 Hans Paulson, 6220 Nesbitt Road, Fitchburg, Wisconsin 53719, (608) 630-8836.

The terms of your contract will govern your franchise relationship. Don't rely on this disclosure document alone to understand your contract. Read all of your contract 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, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Date of Issuance: May 7, 2023, as amended July 17, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D 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 Infinity Martial Arts 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 Infinity Martial Arts franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If our right to use this trademark is challenged, you may have to use a new name to identify your business. You may incur significant costs for changing signage, your website and other identifying materials, and your brand recognition may be reduced as a result of the requirement to change your name and marks.

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.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

State	Effective Date
Wisconsin	May 7, 2023, as amended July 17, 2023

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

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- A. LIST OF STATE ADMINISTRATORS; STATE AGENTS FOR SERVICE OF PROCESS
- B. FRANCHISE AGREEMENT
- C. TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL
- D. FINANCIAL STATEMENTS
- E. FRANCHISEE ACKNOWLEDGEMENT
- F. MULTI-STATE ADDENDA

ITEM 1. THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, the words “we,” “us” and “our” refer to the franchisor, Kicker Guy Franchises LLC. The words “you” and “your” refer to the person to whom we award the franchise, whether you are an individual or a corporation, limited liability company or other business entity. If you are a corporation, limited liability company or other business entity, certain provisions of this Disclosure Document also apply to your owners and will be noted.

We formed our limited liability company in the State of Wisconsin on March 11, 2022 for the sole purpose of offering Infinity Martial Arts franchises. Our principal business address is 6220 Nesbitt Road, Fitchburg, Wisconsin 53719. We have offered franchises since May 7, 2023. We do business only under our corporate name and the name “Infinity Martial Arts.”

The Franchisor

We franchise the right to operate Infinity Martial Arts Schools that provide martial arts instruction. We provide traditional American tae kwon do instruction (with origins in Jhoon Rhee), but our curriculum includes sport karate, weapons training and jiu jitsu practical-based self-defense. The franchise or franchised School does business under the trade name, “Infinity Martial Arts”, and also uses our other related service marks, trademarks or logos (our “Marks”). Schools typically require 2,000 to 3,000 square feet of space and should be located near a main thoroughfare and have ample parking. The franchise operates using our standards, methods, procedures and specifications, called our “System”.

We are not engaged in any other line of business. We do not own or operate a business of the type being franchised, but our Affiliates do. Our agent for service or process is disclosed in Exhibit A.

Our Parents, Predecessors and Affiliates

We do not have any parent companies or predecessors. Our Affiliate, Infinity Martial Arts, Inc., was incorporated in Wisconsin on December 26, 2006 and operates an Infinity Martial Arts location in Middleton, Wisconsin. Our Affiliate, Foot Fist Investment Corporation, was incorporated on February 28, 2012, and has operated Infinity Martial Arts Schools in south central Wisconsin through its ownership of six limited liability companies (MA Concepts LLC, Quamfu Industries LLC, TJH Martial Arts LLC, Nexus Martial Arts LLC, IMA Downtown LLC and IMA Waukesha LLC). Our Affiliate, Fortitude Martial Arts, Inc, was incorporated in Wisconsin on January 18, 2008 and operates a location in Evansville, Wisconsin. For further information about the trademark “Infinity Martial Arts,” refer to ITEM 13 of this Disclosure Document.

General Description of the Market and Competition

An Infinity Martial Arts School franchise offers martial arts instruction including traditional American tae kwon do (with origins in Jhoon Rhee), sport karate, weapons training and jiu jitsu practical-based self-defense, principally to minors. You may have to compete with other schools, including franchised operations, national chains and independently owned companies providing martial arts instruction to families. You may also encounter competition from other Infinity Martial Arts School franchises. Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict. You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply and demand, and competition that provide related services and for other athletic and sports activities. Our ability to fulfill our obligations under our Franchise Agreement depends in part on our present and future financial condition. Litigation risks also exist, including future litigation that cannot be predicted.

Industry Specific Regulations

Every state and many local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your franchised School, including those that: (a) establish general standards, specifications and requirements for the construction, design and maintenance of the School premises; (b) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements, restrictions on smoking, availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) regulate matters affecting requirements for accommodations for disabled persons; and (e) set standards and requirements for fire safety and general emergency preparedness. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your franchised School and should consider both their effect and cost of compliance. Under the Franchise Agreement, you alone are responsible for complying with all applicable laws and regulations despite any advice or information that we may give you.

The World Health Organization declared the outbreak of the novel coronavirus disease COVID-19 to be a pandemic on March 11, 2020. Your School operations and staffing needs may be affected by local rules and regulations enacted in response to the COVID-19 pandemic. These may include, for example, temporary limits on permitted hours of operation, additional cleaning protocols, and requirements to invest in additional safety measures to protect your employees and customers. You must comply with all applicable laws, regulations and orders of any governmental entity enacted in response to the pandemic.

Agents for Service of Process

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

ITEM 2. BUSINESS EXPERIENCE

Co-Owner and Chief Executive Officer: Michael Welch

Mr. Welch is our Chief Executive Officer and Co-Owner and has been with us since our organization. In addition, Mr. Welch has been an owner of our Affiliate, Infinity Martial Arts, Inc., since 2007, and Foot Fist Investment Corporation since 2012.

Mr. Welch is an accomplished forms, weapons, and sparring competitor. During his competitive career, he has won National and World black belt titles at Diamond Nationals and U.S. Open, two of North America's largest and most prestigious tournaments. Mr. Welch also sponsors a national competition team - Team Infinity. Since 2010, Team Infinity members have earned several World black belt titles. Winning the U.S. Open Team Demo division five times consecutively, Team Infinity has the most wins of any demo team in sport karate history. Since opening the first Infinity Martial Arts school in Middleton in 2007, Mr. Welch has continued to grow as a leader in the martial arts industry and has created a team of outstanding instructors and martial artists. He has had the opportunity to learn both the art of martial arts and business from some of the best in the industry. He has been sharing his knowledge as a martial arts instructor for over 25 years; Mr. Welch and his father owned their first martial arts school when Mr. Welch was just seventeen years old.

Co-Owner and Chief Financial Officer: Hans Paulson

Mr. Paulson is our Chief Financial Officer and Co-Owner and has been with us since our organization. In addition, Mr. Paulson became a co-owner of our Affiliate, Infinity Martial Arts, Inc., in 2008, and Foot Fist Investment Corporation in 2012.

Mr. Paulson is a sixth-degree black belt, holds rank in Muay Thai Kickboxing and Brazilian Jiu Jitsu, and has a bachelor's degree in Health and Human Performance from UW-Whitewater. Mr. Paulson began his martial arts training in 1991 and started teaching in 1995 when he was only fourteen years old. In 2008, Mr. Paulson founded P3 Mixed Martial Arts in Evansville, Wisconsin (which later re-branded as an Infinity Martial Arts school). After combining efforts with Mr. Welch to found the third Infinity Martial Arts location in Fitchburg, Wisconsin, Mr. Paulson found a passion for helping other instructors achieve their goal of owning their own martial arts school.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Disclosure Document.

ITEM 4. BANKRUPTCY

No person previously identified in ITEMS 1 or 2 of this Disclosure Document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed in this ITEM.

ITEM 5. INITIAL FRANCHISE FEE

Franchise Fee

You will pay us an initial franchise fee of \$30,000 when you sign the Franchise Agreement.

We typically waive the initial franchise fee for any franchisees owned in full or in part by our Co-Owners or Affiliates, or purchased from them.

Refunds

We will refund 80% of the initial franchise fee if we terminate the Franchise Agreement before you begin operations of an Infinity Martial Arts School for one of the following reasons: (i) you fail to timely select a location for your school that meets our approval; (ii) you fail to timely open your school for business; or (iii) we determine in our sole discretion that your manager and lead instructor have failed to satisfactorily complete our training program described in ITEM 11 of this Disclosure Document. The nonrefundable portion of the franchise fee is our compensation for our efforts in offering and selling a franchise to you and providing the initial training program.

ITEM 6. OTHER FEES

Below is a detailed description of other recurring or isolated fees or payments that you must pay to us, our Affiliates, or that we impose or collect for a third party under the terms of the Franchise Agreement

OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty Fee	6% of gross sales or fixed monthly fee ¹	Payable on 5 th day of month for preceding month	You must pay your royalty fee directly to us. Gross sales do not include sales tax or use tax. See definition of gross sales. (Section 1)
Website and Digital Location Listings; E-Mail Account	Varies according to area and type of listing	As invoiced	You will be listed and included on our website, but you are required to obtain our prior written consent before utilizing any other online listing/presence or search engine marketing. (Sections 6.6, 11.3) We also require you to reimburse us for the cost of maintaining an e-mail account dedicated to communications with us and our website (Sections 11.3 and 13.11).
Audit Expenses ²	All costs and expenses associated with an audit	Upon demand	Audit costs payable only if the audit shows an understatement in amounts due of at least 3%. We may require you to have an independent audit performed, at your expense, following your 4 th year of operations and prior to renewal. (Section 12.6)
Late Fees ³	1.5% per month or the highest rate allowed by the state where you are located, whichever is less	Upon demand	Applies to all overdue fees you owe us. (Section 3.6) Also applies to any amount due revealed by an audit. (Section 12.6)
Approval of Products or Suppliers ⁴	All reasonable costs of evaluation	Time of evaluation	Applies to the cost we expend in our evaluation of new suppliers you wish to purchase from or products you wish to purchase that we have not previously approved. (Section 13.1)
Insurance Policies	Amount of unpaid premiums plus our reasonable expenses in obtaining the policies	Upon demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you. (Section 15.5)
Transfer Fee	\$10,000	Time of transfer	Payable to us at the time of transfer. Transfer fees do not apply to assignments of interest to an entity controlled by you. (Section 18.2.8)
System Modifications	Not more than \$15,000 during the first term of the Franchise Agreement	As required	If we make changes to our System, you must adapt your business to conform to the changes. Some examples of changes include, new software or signage for new trademarks. (Section 10.2)
Relocation Assistance	Costs of providing relocation assistance	Time of assistance	We will charge you for relocation assistance if you request it and we agree to provide it. (Section 5.9)

Name of Fee	Amount	Due Date	Remarks
Substitute or New Manager or Lead Instructor Training/ Additional Training	Currently, \$300 per day per person, plus your expenses in attending	Time of Training	Our initial training program is covered by your franchise fee. If you have to repeat initial training, we may charge you. (Sections 8.4 and 8.5)
Ongoing Training ⁵	Your expenses as well as your employees' expenses in attending	Time of program	Attendance at ongoing training programs, which are currently scheduled on a quarterly basis (Section 8.5)
Cost of Enforcement	All costs including reasonable attorneys' fees	Upon demand	You will reimburse us for all costs in enforcing obligations if we prevail. (Section 22.4)
Indemnification	All costs including reasonable attorneys' fees	Upon demand	You defend suits at your cost and hold us harmless against suits involving damages resulting from your operation of the franchised School. (Section 21.3)

¹ For franchisees who purchase an existing business previously owned by one of our Affiliates or Co-Owners, we may agree to a flat fee monthly royalty, which currently ranges from \$300-\$1,000 per month.

² Reimbursable audit expenses (if applicable) will vary depending upon prevailing auditor's rates in your area and how well you keep books and records.

³ Late fees begin the date payment was due, but not received, or date of underpayment.

⁴ You pay our actual costs only; costs vary depending upon product samples, shipping costs, and the type of product under review and similar factors.

⁵ You must attend our ongoing training programs, which are currently scheduled on a quarterly basis. We do not charge fees but you must pay the cost of your employees to participate and attend.

We require that all fees payable to us be paid through an electronic depository transfer account.

All of the fees noted above are uniform except as noted. No other fees or payments are to be paid to us, nor do we impose or collect any other fees or payments for any other third party. All fees are generally nonrefundable.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT FOR A SCHOOL

Type of Expenditures	Amounts	Method of Payment	When Due	To Whom Payment Is Made
Franchise Fee ¹	\$ 30,000	Cashier's Check	Upon Signing Franchise Agreement	Us
Real Estate/Rent ²	\$2,000- \$4,000	As Arranged	Before Beginning Business	Lessor
Utility Deposits ³	0-\$1,500	As Arranged		Utilities

			Before Beginning Business	
Leasehold Improvements ⁴	\$60,000 - 100,000	As Arranged	Before Beginning Business	Contractor, Suppliers
Furniture, Fixtures & Equipment ⁵	15,000 - 50,000	As Arranged	Before Beginning Business	Suppliers
Customer Relations Management Systems and Software ⁶	\$200 - \$800	As Arranged	Before Beginning Business	Approved Suppliers, Suppliers
Initial Inventory ⁷	5000 - 10,000	As Arranged	Before Beginning Business	Approved Suppliers, Suppliers
Insurance ⁸	5,000 - 10,000	As Arranged	Before Beginning Business	Insurance Company
Signage ⁹	3,000 - 20,000	As Arranged	Before Beginning Business	Approved Suppliers, Suppliers
Office Equipment & Supply ¹⁰	2,500 - 3,500	As Arranged	Before Beginning Business	Suppliers
Grand Opening or Pre-Opening ¹¹	5,000 - 15,000	As Arranged	First 3 Months Of Operation	Advertising Suppliers
Training ¹²	1,000 - 20,000	As Arranged	Before Beginning Business	Airlines, Hotels & Schools, Employees
Uniforms ¹³	2,000 - 4,000	As Arranged	Before Beginning Business	Approved Suppliers
Licenses & Permits ¹⁴	500 - 3,000	As Arranged	Before Beginning Business	Licensing Authority
Legal & Accounting ¹⁵	1,000 - 5,000	As Arranged	Before Beginning Business	Attorney, Accountant
Initial Payroll/Training Wages ¹⁶	1,000 - 5,000	As Arranged	Before Beginning Operations	Employees

Additional Funds ¹⁷ (3 months)	10,000 30,000	-	As Arranged	As Necessary	You Determine
TOTAL	\$ 98,200 \$ 260,300	-			

NOTES

¹ We may waive the initial franchise fee for franchisees who purchase their business from an Affiliate or Co-Owner.

² Typically our Schools lease 2,000 – 3,000 square feet; these numbers assume per square foot lease rates of \$12-16/square foot annually, and equal one month's rent. Lease rates will increase if the landlord pays for leasehold improvements. It is difficult to estimate lease acquisition costs because of the wide variation in costs between various locations. Landlords may also assess security deposits, which are not included in this number.

³ Some utilities may require you to make advance deposits in order to obtain services; you should contact your local utilities for more information.

⁴ Your leased premises must be modified and renovated according to our standards and specifications. These costs will vary based on location, materials used, size of school and local wage rates.

⁵ We require that you buy certain mats and waiting area furniture to equip your school; the cost will vary depending upon local market conditions, quality of the equipment and size of your school. You will also need to acquire a first aid kit and automated external defibrillator for your school.

⁶ You will need to acquire Microsoft operating software for your computer. We utilize an online accounting service, SPARK, which does not require any upfront expenditures, but for which you will be assessed monthly charges.

⁷ You will need to purchase clothing and gear for sale to students at your school.

⁸ You must purchase workers' compensation insurance that complies with state law requirements; employer liability coverage with a minimum limit of \$100,000; comprehensive general liability coverage of at least \$1 million per occurrence and \$2 million in the aggregate (including sexual misconduct liability coverage); and umbrella insurance coverage of at least \$1 million.

⁹ Costs for signage will vary depending upon materials used, size of the sign, local zoning requirements, landlord requirements and local wage rates.

¹⁰ You will need a desk or meeting table and at least three chairs for meetings.

¹¹ Prior to opening, you will need to market the Franchised School using various media, such as direct mail, press releases and other media contacts, flyers, social media, radio and community events.

¹² The amount of training necessary and the costs associated with it will depend in large part on the past experience of your Designated Manager, Lead Instructor and administrator, as well as their wages and expenses you incur in having them attending training.

¹³ This represents the purchase of uniforms for all of your employees.

¹⁴ Local and state governments may assess fees for occupancy permits, operating licenses and sales tax licenses.

¹⁵ This represents the expenses involved in retaining the services of an attorney, an accountant and other consultants needed to review legal and accounting requirements for the opening of your business.

¹⁶ You will likely incur payroll expenses in training instructors and other employees as to your operations before opening.

¹⁷ We recommend that you have a minimum amount of money available to cover operating expenses, such as wage, rent and utilities, for at least first three months that the School is open. Additional working capital may be required if sales are low or operating expenses are high.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase your furniture, equipment, including computer equipment, inventory, and signage under specifications in the Infinity Martial Arts School Operations Manual (“Operations Manual”). These specifications include standards and specifications for the appearance, quality, price, performance and functionality. These standards and specifications are based on our affiliates’ experience in operating a business of the type we are franchising and through research and testing in our affiliates’ businesses, as well as our experience in selling franchises and working with our franchisees. We may communicate our standards and specifications directly to suppliers who wish to supply you with furniture, equipment, inventory and signage under specifications. We communicate our standards and specifications to you when we evaluate your proposed location for the franchised School during training, before you conduct your grand opening advertising, during on-site opening assistance, during periodic visits to your franchise location and through the Operations Manual (including periodic bulletins). We will periodically issue new standards and specifications (if any) through written notices.

We have a branded look for our franchise schools, which includes:

- Paint colors: Sherwin Williams 7075 Web Grey, 7073 Network Gray and 7074 Software Gray
- Flooring: Light gray, wood grain luxury vinyl plank flooring
- Black and grey mats

If you would like to use any goods or services in establishing and operating the franchised School that we have not approved (for goods and services that must meet our standards, specifications or that require supplier approval), you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications or the supplier meets our approved supplier criteria. You must pay our expenses to evaluate goods, services or suppliers. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services from the supplier. Our criteria for approving or revoking approval of suppliers includes: the supplier’s ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; and dependability and general reputation.

If you purchase equipment, goods or services not approved you will be required to replace the non-approved items regardless of added on cost. It is important you follow the approved lists or submit any variation from the list for approval in advance of purchase. We are not responsible for added costs resulting from purchasing unapproved items.

Periodically, we may review our approval of any goods, services or suppliers. We will notify you if we revoke our approval of goods, services or suppliers, and you must immediately stop purchasing disapproved goods or services, or must immediately stop purchasing from a disapproved supplier. Additionally, we may negotiate pricing arrangements, including volume discounts on behalf of our franchisees with our suppliers.

We may receive rebates from some of our designated suppliers as a result of our franchisees’ required purchases from these suppliers, as well as promotional payments. Some rebates and promotional payments that we received are for fixed amounts and do not vary based on the amount of purchases of goods and services by us or our franchisees; others have been based on year-to-year increases in sales to our franchisees or are based in part on how many franchisees we have. Currently we do not receive rebates from any of our designated suppliers.

We estimate that approximately 35% to 60% of your expenditures for leases and purchases in establishing a School will be for goods and services that must be purchased from either us, an Affiliate or an approved supplier or in accordance with our standards and specifications. We estimate that approximately 35% to 60% of your expenditures on an ongoing basis, for a School, will be for goods and services that must be purchased from either us or any Affiliate, an approved supplier or in accordance with our standards and specifications.

We do not provide material benefits to you (such as renewal rights or the right to open additional Infinity Martial Arts Schools) based on whether or not you purchase through the sources we designate or approve; however, purchases of unapproved products or from unapproved suppliers in violation of the Franchise Agreement will entitle us to, among other things, terminate the Franchise Agreement.

ITEM 9. FRANCHISEE’S OBLIGATIONS

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 the Franchise Agreement	Disclosure Document ITEM
a.	Site selection and acquisition/lease	Section 5	ITEMS 11 and 12
b.	Pre-opening purchases/leases	Sections 5, 12 and 13	ITEMS 7 and 8
c.	Site development and other pre-opening requirements	Sections 5 and 8	ITEMS 6, 7, 8 and 11
d.	Initial and ongoing training	Section 8	ITEMS 6, 7 and 11
e.	Opening	Sections 5 and 8	ITEMS 7 and 11
f.	Fees	Sections 3, 5, 8, 10, 11, 12, 13, 15, 18, 21 and 22	ITEMS 5, 6 and 7
g.	Compliance with standards and policies/Operating Manual	Sections 6, 7, 9, 10, 12 and 13	ITEMS 8 and 16
h.	Trademarks and proprietary information	Sections 6, 7 and 9	ITEMS 13 and 14
i.	Restrictions on products/services offered	Sections 5, 6 and 13	ITEMS 8 and 16
j.	Warranty and customer service requirements	Section 13	ITEM 16
k.	Territorial development and sales quotas	None	ITEM 12
l.	Ongoing product/service purchases	Section 13	ITEMS 8 and 11

	Obligation	Section in the Franchise Agreement	Disclosure Document ITEM
m.	Maintenance, appearance and remodeling requirements	Sections 5, 10 and 13	ITEM 6
n.	Insurance	Section 15	ITEMS 6, 7 and 8
o.	Advertising	Section 11	ITEMS 6, 7 and 11
p.	Indemnification	Section 21	ITEM 6
q.	Owner's participation/management/staffing	Section 13	ITEM 15
r.	Records and reports	Sections 3 and 12	ITEM 11
s.	Inspections and audits	Sections 6 and 12	ITEMS 6, 11 and 13
t.	Transfer	Section 18 and Exhibits 1 and 6	ITEM 17
u.	Renewal	Section 4 and Exhibits 1 and 6	ITEM 17
v.	Post-termination obligations	Exhibit 2	ITEM 17
w.	Non-competition covenants	Sections 7 and 17 and Exhibit 2	ITEM 17
x.	Dispute resolution	Section 23	ITEM 17
y.	Other	N/A	N/A

ITEM 10. FINANCING

We do not offer direct financing. However, on occasion, our Affiliates may offer financing for the sale of an operating school that they own to a third party who becomes a franchisee.

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

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

A. Before you open your franchised School, we will:

1. if we have not already approved a site that you have selected before signing the Franchise Agreement, designate the area within which you will locate the franchised School, provide you with our criteria for site selection and approve the site you have selected for the location of the franchised School. (Sections 2.3 and 5.1)

2. designate your area (area of primary responsibility). (Section 2.5; See also ITEM 12)

Neither we nor any of our employees have special expertise in selecting sites; we make no representations that your franchised School will be profitable or successful by being located at the approved location. Any approval is intended only to indicate that the proposed site meets our minimum criteria.

3. review and approve your lease or purchase agreement for the approved site for the approved location for the franchised School. (Section 5.3)

Our review of your lease or purchase agreement and any advice or recommendations we may offer is not a representation or guarantee by us that you will succeed at the leased or purchased premises. Our review of your lease does not constitute legal advice and our review is solely for the purpose of assuring that the lease complies with the Franchise Agreement. For legal advice, you must rely upon the advice of your attorney

4. provide you with a list of required supplies, equipment and improvements which you are required to purchase and install. (Section 5.4)

5. provide an initial training program. This training is described in detail later in this ITEM 11. (Section 8.1)

6. provide to you on-site guidance to assist you with any questions you may have in operating the franchised School. (Section 8.2)

7. provide to you, on loan, one copy of the Infinity Martial Arts Operations Manual, or grant you access to an electronic copy of the Operations Manual. The Table of Contents of the Operations Manual, along with number of pages devoted to each section, is included as Exhibit C to this Disclosure Document. (Section 9.1)

B. After the opening of the franchised School, we will:

1. periodically, advise and offer general guidance to you by telephone, e-mail, facsimile, newsletters and other methods. Our guidance is based on our and our affiliates' knowledge and experience. We offer you advice and guidance on a variety of business matters, including operational methods, accounting procedures, authorized services or products and marketing and sales strategies. (Section 14.1)

2. at our discretion, make periodic visits to the franchised School to provide you with consultation, assistance and guidance in various aspects of the operation and management of the franchised School. We may prepare written reports suggesting changes or improvements in the operations of the franchised School and detail any deficiencies that become evident as a result of any such visit. If we prepare a report, we may provide you with a copy. (Section 14.2)

3. make available to you operations assistance and ongoing training as we think necessary. (Sections 8.2 and 8.5) Ongoing training programs are described later in this ITEM and in ITEM 6. (See also ITEM 9.d)

4. approve forms of advertising, marketing, media and promotional materials you will use in local advertising and grand opening advertising. (Section 11.2) .

5. provide you with modifications to the Operations Manual as they are made available to franchisees. (Section 9.2) The Operations Manual is described in ITEM 14. (See also ITEM 9.g)

C. Advertising and Promotion

1. During your first 3 months of operation (or prior to opening), you must spend a minimum amount we specify on pre-opening and grand opening advertising if we deem necessary for your market, including print or news media and/or direct mail advertising, dues for business organizations, event dues or other solicitation and promotional efforts. This amount will not exceed \$15,000. We determine the minimum amount by assessing advertising costs in your area, taking into account the time of year that you are opening, brand recognition, staffing market and other variables. We will provide you with guidance for conducting grand opening advertising, and we will review and approve the materials you use in your grand opening advertising. (Section 11.1; See also ITEM 9.f and 9.o)

2. We do not impose minimum requirements for local advertising programs. All local advertising and promotion by you must be approved by us and conform to our specified standards and requirements. (Section 11.2; See also ITEM 9.o)

3. At this time, our only System-wide marketing fund is a requirement to contribute to a fund to maintain our website. The amount of your contribution to the fund is described in ITEM 6 under the heading "Website and Digital Location Listings; E-Mail Account" (Section 11.3; See also ITEM 9.o)

4. You must list the telephone number for the franchised School on our website. Franchisor will maintain ownership access at all times and will share access with Franchise to listings such as Bing, Google My Business, Yelp, Facebook, etc. You will be required to maintain accurate listings, reply to reviews, keep current and holiday hours current, and ensure access to your phone and web ordering. (Section 11.3) For further information about your costs, see ITEM 6. (See also, ITEM 9.o)

5. You are restricted from establishing a presence on, or marketing using, the Internet (including but not limited to social media) without our consent. We have an Internet website at the uniform resource locator www.infinityma.com that provides information about the System and about Infinity Martial Arts franchises. We may (but we are not required to) include at the Infinity Martial Arts website an interior page containing information about your franchised School. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locator's, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing and you must follow our intranet and Internet usage rules, policies and requirements. You must follow our branding guidelines and social media guidelines. We retain the sole

right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, and in connection with linking, marketing, co-branding and other arrangements, and can revoke any permission for you to use the Marks on social media at any time. We retain the sole right to approve any linking to, or other use of, the Infinity Martial Arts website. (Section 11.3; See also ITEM 9.o)

D. Computer System

You must purchase or lease and use any hardware software or other programs we designate. (Section 12.5) Presently, we require you to use the SPARK accounting system, which involves no upfront costs but does include monthly usage charges. The computer system is also used to keep track of classes and employee sign-in and sign-out times. We estimate the costs of purchasing a computer (PC or MAC) to range between \$2,000 and \$4,000.

We may require you to update, modify or replace your computer system during the term of the franchise. You are not required to enter into any ongoing maintenance and support agreement but may find it advantageous to do so. You must update or upgrade computer hardware components and/or software as we think necessary but not more than one time per year. We may require you to acquire new computer software for use in operation of your franchised School. You will not be required to spend more than \$15,000 on modifications or improvement, like upgrades or updates to your computer systems, during the initial term of the franchise. (Section 10.2)

We have the right to independently access all information collected or compiled by or in accordance with your use of the software at any time without first notifying you. There are no limits on our rights to do so. (Sections 10.2, 12.5 and 12.6)

E. Methods Used to Select the Location of the Franchised School

If you have a potential site for the franchised School, you may propose the location for our consideration. We may consent to the site after we have evaluated it. If you do not have a proposed site, we will designate a geographic area within which you must locate the franchised School and we will furnish you with our general site selection criteria. You are solely responsible for locating and obtaining a site that meets our standards and criteria and that is acceptable to us. (Sections 2.3 and 5.1)

The general site selection and evaluation criteria or factors which we consider in approving your site includes the condition of the premises, demographics of the surrounding area, proximity to other Infinity Martial Arts Schools, proximity to competitors, lease requirements, traffic patterns, vehicular and pedestrian access, proximity to major roads, available parking and overall suitability. We will provide you with written notice of our approval or disapproval of any proposed site within a reasonable time (usually within 30 days) after receiving all requested information. If you and we cannot agree on a suitable site for the franchised School within 90 days after you sign the Franchise Agreement, we may terminate the Franchise Agreement. (Sections 5.1 and 5.2)

F. Typical Length of Time Before Operation

Unless you are purchasing an existing school, we estimate the typical length of time between the signing of the Franchise Agreement and the opening of your franchised School is 90 days. Factors that may affect your beginning operations include ability to secure permits, zoning and local regulations and ordinances, weather conditions and delays in installation of equipment and fixtures. You must open your franchised School and be operational within 300 days after signing the Franchise Agreement. (Sections 5.4 and 5.6)

G. Training

We provide you an initial training program that covers material aspects of the operation of the franchised School. The topics covered are listed in the chart below. This training is offered on an as needed basis at our headquarters in Fitchburg, Wisconsin or another location we designate. You must designate a manager and lead instructor for the franchised School and he or she must satisfactorily complete the initial training at least two weeks before the opening of the franchised School. (The designated manager and lead instructor may be the same person). An administrative assistant of your choosing may also receive training at your option. The lead instructor, manager and administrator may satisfy our training requirements by demonstrating technical skills, teaching ability or other applicable skills have been obtained through previous experience. We expect that your attendees will advance through the training program at different rates depending on a variety of factors such as background and experience. The time frame provided in the chart below is an estimate of the time it will take to complete training.

We require you to identify your lead instructor in writing and that your lead instructor have the following experience and skills:

- 6-12 months experience in an Infinity Martial Arts leadership position or equivalent experience, as determined by us in our sole discretion.
- Hold Black Belt rank in hard style martial arts.
- Have a working knowledge of martial arts instruction with the ability to create a class plan, effectively teach students the Infinity Martial Arts program curriculum with drills tailored to appropriate age groups and class sizes
- Provide acceptable references upon request

We do not charge for initial training. You must pay for all travel costs and living expenses for yourself and any of your attendees. These costs are estimated in ITEM 7. If you replace your designated manager or lead instructor, your new designated manager or lead instructor must attend our training program. You may be charged fees for additional training. Our current fees for additional training are described in ITEM 6. You are responsible for training your own employees and other management personnel. This initial training is in addition to the on-site opening assistance we provide to you. Your franchised School must at all times be under the day-to-day supervision of a designated manager and lead instructor who have satisfactorily completed our initial training program. After a replacement of the designated manager or lead instructor, he or she has 60 days to complete initial training. (Section 8.4)

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Marketing	-	2	Headquarters in Fitchburg, Wisconsin and your franchised School
Daily/Monthly/Weekly Paperwork and Reports	-	4	Headquarters in Fitchburg, Wisconsin and your franchised School
Daily Operations	-	24	Headquarters in Fitchburg, Wisconsin and your franchised School
General technology and troubleshooting,	-	10	Headquarters in Fitchburg,, Wisconsin and your franchised School

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Computers/POS	-	4	Headquarters in Fitchburg, Wisconsin and your franchised School
Invoices	-	2-4	Headquarters in Fitchburg, Wisconsin and your franchised School
Personnel	-	4	Headquarters in Fitchburg, Wisconsin and your franchised School

Michael Welch and Hans Paulson will provide training. Their qualifications are included in ITEM 2.

If circumstances require, a substitute trainer may provide training to you. We may periodically name additional trainers, if the training schedule requires it. There are no limits on our right to assign a substitute to provide training.

The initial training will include the following instructional materials: The Operations Manual, informational guidelines, form examples, report examples. The training will occur either at our Affiliate’s school in Fitchburg, Wisconsin or at your franchised School. The dates and location of the training will be communicated to you.

Periodically, you, your managers, and/or employees may be required to attend and successfully complete refresher-training programs to be conducted at our headquarters or another location we designate. Attendance at these refresher-training programs will be at your expense. You do not have to attend more than four of these quarterly programs in any calendar year and your total time commitment will not exceed four days during any calendar year. (Section 8.5).

ITEM 12. TERRITORY

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. The area that you receive (called an “area of primary responsibility” or “area”) will be described and depicted in a map attached to the Franchise Agreement. We determine the boundaries of the area based on a variety of factors, including population, median population age, proximity to competitors, proximity to other franchisees and natural, physical or political boundaries.

You will operate the franchise from one location that we approve. You must receive our written permission before relocating. If you can no longer use the location due to circumstances beyond your control, including unreasonable lease terms or destruction of the premises, you may be allowed to relocate. If you attempt to sell your franchised School or transfer your interest from the franchised School to a third party, we may exercise our right of first refusal. You do not receive the right to acquire additional franchises within your area of primary responsibility. You must meet our qualifications for new franchisees to qualify for an additional franchise location. There are no minimum sales quotas.

ITEM 13. TRADEMARKS

You receive the right to operate your franchised School under the trademark “Infinity Martial Arts” You may also use any other current or future Mark to operate your franchised School that we designate in writing including the logo on the front of this Disclosure Document and the trademarks listed below. By “Mark,” we mean any trade name,

trademark, service mark or logo used to identify your School. Our Marks are not registered on the U.S. Patent and Trademark Office (“USPTO”) principal register and we do not expect to obtain such federal registration. We have obtained registrations for the following Marks with the Wisconsin Secretary of State:

MARK	REGISTRATION ID (WI)	REGISTRATION DATE
INFINITY MARTIAL ARTS (standard character mark)	20230091577	May 8, 2023
INFINITY MARTIAL ARTS (design plus words, letters and/or numbers)	20230091575	May 8, 2023
KICKER GUY LOGO (design)	20230091576	May 8, 2023

The Marks are owned by an Affiliate, Infinity Martial Arts, Inc.. We have been granted a license to use and sublicense the use of the Marks under an intellectual property license agreement entered by our Affiliate and us. Infinity Martial Arts., Inc., uses the Marks for its own School and has also licensed those rights to other Affiliates. There has been no reduction in our rights, and the rights of our franchisees, to use the Marks.

Other than the above, there are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

There are currently no effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator of the state of Wisconsin or any court; pending infringement, opposition or cancellation; or pending material litigation involving the Mark.

There are no infringing or prior superior uses actually known to us that could materially affect the use of the Marks in the state of Wisconsin.

You do not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your franchised School. You must follow our rules when you use the Marks. You must use the Marks as the sole trade identification of the franchised School. You cannot use a name or Mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use any Mark in connection with the sale of any unauthorized products or services or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You must not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us when you learn about an infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks, and you must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We may take whatever action we think appropriate in these situations; we have exclusive control over any settlement or proceeding concerning any Mark. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

While we are not required to defend you against a claim against your use of our Marks, we will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Mark. We will not reimburse you for disputes where we challenge your use of a Mark.

If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We do not have to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace equipment, signs, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your franchised School for the new or modified Marks. You do not have to spend more than \$20,000 during the initial term of the Franchise Agreement to conform your franchised School to changes to the Marks and other System modifications. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

You must notify us if you apply for your own trademark or service mark registrations. You must not register or seek to register as a trademark or service mark, either with the USPTO or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any of our Marks.

You may not establish, create or operate an Internet site or website using any domain name containing the words "Infinity Martial Arts" or any variation thereof without our prior written consent. We retain the sole right to advertise on the Internet and create websites using the "Infinity Martial Arts" domain name and any other domain names we may designate in the Operations Manual.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise. We own certain copyrights in the Operations Manual, marketing materials and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Registrar of Copyrights. You may use these items only as we specify while operating your franchised School and must stop using them if we direct you to do so. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

There are no currently effective determinations of the U.S. Copyright Office or any court regarding the copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

We have developed certain confidential, proprietary information, including methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a Infinity Martial Arts School. We will provide our proprietary information to you during training, in the Operations Manual and as a result of the assistance we furnish you during the term of the franchise. You may only use the proprietary information for the purpose of operating your franchised School.

You may only divulge proprietary information to employees who must have access to it in order to operate the franchised School. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to proprietary information, including your shareholders, officers, directors, partners and members (if you are a corporation, limited liability company or other business entity), as well as managers, executives and other recipients of trade secrets will be required to sign nondisclosure and non-competition agreements the same as or similar to the Nondisclosure and Non-Competition Agreement forms attached to the Franchise Agreement.

Your use of the Operations Manual and proprietary information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. Further information about termination of the Franchise Agreement following a default is included in ITEM 17.

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED SCHOOL

The franchised School must always be under the direct full-time day-to-day supervision of your designated manager and lead instructor.. Your designated manager must attend and satisfactorily complete our initial training program before opening the franchised School. You must keep us informed at all times of the identity of your current designated manager and lead instructor. If you must replace the designated manager or lead instructor, your replacement must attend and satisfactorily complete our initial training program. If you are a corporation or other business entity and the franchised School is under the supervision of a designated manager, he or she does not have to be one of your owners.

As described in ITEM 14, certain individuals associated with your franchised School, including your owners, (and members of their immediate families and households), officers, directors, partners, members, managers, executives, employees and staff, and other individuals having access to proprietary information may be required to sign nondisclosure and non-competition agreements the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will have the right to enforce the agreements.

If you are a corporation or other business entity, anyone who owns a 5% or greater interest in the franchisee entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Unlimited Guaranty and Assumption of Obligations attached to the Franchise Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer the services and products we specify periodically, in strict accordance with our standards and specifications. You may not sell any services or products that we have not authorized and you must discontinue offering any products that we may, in our sole discretion, disapprove in writing at any time.

We may periodically change required or authorized services and products. There are no limits on our right to do so. If we modify the System, you may be required to add or replace equipment, signs and fixtures, and you may have to make improvements or modifications as necessary to maintain uniformity with our current standards and specifications; however, you will not be required to spend more than \$15,000 during the initial term of the Franchise Agreement on all such improvements and modifications.

Periodically, we may allow certain services and products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based upon such factors as we determine, including test marketing, your qualifications, and regional or local differences.

Unless the customer initiates contact with you, you may not provide services or goods to a customer who resides outside of your area of primary responsibility. (See ITEM 12). Otherwise, we do not place restrictions on you with respect to who may be a customer of your franchised School.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The following tables list certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document

Provision	Section In the Franchise or Other Agreements	Summary
a. Length of the franchise term	Section 4.1	The initial term is five (5) years.
b. Renewal or extension of the term	Section 4.2	You may renew for three (3) additional terms of five (5) years each. If you fail to meet any one of the conditions in (c) below, we may refuse to renew or extend the terms of your Franchise Agreement.
c. Requirements for franchisee to renew or extend	Section 4.2	You may renew the Franchise Agreement if you: have substantially complied with the provisions of the Franchise Agreement; have the right to maintain possession of the approved location or an approved substitute location for the term of the renewal; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us; are not in default of any provision of the Franchise Agreement or any other agreement between you and us; have given timely written notice of your intent to renew; sign a current Franchise Agreement; comply with current qualifications and training requirements; and sign a general release the same as or similar to the General Release attached to the Franchise Agreement.
d. Termination by franchisee	Section 16.1	You may terminate the Franchise Agreement if you are in compliance with it and we materially breach it and we fail to begin to cure our breach within 30 days of receiving your written notice.
e. Termination by franchisor without cause	None	

Provision	Section In the Franchise or Other Agreements	Summary
f. Termination by franchisor with cause	Section 16.2	We may terminate the Franchise Agreement only if you are in default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate.
g. "Cause" defined-curable defaults	Section 16.2.2	If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Operations Manual, you can avoid termination of the Franchise Agreement if you cure the default within 30 days of receiving our notice of default. If a default arises from your failure to maintain insurance or your failure to make payments due to us, you can avoid termination of the Franchise Agreement if you cure the default within 10 days of receiving our notice of your failure to maintain insurance or your failure to make payments due to us. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate.
h. "Cause" defined-non-curable defaults	Section 16.2.1	We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you (or, at our discretion, any of your members, managers, shareholders, officers, directors or agents): fail to timely select an approved site for or establish, fail to establish and equip and begin operations of the franchised School; fail to have your designated manager or lead instructor satisfactorily complete training; fail to timely open or commence operations of the franchised School; made a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the franchised School; use the Operations Manual or other proprietary information in an unauthorized manner; if required, fail to have your owners (and members of their immediate families and households), officers, directors, managers, executives, employees and professional staff, and other individuals having access to proprietary information sign nondisclosure and non-competition agreements or, if requested, fail to provide us with copies of all signed nondisclosure and non-competition agreements; abandon the franchised School for 5 consecutive days; surrender or transfer control of the franchised School in an unauthorized manner; fail to maintain the franchised School under the supervision of an approved designated manager if you die or become disabled; submit reports on 2 or more separate occasions understating any

Provision	Section In the Franchise or Other Agreements	Summary
		amounts due by more than 3%; are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; misuse or make unauthorized use of the Marks, or proprietary information; fail on 2 or more occasions within any 12 months to submit reports or records or to pay any fees due us or any Affiliate; continue to violate any health, safety or other laws or operates the franchised School in a manner creating a health or safety hazard to customers; employees or the public; take any action reserved to us; fail to comply with applicable laws after notice; repeatedly breach the Franchise Agreement or comply with specifications; or default under any other agreement with us (or our Affiliate) so that we (or our Affiliate) have the right to terminate the Franchise Agreement.
i. Franchisee’s obligations on termination/non-renewal	Section 17.1	If the Franchise Agreement is terminated or not renewed, you must: stop operating the franchised School; stop using the proprietary information, the System and the Marks; if requested, assign your interest in the franchise location to us; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the termination provisions of the Franchise Agreement; return the Operations Manual and all trade secrets or other confidential information; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.
j. Assignment of contract by franchisor	Section 18.1	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. “Transfer” by franchisee -definition	Section 18.2	“Transfer” includes transfer of ownership in the Franchisee, the Franchise Agreement, the franchise location, the franchised School’s assets.
l. Franchisor’s approval of transfer by franchisee	Section 18.2	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.
m. Conditions for franchisor approval of transfer	Section 18.2	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed a general release the same as or similar to the General Release attached to the Franchise Agreement; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the

Provision	Section In the Franchise or Other Agreements	Summary
		<p>transferee sign the then current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a transfer fee of \$10,000; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed a non-competition agreement the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement; and the transferee has agreed that its designated manager will complete the initial training program before assuming management of the franchised School.</p>
<p>n. Franchisor's right of first refusal to acquire franchisee's franchised School</p>	<p>Section 19</p>	<p>We may match an offer for your franchised School or an ownership interest you propose to sell.</p>
<p>o. Franchisor's option to purchase franchisee's franchised School</p>	<p>Section 17.4</p>	<p>Except as described in (n) above, we do not have the right to purchase your franchised School; however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the franchised School for book value.</p>
<p>p. Death or disability of franchisee</p>	<p>Section 18.5</p>	<p>Following the death or incapacity of an owner of the franchised School or the death or incapacity of any holder of a legal or beneficial interest in the franchised School, your or his or her representative must transfer, subject to the terms of the Franchise Agreement, the individual's interest in the franchised School within 180 days of death or incapacity or we may terminate the Franchise Agreement.</p>
<p>q. Non-competition covenants during the term of the franchise</p>	<p>Section 7.4</p>	<p>You, your owners (and members of their families and households) and your officers, directors, executives, managers or professional staff with access to proprietary information are prohibited from: attempting to divert any business or customer of the franchised School to a competitive business; causing injury or prejudice to the Marks or the System; and owning or working for a competitive business.</p>

Provision	Section In the Franchise or Other Agreements	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 17.2	For one year after the termination or expiration of the Franchise Agreement, you and the holder of any legal or beneficial interest in the franchised School are prohibited from: owning or working for a competitive business operating within five miles of the franchise location; and soliciting or influencing any of our employees or business associates to compete with us or to terminate their relationship with us. We may also require any individual working with you who receives access to our trade secrets (including officers, directors, managers and professional staff) to enter an agreement that prohibits that individual from: owning or working for a competitive business operating within five miles of the franchise location for one year after termination of employment with you.
s. Modification of the agreement	Sections 9.2, 22.7 and 22.8	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Operations Manual without your consent.
t. Integration/merger clause	Section 22.7	Only the terms of the Franchise Agreement are binding. Any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	None	.
v. Choice of forum	Section 23.2	Subject to state law, (see state specific addenda); any litigation must be pursued in courts situated in Dane County, Wisconsin.
w. Choice of law	Section 23.1	Subject to state law, (see state specific addenda), Wisconsin law applies subject to your state law, except that disputes regarding the Marks may be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.).

These states have statutes that may supersede the Franchise Agreement concerning your relationship with us, including the areas of termination, renewal and transfer of the franchise and dispute resolution of the franchise: ARKANSAS (Ark. Code Ann. Sections 4-72-201 to 4-72-210); CALIFORNIA (Cal. Bus. & Prof. Code Sections 20000 to 20043); CONNECTICUT (Conn. Gen. Stat. Ann. Sections 42-133e to 42-133h); DELAWARE (Del. Code Ann. Tit. 6 Sections 2551 to 2556); FLORIDA (Stat., Section 542.335); HAWAII (Haw. Rev. Stat. Sections 482E-1 to 482E-12); ILLINOIS (815 ILCS 705/1-44); INDIANA (Ind. Code Ann. Sections 23-2-2.7-1 to 23-2-2.7-7); IOWA (Iowa Code, Ch. 523H, Sections 523H.1 to 523H.17); LOUISIANA (La. Rev. Stat. Ann. Tit. 23, Sections 921[E] and Tit. 12, Section 1042); MICHIGAN (Mich. Comp. Laws, Sections 445.1527 & 445.1535); MINNESOTA (Minn. Stat. Section 80C.14 and Minnesota Rules, Department of Commerce, Section 2860.4400); MISSISSIPPI (Miss. Code Ann. Sections 75-24-51 to 75-24-63); MISSOURI (Mo. Rev. Stat. Sections 407.400 to 407.420); NEBRASKA (Neb. Rev. Stat. Sections 87-401 to 87-410); NEW JERSEY (N.J. Rev. Stat. Sections 56:10-1 through 56:10-12); NORTH CAROLINA (Chpt. 22B, Sec. 3); PUERTO RICO (Ann., Sections 278 to 278d); SOUTH DAKOTA (S.D. Codified Laws, Section 37-5A-51); VIRGIN ISLANDS (Code, Sections 130-139); VIRGINIA (Va. Code Ann. Sections 13.1-557 through 13.1-574); WASHINGTON (Wash. Rev. Code Sections 19.100.180 to 19.100.190); WISCONSIN (Wis. Stat. Sections 135.01 to 135.07). These and other states may have court decisions that may supersede the Franchise Agreement concerning your relationship with us, including the areas of termination, renewal and transfer of the franchise and dispute resolution of the franchise.

ITEM 18. PUBLIC FIGURES

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

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with 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 Hans Paulson, 6220 Nesbitt Road, Fitchburg, Wisconsin 53719, (608) 235-9932, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISE INFORMATION

FRANCHISED SCHOOL STATUS SUMMARY FOR THE YEAR ENDING DECEMBER 31, 2022							
State	Transfers	Cancelled or Terminated	Not Renewed	Reacquired by Us	Left the System - Other	Total From Left Columns	Franchises Operating at Year-End
Total	0	0	0	0	0	0	0

As of the date of this Offering Circular, there are no franchisees who have had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the application date.

STATUS OF COMPANY AND AFFILIATE-OWNED SCHOOLS FOR THE YEARS ENDING DECEMBER 31, 2022/2021/2020			
State	Schools Closed During Year	Schools Opened During Year	Total Schools Operating at Year-End
Wisconsin*	0/0/0	0/0/0	8/8/8
Total	0/0/0	0/0/0	8/8/8

* The Infinity Martial Arts Schools referred to in this table are owned and operated by our Affiliates, Foot Fist Investment Corporation, Infinity Martial Arts, Inc., and Fortitude Martial Arts, Inc..

PROJECTED OPENINGS DURING THE YEAR ENDING DECEMBER 31, 2023			
State	Projected Franchise Agreements Signed but School not Open**	Projected New Franchised Schools Opening in 2023	Projected Company Owned Openings in 2023
Wisconsin	0	0	0
Total*	0	0	0

* We project selling one or two of our existing Affiliate-owned schools during the remainder of our current fiscal year ending December 31, 2023. We currently offer and sell franchises only in Wisconsin.

** As of December 31, 2022

PROJECTED OPENINGS AS OF DECEMBER 31, 2023			
State	Franchise Agreements Signed But Outlet Not Yet Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Wisconsin	0	0	1
Total	0	0	1

Franchisor has no franchisees that are operating at the time of this Disclosure Document issuance date. 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 MAY SIGN PROVISIONS RESTRICTING THEIR ABILITY TO SPEAK OPENLY ABOUT THEIR EXPERIENCE WITH INFINITY MARTIAL ARTS 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.

ITEM 21. FINANCIAL STATEMENTS

Our fiscal year end is December 31.

ITEM 22. CONTRACTS

The Kicker Guy Franchises LLC Franchise Agreement (with exhibits) is attached to this Disclosure Document as Exhibit B.

The Kicker Guy Franchises LLC General Release is attached to the Franchise Agreement as Exhibit 1.

The Kicker Guy Franchises LLC Nondisclosure and Non-Competition Agreement is attached to the Franchise Agreement as Exhibit 2(a) (for holders of a legal or beneficial interest in the Franchise) and as Exhibit 2(b) (for any other recipients of Trade Secrets).

The Kicker Guy Franchises LLC Unlimited Guaranty and Assumption of Obligations is attached to the Franchise Agreement as Exhibit 3.

The Kicker Guy Franchises LLC, Form of Collateral Assignment of Lease and Lease Rider are attached to the Franchise Agreement as Exhibit 4.

The Kicker Guy Franchises LLC, Franchisee Acknowledgement is attached as Exhibit E.

We provide no other contracts or agreements for your signature.

ITEM 23. RECEIPT

Our copy and your copy of the Franchise Disclosure Document Receipt are located on the last 2 pages of this Disclosure Document.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS; DISCLOSURE DOCUMENT EFFECTIVE DATES FOR EACH STATE

The following is a list of state administrators and state agents for service of process responsible for registration and review of franchises and the Effective Date of this Disclosure Document for these states. The Effective Date of this Disclosure Document for any state that is not included in this list is as shown on the cover of the Disclosure Document. We may register in one or more of these states.

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Business Oversight California Department of Business Oversight	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21 st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001

		518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex– Building 69-1 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	Virginia State Corporation Commission Division of Securities and Retail	1300 East Main Street, 9 th Floor Richmond, VA 23219-3630 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

EXHIBIT B TO THE DISCLOSURE DOCUMENT

FRANICHISE AGREEMENT

KICKER GUY FRANCHISES LLC

FRANCHISE AGREEMENT

This Franchise Agreement, made this ____ day of _____, 20____, is by and between Kicker Guy Franchises LLC, a Wisconsin limited liability company, having its principal place of business at 6220 Nesbitt Road, Fitchburg, Wisconsin 537019 (“Franchisor”), and _____, whose principal address is _____, an individual/partnership/corporation/limited liability company established in the State of _____ (“Franchisee”).

RECITALS

Franchisor and its Affiliates* have developed, and are continuing to develop, a System identified by the trademark “INFINITY MARTIAL ARTS” relating to the establishment and operation of schools that provide martial arts instruction, which are referred to in this Agreement as “Infinity Martial Arts Schools.” In addition to the Marks, the distinguishing characteristics of the System include uniform standards and procedures for business operations; procedures and strategies for sales, marketing, advertising and promotions; customer service techniques; the Manual; and training courses, all of which Franchisor may improve, further develop or otherwise modify periodically.

Franchisor grants to qualified persons the right to own and operate a single Infinity Martial Arts School using the System and the Marks. Franchisee desires to operate a Infinity Martial Arts School and has applied for a franchise, and Franchisor has approved Franchisee’s application in reliance upon all of the representations made therein; and

NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, agree as follows:

1 DEFINITIONS

Whenever used in this Agreement, the following words and terms have the following meanings:

“**Affiliate(s)**” means any business entity that controls, is controlled by, or is under common control with Franchisor;

“**Agreement**” means this agreement entitled “Kicker Guy Franchises LLC Franchise Agreement” and all instruments supplemental hereto or in amendment or confirmation hereof;

“**Approved Location**” means the site for the operation of the Franchised School selected by Franchisee and approved in writing by Franchisor;

“**Approved Supplier(s)**” has the meaning given to such term in Section 13.1;

“**Area of Primary Responsibility**” has the meaning given to such term in Section 2.5;

“**Competitive Business**” means any business (or any business that grants franchises or licenses to others to operate a business that offers or provides) services the same as or similar to those provided by Infinity Martial Arts Schools, or in which Proprietary Information could be used to the disadvantage of Franchisor, its Affiliate(s) or its other franchisees; provided, however, that the term “Competitive Business” shall not apply to (a) any business

* Capitalized terms not defined in the text are defined in Section 1.

operated by Franchisee under a Franchise Agreement with Franchisor, or (b) any business operated by a publicly held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest;

“Designated Area” has the meaning given to such term in Section 2.3;

“Designated Manager” is the individual designated in writing by Franchisee as having primary responsibility for managing the day-to-day affairs of the Franchised School, subject to the provisions of Section 13.3;

“Effective Date” means the date on which this Agreement is fully executed, thereby commencing its effectiveness and term;

“Electronic Depository Transfer Account” means an account maintained by Franchisee with a banking institution approved by Franchisor and providing Franchisor with access sufficient to electronically withdraw any funds due Franchisor;

“Franchise” means the right granted to Franchisee by Franchisor to use the System and the Marks;

“Franchised School” means the Infinity Martial Arts School to be established and operated by Franchisee pursuant to this Agreement;

“Franchisee” means the individual or entity defined as “Franchisee” in the introductory paragraph of this Agreement;

“Franchise Fee” has the meaning given to such term in Section 3.1;

“Franchised School” means the Infinity Martial Arts School to be established and operated by Franchisee pursuant to this Agreement;

“Franchisor” means Kicker Guy Franchises LLC.;

“Franchisor Indemnities” has the meaning given to such term in Section 21.3;

“Generally Accepted Accounting Principles” or **“GAAP”** means the standards, conventions and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements;

“Gross Sales” means the aggregate of all revenue from the sale of products and services from all sources in connection with the Franchised School whether or not collected by Franchisee and whether for check, cash, credit or otherwise including, without limitation, all proceeds from any business interruption insurance, but excluding (a) all refunds made in good faith, (b) any sales and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, (c) the value of any allowance issued or granted to any customer of the Franchised School that is credited by Franchisee in full or partial satisfaction of the price of any products and services offered in connection with the Franchised School, and (d) any rebate received by Franchisee from a manufacturer or supplier;

“Gross Sales Report” has the meaning given to such term in Section 12.2;

“Incapacity” means the inability of Franchisee, or any holder of a legal or beneficial interest in Franchisee, to operate or oversee the Franchised School on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation;

“Internet” means any one (1) or more local or global interactive communications media that is now available, or that may become available, including sites and domain names on the World Wide Web;

“Lead Instructor” is the individual designated in writing by Franchisee to serve as the lead instructor in providing instruction to Franchisee’s customers, subject to the provisions of Section 13.4;

“Local Advertising” has the meaning given to such term in Section 11.2;

“Manual” means the INFINITY MARTIAL ARTS Operations Manual, and any other items as may be provided, added to, changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers’ manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, Franchisor;

“Marketing Fund” has the meaning given to such term in Section 11.3;

“Marketing Fund Contribution” has the meaning given to such term in Section 11.3;

“Marks” means the trademark “INFINITY MARTIAL ARTS.” and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, copyrights, drawings and other commercial symbols as Franchisor may designate to be used in connection with Infinity Martial Arts Schools;

“Proprietary Information” means technical and non-technical information not commonly known by or available to the public, including any information identified as confidential when delivered by Franchisor. Proprietary Information shall not include, however, any information that: (a) is now or subsequently becomes generally available to the public through no fault of Franchisee; (b) Franchisee can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

“Royalty Fee” has the meaning given to such term in Section 3.2;

“System” means the uniform standards, methods, procedures and specifications developed by Franchisor and as may from time to time be added to, changed, modified, withdrawn or otherwise revised by Franchisor, in its sole discretion, for the operation of a Infinity Martial Arts School; and

“Webpage Development Fee” has the meaning given to such term in Section 3.2.

2 GRANT OF FRANCHISE; APPROVED LOCATION

2.1 Grant

Franchisor hereby grants to Franchisee, and Franchisee undertakes and accepts, upon the terms and conditions herein contained, a revocable, limited license to operate one (1) Infinity Martial Arts School using the System and Marks. Franchisee shall not sublicense the use of the System or Marks to any person or entity. Except as may be permitted pursuant to Section 18, Franchisee shall not grant any person or entity the right to perform any part of Franchisee's rights or obligations licensed hereunder.

2.2 Approved Location

The street address (or detailed description of the premises) of the Approved Location is:

2.3 Approved Location Not Determined

If the Approved Location is determined as of the Effective Date, then this Section shall be inapplicable. If the Approved Location of the Franchised School is not determined as of the Effective Date, then the geographic area in which the Franchised School is to be located shall be within a defined area that is described below ("Designated Area"). Franchisee shall select and submit possible sites for Franchisor's evaluation in accordance with Section 5.1. When the Approved Location is determined, its address shall be inserted into Section 2.2 shall be initialed and dated by Franchisee and Franchisor and the Designated Area shall lapse. The failure to insert such address into Section 2.2 shall not automatically affect the enforceability of this Agreement. The Designated Area is delineated for the sole purpose of site selection and does not confer any territorial exclusivity or protection. A detailed description of the geographic area or boundaries of the Designated Area is:

2.4 Area of Primary Responsibility

So long as this Agreement is in force and effect and Franchisee is not in default under any of the terms hereof, subject to Franchisor's reservation of rights set forth in Section 2.7, Franchisor shall not establish, own or operate, or license any other person to establish, own or operate, any other Franchised School or other substantially similar business within a geographic area ("Area of Primary Responsibility") surrounding the Franchised School and depicted in the map in Section 2.6 below.

2.5 Map and Description of Area of Primary Responsibility

2.5.1 *The Area of Primary Responsibility shall be defined by and exist within the following zip codes or other physical, political or natural boundaries:*

2.5.2 *The map of the Area of Primary Responsibility is:*

2.6 Franchisor's Rights

Franchisee acknowledges that except to the extent provided in Section 2.5 above, Franchisor expressly retains all rights and discretion with respect to the Marks and System, including the right to:

2.6.1 establish, own or operate, and license others to establish, own or operate, Infinity Martial Arts Schools outside of the Area of Primary Responsibility as Franchisor deems appropriate;

2.6.2 establish, own or operate, and license others to establish, own or operate other businesses under other systems using other trademarks at locations inside and outside of the Area of Primary Responsibility;

2.6.3 purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to the Franchised School (and/or acquire franchise, license and/or similar agreements for such businesses), some or all of which may be located anywhere, including within the Area of Primary Responsibility. If Franchisor purchases or acquires franchises or licenses, Franchisor may, in its sole discretion, act as franchisor or licensor with respect to such franchisees or licensees wherever located, pursuant to the individual franchise or license agreement(s) between Franchisor and such franchisee(s) or licensee(s). If Franchisor purchases or acquires such businesses within the Area of Primary Responsibility which are not franchised or licensed, Franchisor may, in its sole discretion:

2.6.3.1 offer to sell any such businesses to Franchisee or to any third party at the business's fair market value to be operated as a Infinity Martial Arts School; or

2.6.3.2 offer Franchisee the opportunity to operate such business(s) in partnership with Franchisor (or an Affiliate) under the business(s) existing trade name or a different trade name.

2.6.4 be acquired (regardless of the form of transaction) by any business, even if the other business operates, franchises and/or licenses Competitive Businesses within the Area of Primary Responsibility;

2.6.5 provide the services and sell the products authorized for Infinity Martial Arts Schools using the Marks or other trademarks, service marks and commercial symbols through an alternate channel of distribution, such as joint marketing with partner companies, direct mail and Internet sales; provided, however, that no such sales shall be made to any Competitive Business within the Area of Primary Responsibility; and

2.6.6 engage in any activities not expressly forbidden by this Agreement.

2.7 Marketing and Solicitation Restrictions

Franchisee shall not directly market to or solicit customers whose principal residence (or principal business office, if the customer is a business entity) is within the area of primary responsibility of another franchisee. Franchisee shall not advertise in any media whose primary circulation is within the area of primary responsibility of another franchisee. Franchisor shall make reasonable efforts to enforce these restrictions with regard to Franchisee and any other Franchised Businesses, but under no circumstances shall Franchisor be required to engage in litigation or similar actions with regard to these restrictions.

3 FEES

3.1 Franchise Fee

Upon execution of this Agreement, Franchisee shall pay a fee (“Franchise Fee”) to Franchisor of THIRTY THOUSAND DOLLARS U.S. (\$30,000.00). The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is nonrefundable, except under certain conditions set forth under Sections 5.2, 5.5, 5.7 and 8.3. The Franchise Fee is payment, in part, for expenses incurred by Franchisor in furnishing assistance and services to Franchisee as set forth in this Agreement and for costs incurred by Franchisor, including general sales and marketing expenses, training, legal, accounting and other professional fees.

3.2 [RESERVED]

3.3 Monthly Royalty Fee

On or before the fifth business day of each month, Franchisee shall pay to Franchisor without offset, credit or deduction of any nature, so long as this Agreement shall be in effect, a monthly fee (“Royalty Fee”) equal to six percent (6%) of Gross Sales for the previous month [or monthly rate for Franchisees who have purchased an Affiliate-owned School]. Each monthly Royalty Fee payment shall be accompanied with a Gross Sales Report, as required by Section 12.2, for the same period. If Franchisor requires Franchisee to pay Royalty Fees through electronic transfer as set forth in Section 3.5, such reports shall be submitted to Franchisor via facsimile transmission or electronic mail.

3.4 Taxes

Franchisee shall pay to Franchisor an amount equal to all sales taxes, excise taxes, withholding taxes, use taxes and similar taxes imposed on the fees payable by Franchisee to Franchisor hereunder and on services or goods furnished to Franchisee by Franchisor, whether such services or goods are furnished by sale, lease or otherwise, unless the tax is an income tax assessed on Franchisor for doing business in the state where the Franchised School is located.

3.5 Electronic Transfer

Franchisor has the right to require all Royalty Fees, amounts due for purchases by Franchisee from Franchisor and other amounts due to Franchisor to be paid through an Electronic Depository Transfer Account. At Franchisor’s request, Franchisee shall open and maintain an Electronic Depository Transfer Account, and shall provide Franchisor with continuous access to such account for the purpose of receiving any payments due to Franchisor. Every week, Franchisee shall make timely deposits to the account sufficient to cover amounts owed to Franchisor prior to the date such amounts are due. Franchisee shall execute any documents Franchisor’s or Franchisee’s bank requires to establish and implement the Electronic Depository Transfer Account. Once established, Franchisee shall not close the Electronic Depository Transfer Account without Franchisor’s written consent.

3.6 Late Fees

All Royalty Fees or other, amounts due for purchases by Franchisee from Franchisor and other amounts that are not received by Franchisor within five (5) days after the due date shall incur late fees at the rate of one and one-half percent (1.5%) per month (or the highest rate allowed by law of the state where Franchisee is located, whichever is lower) from the date payment is due to the date payment is received by Franchisor. Franchisee shall pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and past due Royalty Fees or any other amounts due Franchisor, including reasonable accounting and legal fees and expenses.

3.7 Application of Payments

Notwithstanding any designation by Franchisee, Franchisor shall have the sole discretion to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, purchases from Franchisor or any other amount owed to Franchisor.

4 TERM AND RENEWAL

4.1 Initial Term

This Agreement shall be effective and binding for an initial term of five (5) years from the Effective Date, unless sooner terminated pursuant to Section 16.

4.2 Successor Terms

Subject to the conditions below, Franchisee has the right to obtain a successor franchise at the expiration of the term of this Agreement by entering into a new franchise agreement with Franchisor. Franchisee's right to obtain a successor franchise is limited to three (3) successive terms of five (5) years each, such that the total term of the Franchise shall not exceed twenty (20) years. To qualify for a successor franchise, each of the following conditions shall have been fulfilled and remain true as of the last day of the term of this Agreement:

4.2.1 Franchisee has, during the entire term of this Agreement, fully complied with all material provisions of this Agreement;

4.2.2 Franchisee has access to and, for the duration of the successor franchise's term, the right to remain in possession of the Approved Location, or a suitable substitute location approved by Franchisor, which is in full compliance with Franchisor's then-current specifications and standards;

4.2.3 Franchisee has, at its expense, made such capital expenditures as were necessary to maintain uniformity with any Franchisor-required System modifications such that the Franchised School reflects Franchisor's then-current standards and specifications;

4.2.4 Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor (or any Affiliate), and has timely met these obligations throughout the term of this Agreement;

4.2.5 Franchisee is not in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor;

4.2.6 Franchisee has given written notice of its intention to operate a successor franchise to Franchisor not less than nine (9) months nor more than twelve (12) months prior to the end of the term of this Agreement;

4.2.7 Franchisee has executed Franchisor's then-current form of franchise agreement, or has executed other such documents at Franchisor's election (with appropriate modifications to reflect the fact that the Franchise Agreement relates to the grant of a successor franchise), which franchise agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee or a marketing fund contribution; provided, however, that Franchisee shall not be required to pay the then-current Franchise Fee;

4.2.8 Franchisee has complied with or agrees to comply with Franchisor's then-current qualifications for a new franchise and has agreed to comply with any training requirements; and

4.2.9 *Franchisee has executed a general release, in a form the same as or similar to the General Release attached as Exhibit 1, of any and all claims against Franchisor, its Affiliate(s) and against their officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), except to the extent prohibited by the laws of the state where the Franchised School is located.*

5 APPROVED LOCATION; DEVELOPMENT

5.1 Selection of Site

If an Approved Location for the Franchised School has not been determined as of the Effective Date, Franchisee shall promptly select a site for the Franchised School and shall notify Franchisor of such selection. Franchisor shall evaluate the site and notify Franchisee of its approval or disapproval of the site within a reasonable time (usually thirty [30] days) of receiving notice of the site from Franchisee. If Franchisor approves of such selection, the site shall be designated as the Approved Location. If Franchisor does not approve of such selection, Franchisee shall select and notify Franchisor of new sites until Franchisor approves a site for the Franchised School. Franchisor shall provide Franchisee with general guidelines to assist Franchisee in selecting a site suitable for the Approved Location. Franchisor has the right to approve or disapprove a proposed location based on such factors as it deems appropriate, including the condition of the premises, demographics of the surrounding area, proximity to other Infinity Martial Arts Schools, proximity to other Competitive Businesses, lease requirements, traffic patterns, visibility, vehicular and pedestrian access, available parking and overall suitability. Franchisee shall not locate the Franchised School on a selected site without the prior written approval of Franchisor. *Franchisor does not represent that it or any of its Affiliates, owners, employees or agents have special expertise in selecting sites. Neither Franchisor's assistance nor approval is intended to indicate or indicates that the Franchised School will be profitable or successful at the Approved Location. Franchisee is solely responsible for identifying the Approved Location.*

5.2 Failure to Select Site

Should Franchisee fail to select a site for the Franchised School, which meets with Franchisor's approval within ninety (90) days after the Effective Date, Franchisor has the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 5.2, Franchisor shall return to Franchisee eighty percent (80%) of the Franchise Fee paid by Franchisee upon Franchisor's receipt of a general release, the same as or similar to the General Release attached as Exhibit 1, releasing any and all claims against Franchisor, any Affiliate and their officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities).

5.3 Lease of Approved Location

After the designation of the Approved Location, Franchisee shall execute a lease for, or a binding agreement to purchase, the Approved Location, the terms of which must have been previously approved by Franchisor. Franchisor shall not unreasonably withhold its approval. *Franchisor's review of a lease or purchase agreement, or any advice or recommendation offered by Franchisor, shall not constitute a representation or guarantee that Franchisee will succeed at the Approved Location nor constitute an expression of Franchisor's opinion regarding the terms of such lease or purchase agreement. Franchisee acknowledges and agrees that Franchisee shall solely rely on Franchisee's review and its attorney's review of any such lease.* Franchisor shall be entitled to require that nothing therein contained is contradictory to, or likely to interfere with, Franchisor's rights or Franchisee's duties under this Agreement. Franchisee shall take all actions necessary to maintain the lease, if any, of the Approved Location while this Agreement is in effect. Any default for which the lease may be terminated shall also be deemed a default hereunder and the time to cure the same shall expire when the lease is terminated. Franchisor has the right to require that the lease for the Approved Location be collaterally assigned by Franchisee to Franchisor, pursuant to the terms of its standard collateral assignment of lease form attached as Exhibit 4, to secure performance by Franchisee of its obligation under this Agreement. Franchisor's approval of a lease shall be conditioned upon inclusion of terms in the

lease acceptable to Franchisor (including the terms of the Lease Rider attached as Exhibit 4) and, at Franchisor's option, the lease shall contain such provisions as Franchisor may reasonably require, including the following:

5.3.1 *a provision reserving to Franchisor the right, at Franchisor's election, to receive an assignment of the leasehold interest without payment of any assignment fee or similar charge and without any increase in rent or other fees upon termination or expiration of the Franchise grant. The lessor agrees that, before the effective date of any assignment of the lease to Franchisor (or its designee), Franchisee shall be solely responsible for all obligations, debts and payments under the lease;*

5.3.2 *a provision requiring the lessor to provide Franchisor with a copy of any written notice of deficiency sent by the lessor to Franchisee, and granting to Franchisor, in its sole discretion and sole option, the right (but not the obligation) to cure any deficiency under the lease should Franchisee fail to do so within fifteen (15) days after the expiration of the period in which Franchisee may cure the default;*

5.3.3 *a provision requiring the lessor to provide Franchisor (at the same time lessor provides to Franchisee) a copy of all lease amendments and assignments, and a copy of all letters and notices lessor sends to Franchisee relating to the lease or the leased premises;*

5.3.4 *a provision permitting Franchisor to enter the leased premises to make any modifications or alterations necessary in Franchisor's sole discretion to protect the System and the Marks without being guilty of trespass, or other tort or other crime;*

5.3.5 *a provision allowing Franchisee to display the Marks in accordance with the specifications required by the Manual, subject only to the provisions of applicable law;*

5.3.6 *a provision prohibiting the premises from being used for any purpose other than the operation of the Franchised School;*

5.3.7 *a provision stating that upon default of this Agreement, Franchisor or its nominee has the right to take possession of the premises and operate the Franchised School; and*

5.3.8 *a provision allowing Franchisor, upon expiration and non-renewal or termination of the lease or the Franchise Agreement, to enter the premises and remove any signs containing the Marks.*

5.3.9 *a provision stating that lessor shall not amend or otherwise modify the lease in any manner that would affect any of the foregoing provisions to be included in the lease set forth above without Franchisor's prior written consent.*

5.4 Development of Approved Location

Franchisor shall make available to Franchisee, at no charge to Franchisee, specifications (but not construction drawings or blueprints) for the development of an Infinity Martial Arts School, including specifications for exterior and interior design and layout, fixtures, equipment, décor and signs. Such specifications are subject to alteration as may be necessary in Franchisor's sole discretion. Franchisee shall cause the Approved Location to be developed, equipped and improved in accordance with such specifications within one hundred fifty (150) days after the Effective Date.

5.5 Failure to Develop Approved Location

Should Franchisee fail to develop the Approved Location for the Franchised School within one hundred eighty (180) days after the Effective Date, Franchisor has the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 5.5, Franchisor shall return to Franchisee eighty percent (80%) of

the Franchise Fee paid by Franchisee upon Franchisor's receipt of a general release, the same as or similar to the General Release attached as Exhibit 1, releasing any and all claims against Franchisor, any Affiliate and their officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities).

5.6 Opening

Before opening the Franchised School and commencing business, Franchisee must fulfill all of its obligations set forth in any other provision of this Section 5; furnish Franchisor with copies of all insurance policies required by this Agreement, or by the lease, or such other evidence of insurance coverage and payment of premiums as Franchisor may request; complete initial training to the satisfaction of Franchisor; and hire and train the personnel necessary or required for the operation of the Franchised School.

5.7 Failure to Open

Should Franchisee fail to commence operations of the Approved Location for the Franchised School within one hundred fifty (150) days after the Effective Date, Franchisor has the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 5.7, Franchisor shall retain twenty percent (20%) of the entire Franchise Fee paid by Franchisee. The amount retained shall be specifically understood and agreed by the parties to be in consideration of the services provided, time expended, work performed, and other efforts of Franchisor up to the date of Franchisee's failure to timely commence operations of the Franchised School and shall not be construed as nor considered to be a penalty.

5.8 Use of Approved Location

Franchisee shall not use the Approved Location for any purpose other than for the operation of a Infinity Martial Arts School in full compliance with this Agreement and the Manual, unless approved in writing by Franchisor.

5.9 Relocation

Franchisee shall not relocate the Franchised School without the prior written consent of Franchisor, which may be withheld at Franchisor's sole discretion. If the lease for the Approved Location expires or is terminated without the fault of Franchisee or if the Franchised School's premises is destroyed, condemned or otherwise rendered unusable, or as otherwise may be agreed upon in writing by Franchisor and Franchisee, Franchisor may, in its reasonable discretion, allow Franchisee to relocate the Franchised School. Any such relocation shall be at Franchisee's sole expense, and shall proceed in accordance with the requirements set forth in Sections 5.1 through 5.8. Franchisor has the right to charge Franchisee for any costs incurred by Franchisor in providing assistance to Franchisee, including legal and accounting fees. Notwithstanding the foregoing, Franchisor has no obligation to provide relocation assistance. If Franchisor and Franchisee do not agree upon a substitute site within ninety (90) days after the lease expires or is terminated or the Approved Location is rendered unusable, this Agreement will terminate as provided in Section 16.2.1.1.

6 PROPRIETARY MARKS

6.1 Ownership

Franchisee's right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct of business by Franchisee pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee's use of the Marks, and any goodwill created thereby, shall inure to the benefit of Franchisor. Franchisee shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the

Marks. This Agreement does not confer any goodwill, title or interest in the Marks to Franchisee. Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.2 Limitations on Use

Franchisee shall not use any Mark or portion of any Mark as part of any business entity name. Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give such notices of trademark and service mark registrations as Franchisor specifies and obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Franchised School. Franchisee shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to Franchisee. Franchisee shall include on its letterhead, forms, cards and other such identification, and shall display at the Approved Location, a prominent notice stating that the Franchised School is an "Independently Owned and Operated INFINITY MARTIAL ARTS CO. Franchisee." Any vehicle wraps used by Franchisee that incorporate the Marks or trade dress of Franchisor must be approved in advance by Franchisor.

6.3 Notification of Infringements and Claims

Franchisee shall immediately notify Franchisor in writing of any infringement of the Marks or challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. Franchisee shall not communicate with any person other than Franchisor and Franchisor's counsel in connection with any such infringement, challenge or claim; provided, however, Franchisee may communicate with Franchisee's counsel at Franchisee's expense. Franchisor shall have sole discretion to take such action as deemed appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks. Franchisee shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain Franchisor's interests in any such litigation or other proceeding or to otherwise protect and maintain Franchisor's interest in the Marks.

6.4 Discontinuance of Use

If it becomes necessary, in Franchisor's sole discretion, for Franchisee to modify or discontinue use of any of the Marks, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions within ten (10) business days after notice to Franchisee by Franchisor and subject to the limitations in Section 10.2. Franchisor shall not be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified or substitute Mark.

6.5 Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that Franchisee is properly employing the Marks in the operation of the Franchised School, Franchisor and its designees have the right to enter and inspect the Franchised School and the Approved Location at all reasonable times and, additionally, have the right to observe the manner in which Franchisee renders services and conducts activities and operations, and to inspect inventory, facilities, equipment, accessories, products, supplies, reports, forms and documents and related data to ensure that Franchisee is operating the Franchised School in accordance with the quality control provisions and performance standards established by Franchisor. Franchisor or its designee has the right to observe Franchisee and its employees during the operation of the Franchised School and to interview customers and employees and to photograph and videotape the premises.

6.6 Franchisor's Sole Right to Domain Name

Franchisee shall not establish, create or operate an Internet site or website using a domain name or uniform resource locator containing the Marks or the words "INFINITY MARTIAL ARTS CO.", "@infinityma.com" or any variation thereof. Franchisor has the exclusive right to advertise on the Internet and create websites using or containing the "INFINITY MARTIAL ARTS CO." name, @infinityma.com and any other Mark. Franchisor is the sole owner of all right, title and interest in and to such domain names as Franchisor shall designate in the Manual.

7 PROPRIETARY INFORMATION

7.1 Confidentiality of Proprietary Information

Franchisee acknowledges that Franchisor shall disclose Proprietary Information to Franchisee during the training program, through the Manual, and as a result of guidance furnished to Franchisee during the term of this Agreement. Franchisee shall not acquire any interest in the Proprietary Information, other than the right to use it in the development and operation of the Franchised School and in performing its duties during the term of this Agreement. Franchisee acknowledges that the use or duplication of the Proprietary Information in any other business venture would constitute an unfair method of competition. Franchisee acknowledges that the Proprietary Information is proprietary and disclosed to Franchisee solely on the condition that Franchisee (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers and members of the professional staff of Franchisee): (a) shall not use the Proprietary Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the her Proprietary Information during and after the term of this Agreement; (c) shall not make any unauthorized copies of any portion of the ther Proprietary Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Proprietary Information. Franchisee shall enforce this Section as to its employees, agents and representatives and shall be liable to Franchisor for any unauthorized disclosure or use of Proprietary Information by any of them.

7.2 Additional Developments

All ideas, concepts, techniques or materials concerning the System or developed, in whole or in part, using Proprietary Information, whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees, shall be promptly disclosed to Franchisor and shall be deemed the sole and exclusive property of Franchisor and works made-for-hire for Franchisor, and no compensation shall be due to Franchisee or its owners or employees therefore and Franchisee hereby assigns and agrees to assign to Franchisor all right, title and interest in any intellectual property so developed. At Franchisor's discretion, such items may be incorporated into the System. To the extent any item does not qualify as a "work made-for-hire" for Franchisor, Franchisee shall assign, and by this Agreement, does assign, ownership of that item, and all related rights to that item, to Franchisor and shall sign any assignment or other document as Franchisor requests to assist Franchisor in obtaining or preserving intellectual property rights in the item. Franchisor shall disclose to Franchisee concepts and developments of other franchisees that are made part of the System. As Franchisor may reasonably request, Franchisee shall take all actions to assist Franchisor's efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Franchisee or not.

7.3 Exclusive Relationship

Franchisee acknowledges that Franchisor would be unable to protect the Proprietary Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among INFINITY MARTIAL ARTS CO. franchisees if owners of Infinity Martial Arts Schools were permitted to hold an interest in or perform services for any Competitive Business. Therefore, during the term of this Agreement, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee, either directly or indirectly, for themselves, or through,

on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall:

7.3.1 *Divert or attempt to divert any business or customer of the Franchised School to any Competitive Business, 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 or the System; or*

7.3.2 *Own an interest in, manage, operate, or perform services for any Competitive Business wherever located.*

7.4 Nondisclosure and Non-Competition Agreements with Certain Individuals

Any holder of a legal or beneficial interest in Franchisee must execute and deliver to Franchisor a standard form nondisclosure and non-competition agreement, in a form the same or similar to the Nondisclosure and Non-Competition Agreement attached as Exhibit 2(a), upon execution of this Agreement (or at the time that any legal or beneficial interest in Franchisee is subsequently acquired). Franchisee also agrees to obtain an executed standard form nondisclosure and non-competition agreement from any other individual who will receive access to Proprietary Information under this Agreement (including Lead Instructors, officers, directors, executives and managers of Franchisee), in a form the same or similar to the Nondisclosure and Non-Competition Agreement attached as Exhibit 2(b), prior to providing access to any Proprietary Information to such individual. Upon Franchisor's request, Franchisee shall provide Franchisor with copies of all nondisclosure and non-competition agreements that it obtains, and such agreements will remain on file at the offices of Franchisee and are subject to audit or review as otherwise set forth herein. Franchisor shall be a third-party beneficiary with the right to enforce covenants contained in any nondisclosure and non-competition agreements obtained by Franchisee.

7.5 Reasonableness of Restrictions

Franchisee acknowledges that the restrictive covenants contained in this Section are essential elements of this Agreement and that without their inclusion, Franchisor would not have entered into this Agreement. Franchisee acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisor, the System and the Marks.

8 TRAINING AND ASSISTANCE

8.1 Initial Training

Franchisor shall make an initial training program available to the Designated Manager, Lead Instructor and administrator. Prior to the opening of the Franchised School, Franchisee shall identify a Lead Instructor to Franchisor in writing, and the Designated Manager, Lead Instructor and administrator (one individual may have more than one role) must attend and successfully complete, to Franchisor's satisfaction, an initial training program pertaining to operation of the Franchised School including, but not limited to, maintenance of quality standards; instruction techniques; sales and marketing methods; safety programs financial controls; record keeping and reporting procedures, and other operational issues. Franchisor shall conduct the initial training program at its headquarters or at another designated location. Franchisor shall not charge tuition or similar fees for initial training; however, all expenses incurred by Franchisee in attending such program including, but not limited to, travel costs, room and board expenses and employees' salaries, shall be the sole responsibility of Franchisee. Franchisee shall be responsible for training its management and other employees. Franchisor may waive these requirements in whole or in part, in its sole discretion, if the Designated Manager, Lead Instructor or administrator have comparable experience from previous employment or engagements.

8.2 Opening Assistance

In conjunction with the beginning of operation of the Franchised School, Franchisor shall make available to Franchisee, at Franchisor's expense, one (1) of Franchisor's representatives, experienced in the System, for the purpose of providing general guidance in connection with the opening of the Franchised School for a maximum of 14 days. If Franchisee requests or Franchisor determines additional assistance is required with respect to the opening or continued operation of the Franchised School, and should Franchisor deem it necessary and appropriate to comply with such request, Franchisee shall pay Franchisor's then-current standard rates, plus expenses, for such additional assistance.

8.3 Failure to Complete Initial Training Program

If Franchisor determines, in its sole discretion, that the Designated Manager is unable to satisfactorily complete the training program described above, Franchisor has the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 8.3, Franchisor shall return to Franchisee eighty percent (80%) of the Franchise Fee paid by Franchisee upon Franchisor's receipt of a general release the same as or similar to the General Release attached as Exhibit 1 releasing any and all claims against Franchisor, any Affiliate and their officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities).

8.4 New Designated Manager or Lead Instructor

After beginning operations, should Franchisee name a new Designated Manager or Lead Instructor, Franchisee must notify Franchisor of the identity of the new Designated Manager and the new Designated Manager must complete the initial training program to Franchisor's satisfaction within sixty (60) days of being named. The new Designated Manager or Lead Instructor may attend the initial training program without charge, provided that Franchisor has the right to require Franchisee to pay the costs of training if Franchisor determines that manager or lead instructor changes are excessive or caused by poor hiring practices. Franchisee shall be responsible for all travel costs, room and board and employees' salaries incurred in connection with the Designated Manager's or Lead Instructor's attendance at such training. The appointment of a Designated Manager or Lead Instructor is subject to the terms and conditions of Section 8.1 above.

8.5 Ongoing Training

From time to time Franchisor may provide, and if it does, has the right to require that the Designated Manager and Lead Instructor attend, ongoing training programs or seminars during the term of this Agreement. Franchisor shall not charge a fee for any mandatory ongoing training. Such programs and seminars will not be more than eight hours in length and are currently scheduled on a quarterly basis. Franchisor shall not require the Designated Manager or Lead Instructor to attend more than four (4) sessions in any calendar year. Franchisee shall be responsible for all travel costs, room and board and employees' salaries incurred in connection with the Designated Manager's attendance at such training.

9 MANUAL

9.1 Loan by Franchisor

While this Agreement is in effect, Franchisor shall loan to Franchisee one (1) copy of the Manual. Franchisee shall conduct the Franchised School in strict accordance with the provisions set forth in the Manual. The Manual may consist of one (1) or more separate manuals and other materials as designated by Franchisor and may be in written or electronic form. The Manual shall, at all times, remain the sole property of Franchisor and shall promptly be returned upon expiration or termination of this Agreement.

9.2 Revisions

Franchisor has the right to add to or otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by Franchisor; provided, however, that no such addition or modification shall materially alter Franchisee's fundamental status and rights under this Agreement. Franchisor may make such additions or modifications without prior notice to Franchisee. Franchisee shall immediately, upon notice, adopt any such changes and shall ensure that its copy of the Manual is up-to-date at all times. If a dispute as to the contents of the Manual arises, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's headquarters shall be controlling.

9.3 Confidentiality

The Manual contains Proprietary Information of Franchisor and its contents shall be kept confidential by Franchisee both during the term of the Franchise and subsequent to the expiration and non-renewal or termination of this Agreement. Franchisee shall at all times ensure that its copy of the Manual is available at the Approved Location in a current and up-to-date manner. If in paper form or stored on computer-readable media, Franchisee shall maintain the Manual in a secure manner at the Approved Location or if in electronic form, Franchisee shall maintain the Manual in a password-protected file. Franchisee shall only grant authorized personnel, as defined in the Manual, access to the Manual or any key, combination or passwords needed for access to the Manual. Franchisee shall not disclose, duplicate or otherwise use any portion of the Manual in an unauthorized manner.

10 FRANCHISE SYSTEM

10.1 Uniformity

Franchisee shall strictly comply, and shall cause the Franchised School to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Manual or other communications supplied to Franchisee by Franchisor.

10.2 Modification of the System

Franchisor has the right to change or modify the System from time to time including, without limitation, the adoption and use of new or modified Marks or copyrighted materials, and new or additional computer hardware, software, equipment, inventory, supplies or sales and marketing techniques. Franchisee shall accept and use any such changes in, or additions to, the System. Franchisee shall make such expenditures as such changes, additions or modifications in the System may reasonably require; provided, however, Franchisee shall not be required to implement or conform to any such changes, additions or modifications if the cost to do so would exceed (a) ONE DOLLAR (\$1.00) during the first (1st) year of the term of this Agreement; (b) FIFTEEN THOUSAND DOLLARS (\$15,000.00) during the initial term of this Agreement (which amounts may be increased consistent with increases to the Consumer Price Index, [U.S. City Average, all items, 1982-84=100], as published by the United States Department of Labor, Bureau of Labor Statistics); or (c) ONE DOLLAR (\$1.00) during the final year of the term of this Agreement if Franchisee provides written notice of its intention not to operate a successor franchise. Any required expenditure for changes or upgrades to the System shall be in addition to expenditures for repairs and maintenance as required in Section 13.2.

11 ADVERTISING AND PROMOTIONAL ACTIVITIES

11.1 Grand Opening Promotion

Prior to and/or during a period of approximately three (3) months following the initial opening of the Franchised School, Franchisee shall spend an amount specified by Franchisor on local advertisement and promotion of the initial opening ("Grand Opening Promotion"). Franchisor shall determine and specify an appropriate minimum amount which Franchisee shall be required to expend on Grand Opening Promotion based upon Franchisor's general assessment of the area surrounding the Franchised School and taking into account other potentially relevant factors, such as prevailing costs of advertising in the area, the time of year of opening and other similar factors, but

which amount shall not exceed FIFTEEN THOUSAND DOLLARS (\$15,000). Further, Franchisor shall specify the time at which Franchisee shall conduct Grand Opening Advertising. Prior to their use, all materials to be used in Grand Opening Advertising must be approved by Franchisor as provided in Section 11.2.

11.2 Local Advertising

All local advertising and promotion by you must be approved by Franchisor and conform to Franchisor's specified standards and requirements

11.3 Internet Advertising

Franchisee may not establish a presence on, or market using, the Internet in connection with the Franchised School without Franchisor's prior written consent. Franchisor has established and maintains an Internet website at the uniform resource locator www.infinityma.com that provides information about the System and the services that Franchisor and its franchisees provide. Franchisee shall reimburse Franchisor for Franchisee's pro rata share of Franchisor's expenditures for maintaining electronic mail accounts and the website. Franchisor shall include at the INFINITY MARTIAL ARTS CO. website an interior page containing information about the Franchised School. All such information shall be subject to Franchisor's approval prior to posting. Franchisor retains the sole right to market on the Internet, including the use of websites, domain names, uniform resource locator's, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. Franchisee may be requested to provide content for Franchisor's Internet marketing and shall be required to follow Franchisor's intranet and Internet usage rules, policies and requirements. Franchisor retains the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, keywords, search terms and meta-tags, and in connection with linking, marketing, co-branding and other arrangements. Franchisor retains the sole right to approve any linking to, or other use of, the INFINITY MARTIAL ARTS CO. website.

12 ACCOUNTING RECORDS AND REPORTING OBLIGATIONS

12.1 Records

During the term of this Agreement, Franchisee shall maintain full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by Franchisor in the Manual or otherwise in writing. Franchisee shall retain during the term of this Agreement, and for three (3) years thereafter (or such longer time as may be required by law), all books and records related to the Franchised School including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by Franchisor or required by law. Franchisee shall retain a qualified accounting and/or payroll firm.

12.2 Gross Sales Reports

Franchisee shall maintain an accurate record of Gross Sales and shall deliver to Franchisor a verified statement of Gross Sales ("Gross Sales Report") for each month as may be provided by Franchisor in the Manual. The Gross Sales Report for the preceding week must be provided to Franchisor by 8:00 p.m. Central Standard Time. (or Central Daylight Time.) on or before the fifth day of each month.

12.3 Financial Statements

Franchisee shall supply to Franchisor on or before the fifteenth (15th) day after the end of each calendar quarter, in a form approved by Franchisor, a balance sheet as of the end of the preceding month and an income statement for the preceding month and the fiscal year-to-date. Franchisee shall, at its expense, submit to Franchisor

within ninety (90) days after the end of each fiscal year, an income statement for the fiscal year just ended and a balance sheet as of the last day of the fiscal year. These financial statements shall be submitted electronically to Franchisor in digital format. Such financial statements shall be prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) applied on a consistent basis. If required by Franchisor, such financial statements shall be reviewed or audited by a certified public accountant. Franchisee shall submit to Franchisor such other periodic reports in the manner and at the time specified in the Manual or otherwise in writing, and submitted electronically to Franchisor.

12.4 Other Reports

Franchisee shall submit to Franchisor copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as Franchisor may reasonably request from time to time or as specified in the Manual. Franchisor shall have the right to release financial and operational information relating to the Franchised School to Franchisor’s lenders or prospective lenders. Franchisee shall certify as true and correct all reports to be submitted pursuant to this Agreement.

12.5 Computer/Point-of-Sale System

Franchisor reserves the right to require Franchisee to purchase or lease, install and use computer and point-of-sale systems consisting of hardware and software in accordance with Franchisor’s specifications. Franchisor shall have full access to all of Franchisee’s computer and point-of-sale data and systems and all related information by means of direct access, either in person or by telephone, modem or Internet to permit Franchisor to verify Franchisee’s compliance with its obligations under this Agreement.

12.6 Right to Inspect

12.6.1 *Franchisor or its designee has the right, during normal business hours, to examine copy and audit the books, records and tax returns of Franchisee. If the audit or any other inspection should reveal that any payments to Franchisor have been underpaid, then Franchisee shall immediately pay to Franchisor the amount of the underpayment plus interest from the date such amount was due until paid at the rate of eighteen percent (18%) per annum (or the highest rate allowed by law of the state where Franchisee is located, whichever is lower). If an audit or any other inspection should reveal that Franchisee has not spent at least two percent (2%) of its monthly Gross Sales on Local Advertising or if the inspection discloses an underpayment of three percent (3%) or more of the amount due for any period covered by such audit, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys’ fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have.*

12.6.2 *In addition to the above, following the Franchisee’s fourth (4th) year of operation and prior to the renewal of the Franchise, Franchisor may require Franchisee (at Franchisee’s expense) to have an independent audit performed and provide the results of such independent audit to the Franchisor within thirty (30) days of the completion of the independent audit.*

12.7 Release of Records

At Franchisor’s request, Franchisee shall authorize and direct any third parties, including accounting professionals, to release to Franchisor all accounting and financial records arising from or relating to the operation of the Franchised School including, but not limited to, records evidencing Gross Sales, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties’ possession, custody or control, and to continue to release such records to Franchisor on a monthly basis for the length of the unexpired term of this Agreement or until such time as Franchisor withdraws its request. Franchisee shall execute all documents necessary to facilitate the release of records referenced herein to Franchisor.

13 STANDARDS OF OPERATION

13.1 Authorized Products, Services and Suppliers

13.1.1 *Franchisee acknowledges that the reputation and goodwill of the System is based in large part on uniformity among various Infinity Martial Arts Schools, including with respect to the appearance and design of the Approved Location and the quality of products and services offered to customers. Accordingly, Franchisee shall provide or offer for sale or use at the Franchised School only those supplies, signs, equipment and other items and services that Franchisor from time to time approves (and which are not thereafter disapproved) and that comply with Franchisor's specifications and quality standards. If required by Franchisor, any such items or services shall be purchased only from "Approved Suppliers" that Franchisor designates or approves (which might include, or be limited to, Franchisor or its Affiliates). Franchisee shall not offer for sale, sell or provide through the Franchised School or from the Approved Location any products or services that Franchisor has not approved.*

13.1.2 *Franchisor shall provide Franchisee, in the Manual or other written or electronic form, with a list of specifications and, if required, a list of Approved Suppliers for some or all of the supplies, signs, furniture, fixtures, inventory, equipment and other approved or specified items and services, and Franchisor may from time to time issue revisions to such list. If Franchisor or an Affiliate is an Approved Supplier of products or supplies, Franchisee shall execute a standard form purchase or supply agreement for the items to be supplied by Franchisor or its Affiliate. If Franchisee desires to utilize any services or products that Franchisor has not approved (for services and products that require supplier approval), Franchisee shall first send Franchisor sufficient information, specifications and/or samples for Franchisor to determine whether the service or product complies with its standards and specifications, or whether the supplier meets its Approved Supplier criteria. Franchisee shall bear all reasonable expenses incurred by Franchisor in connection with determining whether it shall approve an item, service or supplier. Franchisor shall decide within a reasonable time (usually thirty (30) days) after receiving the required information whether Franchisee may purchase or lease such items or services or from such supplier; however, the failure to notify Franchisee of such decision shall be deemed a decision not to approve such items, services or supplier. Approval of a supplier may be conditioned on the supplier's ability to provide sufficient quantity of product; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier, or to require Franchisor to make available to prospective suppliers, standards and specifications that Franchisor, in its discretion, deems confidential.*

13.1.3 *Notwithstanding anything contrary in this Agreement, Franchisor has the right to review from time to time its approval of any items or suppliers. Franchisor may revoke its approval of any item, service or supplier at any time, and in its sole discretion, by notifying Franchisee and/or the supplier. Franchisee shall, at its own expense, promptly cease using, selling or providing any items or services disapproved by Franchisor and shall promptly cease purchasing from suppliers disapproved by Franchisor. .*

13.1.4 *Franchisor has the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as Franchisor determines including, but not limited to, franchisee qualifications, test marketing and regional or local differences. Franchisor has the right, in its sole discretion from time to time, to give its consent to one (1) or more franchisees to provide certain products or services not authorized for general use as part of the System. Such consent shall be based upon the factors set forth in Section 10.3 and shall not create any rights in Franchisee to provide the same products or services.*

13.1.5 *Franchisor has the right to retain volume rebates, markups and other benefits from suppliers or in connection with the furnishing of suppliers. Franchisee shall have no entitlement to or interest in any such benefits.*

13.2 Appearance and Condition of the Franchised School

Franchisee shall maintain the Franchised School and the Approved Location in “like new” condition, and shall repair or replace equipment, vehicles, fixtures, supplies, inventory and signage as necessary to comply with the health and safety standards and specifications of Franchisor and Franchisee’s lessor and any applicable laws or regulations. The expense of such maintenance shall be borne by Franchisee and shall be in addition to any required System modifications, as described in Section 10.2.

13.3 Ownership and Management

The Franchised School shall, at all times, be under the direct supervision of Franchisee. If Franchisee is a legal business entity (such as a corporation, limited liability company or other legal business entity), Franchisee shall identify a Designated Manager in writing delivered to Franchisor. If the Franchisee is an individual, the Franchisee shall be the Designated Manager. The Designated Manager shall devote his or her full-time efforts to the management of the day-to-day operation of the Franchised School. “Full-time” means the expenditure of at least thirty-five (35) hours per week, excluding vacation, sick leave and similar absences Franchisee shall keep Franchisor informed, in writing, at all times of the identity of its Designated Manager. Franchisee shall not engage in any business or other activities that conflict with its obligations under this Agreement.

13.4 Personnel

Franchisee shall maintain competent and conscientious personnel to operate the Franchised School in accordance with this Agreement and the Manual, including a Lead Instructor and administrator. Franchisee shall train or cause the training of all personnel as and when required by prudent business practices, System standards or this Agreement. All costs associated with Franchisee’s performance of its obligations under this Section shall be the sole responsibility of Franchisee. Your Lead Instructor must have the following experience, skills and qualifications: (i) 6-12 months experience’ in an Infinity Martial Arts leadership position or equivalent experience, as determined by Franchisor in its sole discretion; (ii) Black Belt rank in hard style martial arts; (iii) working knowledge of martial arts instruction with the ability to create a class plan, effectively teach students the Infinity Martial Arts program curriculum with drills tailored to appropriate age groups and class sizes; and (iv) acceptable references. Because personnel will be working with minors, Franchisee must conduct background checks of all new hires, consistent with local, state and federal laws and pursuant to a signed written consent from the prospective employee to permit the background check (and which authorizes disclosure to Franchisor). Franchisor shall have the right to periodically audit Franchisee’s compliance with these background check requirements.

13.5 Days of Operation

Franchisee shall keep the Franchised School open for business during normal business hours on the days specified in the Manual, except as may be consented to by Franchisor in advance (which consent shall be granted in Franchisor’s sole discretion).

13.6 Licenses and Permits

Franchisee shall secure and maintain in force all required licenses, permits and certificates necessary for the operation of the Franchised School and shall operate the Franchised School in full compliance with all applicable laws, ordinances and regulations. Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or comply with in connection with the operation of the Franchised School. Franchisee shall be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Franchised School.

13.7 Notification of Proceedings

Franchisee shall immediately notify Franchisor in writing of the commencement of any action, suit or proceeding involving Franchisee or the Franchised School, and of the issuance of any order, writ, injunction, judgment, award or decree that may affect the operation or financial condition of the Franchised School. Franchisee shall immediately deliver to Franchisor a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule or regulation.

13.8 Compliance with Good Business Practices

Franchisee acknowledges that the quality of customer service, and every detail of appearance and demeanor of Franchisee and its employees, is material to this Agreement and the relationship created hereby. Therefore, Franchisee shall endeavor to maintain high standards of quality and service in the operation of the Franchised School. Franchisee shall at all times give prompt, courteous and efficient service to customers of the Franchised School. The Franchised School shall in all dealings with its customers, vendors, suppliers and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct. If Franchisor deems that Franchisee did not fairly handle a customer complaint, Franchisor has the right to intervene and satisfy the customer. Franchisee shall reimburse Franchisor for all costs incurred by Franchisor in servicing or reimbursing a customer of the Franchised School pursuant to this Section.

13.9 Uniforms

Franchisee shall abide by any uniform requirements stated in the Manual. Uniforms must be purchased from an Approved Supplier, if such is designated, or if none, then a supplier who meets Franchisor's specifications and quality standards for uniforms. No apparel or items with business name, logo, or images may be printed without the prior approval and consent of Franchisor.

13.10 Credit Cards

Franchisee shall, at its expense, lease or purchase the necessary equipment and/or software and shall have arrangements in place with Visa, MasterCard, American Express, and such other credit card issuers as Franchisor may designate from time to time, to enable the Franchised School to accept such methods of payment from its customers.

13.11 E-Mail

Franchisee shall, at all times and at Franchisee's expense, maintain and utilize an e-mail address and account for communicating and sharing files with Franchisor, which e-mail account will be obtained and provided through Franchisor. Franchisee shall reimburse Franchisor for the actual costs incurred by Franchisor for obtaining the e-mail address. Franchisee shall monitor the e-mail account on a daily basis and promptly read and respond to correspondence and requests for information sent by Franchisor.

13.12 Best Efforts

Franchisee shall use its best efforts to promote and increase the sales and recognition of retail products and services offered through the Franchised School. Franchisee shall require all of Franchisee's employees, managers, officers, agents and representatives to make a good faith effort to enhance and improve the System and the sales of all services and products provided as part of the System.

14 FRANCHISOR'S ADDITIONAL OPERATIONS ASSISTANCE

14.1 General Advice and Guidance

Franchisor shall be available to render advice, discuss problems and offer general guidance to Franchisee by telephone, e-mail, facsimile, newsletters and other methods with respect to planning, opening and operating the Franchised School. Franchisor shall not charge a fee for the normal use of this service; provided, however, that Franchisor retains the right to charge a fee or refuse any particular request for this service should Franchisee, in Franchisor's discretion, be deemed to be utilizing this service too frequently or in an unintended manner. Franchisor's advice or guidance to Franchisee relative to prices for services and products that, in Franchisor's judgment, constitutes good business practice is based upon the experience of Franchisor's Affiliate in operating a business similar to Infinity Martial Arts Schools, the experience of Franchisor's franchisees in operating Infinity Martial Arts Schools and an analysis of costs and prices charged for competitive services and products. Franchisee shall have the sole right to determine the prices to be charged by the Franchised School.

14.2 Periodic Visits

Franchisor or Franchisor's representative make periodic visits to the Franchised School for the purposes of consultation, assistance and guidance with respect to various aspects of the operation and management of the Franchised School. Franchisor may prepare, for the benefit of both Franchisor and Franchisee, written reports detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operation of the Franchised School. A copy of any such written report may be provided to Franchisee. Franchisee shall implement any required changes or improvements in a timely manner.

15 INSURANCE

15.1 Types and Amounts of Coverage

At its sole expense, Franchisee shall procure and maintain in full force and effect during the term of this Agreement, the types of insurance listed below. Franchisee shall have such policies in force and effect at the earlier of fifteen (15) days after the Effective Date or before the commencement of the build-out or improvement of the Approved Location. All policies (except any workers' compensation insurance) shall expressly name Franchisor as an additional insured or loss payee and all shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee shall procure:

15.1.1 *"all risk" property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised School. Franchisee's property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;*

15.1.2 *workers' compensation insurance that complies with the statutory requirements of the state in which the Franchised School is located and employer liability coverage with a minimum limit of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) or, if higher, the statutory minimum limit as required by state law;*

15.1.3 *comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Franchised School, or Franchisee's conduct of business pursuant to this Agreement (including but not limited to sexual misconduct liability coverage), with a minimum liability coverage of ONE MILLION DOLLARS (\$1,000,000.00) per occurrence and TWO MILLION DOLLARS (\$2,000,000) in the aggregate or, if higher, the statutory minimum limit required by state law;*

15.1.4 *automobile liability insurance for owned, non-owned and hired vehicles, with a combined single limit of at least ONE MILLION DOLLARS (\$1,000,000.00) per occurrence and TWO MILLION DOLLARS in the aggregate, or, if higher, the statutory minimum limit required by state law;*

15.1.5 *umbrella insurance coverage of at least ONE MILLION DOLLARS (\$1,000,000);*

15.1.6 *insurance required to be provided under Franchisee's lease with any landlord of the Franchised School; and*

15.1.7 *such insurance as necessary to provide coverage under the indemnity provisions set forth in Section 21.3.*

15.2 Future Increases

Franchisor has the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances.

15.3 Carrier Standards

Such policies shall be written by an insurance company licensed in the state in which Franchisee operates and having at least an "A" Rating Classification as indicated in the latest issue of A.M. Best's Key Rating Guide. Although A.M. Best groups "A" and "A-" in the same classification, Franchisor demands an "A" rating.

15.4 Evidence of Coverage

Franchisee's obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance that may be maintained by Franchisor, nor shall Franchisee's performance of this obligation relieve it of liability under the indemnity provisions set forth in Section 21.3. Franchisee shall provide, on an annual basis or more frequently at Franchisor's request, certificates of insurance showing compliance with the foregoing requirements. Such certificates shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days prior written notice to Franchisor and shall reflect proof of payment of premiums.

15.5 Failure to Maintain Coverage

Should Franchisee not procure and maintain insurance coverage as required by this Agreement, Franchisor has the right (but not the obligation) to immediately procure such insurance coverage, and to charge the premiums to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice.

16 DEFAULT AND TERMINATION

16.1 Termination by Franchisee

If Franchisee is in full compliance with all of the terms of this Agreement and Franchisor materially breaches this Agreement and fails to commence reasonable efforts to cure such breach within thirty (30) days after receiving written notice identifying the claimed breach, Franchisee may elect to terminate this Agreement unless the breach cannot reasonably be cured within such thirty (30) days. If the breach cannot reasonably be cured in such thirty (30) days, Franchisee may elect to terminate this Agreement only if Franchisor does not promptly undertake and continue efforts to cure such material breach within a reasonable period of time and furnish Franchisee reasonable proof of such efforts.

16.2 Termination by Franchisor

16.2.1 Franchisor has the right to terminate this Agreement, without any opportunity to cure by Franchisee, if Franchisee (or, at Franchisor's discretion, any of its members, managers, shareholders, officers, directors or agents):

16.2.1.1 fails to timely select an approved site for or establish, equip and commence operations of the Franchised School pursuant to Section 5;

16.2.1.2 fails to have its Designated Manager satisfactorily complete the initial training program pursuant to Section 8;

16.2.1.3 made any material misrepresentation or omission in its application for the Franchise or otherwise to Franchisor in the course of entering into this Agreement;

16.2.1.4 is convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised School;

16.2.1.5 after notices to cure, fails to refrain from activities, behavior or conduct likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised School;

16.2.1.6 discloses, duplicates or otherwise uses in an unauthorized manner any portion of the Manual or any Trade Secret or other Proprietary Information;

16.2.1.7 if required by Franchisor, fails to have any holder of a legal or beneficial interest in Franchisee (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of Franchisee, execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Exhibit 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee or fails to provide Franchisor with copies of all nondisclosure and non-competition agreements signed pursuant to Section 7.4 if requested by Franchisor;

16.2.1.8 abandons, fails or refuses to actively operate the Franchised School for five (5) or more consecutive days (unless the Franchised School has not been operational for a purpose approved by Franchisor), or, if first approved by Franchisor, fails to promptly relocate the Franchised School following the expiration or termination of the lease for the Approved Location, the destruction or condemnation of the Approved Location or any other event rendering the Approved Location unusable;

16.2.1.9 surrenders or transfers control of the operation of the Franchised School without Franchisor's approval, makes or attempts to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchisee, or fails or refuses to assign the Franchise or the interest in Franchisee of a deceased or incapacitated owner thereof, as herein required;

16.2.1.10 fails to maintain the Franchised School under the primary supervision of a Designated Manager approved by Franchisor during the one hundred eighty (180) days following the death or Incapacity of Franchisee or any holder of a legal or beneficial interest in Franchisee, pursuant to Section 18.6;

16.2.1.11 submits to Franchisor on two (2) or more separate occasions at any time during the term of the Franchise any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to Franchisor by more than three percent (3%) for any accounting period and Franchisee is unable to demonstrate that such understatements resulted from inadvertent error;

16.2.1.12 is adjudicated as bankrupt, becomes insolvent, commits any affirmative act of insolvency, or files any action or petition of insolvency; if a receiver of its property or any part thereof is appointed by a court; if it makes a general assignment for the benefit of its creditors; if a final judgment remains unsatisfied of

record for thirty (30) days or longer (unless *supersedeas* bond is filed); if execution is levied against Franchisee's business or property; if a suit to foreclose any lien or mortgage against the Approved Location or equipment is instituted against Franchisee and not dismissed within thirty (30) days or is not in the process of being dismissed;

16.2.1.13 misuses or makes an unauthorized use of any of the Marks, or other Proprietary Information or commits any other act which can reasonably be expected to impair the goodwill associated with any of the Marks;

16.2.1.14 fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit reports or other information or supporting records when due, to pay any Royalty Fee, Marketing Fund Contribution, amounts due for purchases from Franchisor and any Affiliate, or other payment when due to Franchisor or any Affiliate, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee;

16.2.1.15 continues to violate any health or safety law, ordinance or regulation, or operates the Franchised School in a manner that presents a health or safety hazard to its customers, employees or the public;

16.2.1.16 repeatedly breaches this Agreement or repeatedly fails to comply with mandatory specifications, customer service standards or operating procedures prescribed in the Manual, whether or not previous breaches or failures are cured;

16.2.1.17 engages in any activity exclusively reserved to Franchisor;

16.2.1.18 fails to comply with any applicable law or regulation within ten (10) days after being given notice of noncompliance; or

16.2.1.19 defaults under any other agreement between Franchisor (or any of its Affiliates) and Franchisee, such that Franchisor or its Affiliate, as the case may be, has the right to terminate such agreement or such agreement automatically terminates.

16.2.2 *Except as otherwise provided in Section 16.2.1, Franchisor has the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination stating the nature of the default; provided, however, that Franchisee may avoid termination by curing such default or failure (or by providing proof acceptable to Franchisor that Franchisee has made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period:*

16.2.2.1 within ten (10) days of receiving notice of Franchisee's failure to pay any amounts due to Franchisor;

16.2.2.2 within ten (10) days of receiving notice of Franchisee's failure to maintain insurance as specified in Section 15 of this Agreement; or

16.2.2.3 within thirty (30) days of receiving notice of any other default by Franchisee or upon Franchisee's failure to comply with any mandatory specification, standard or operating procedure prescribed in the Manual or otherwise prescribed in writing.

16.3 Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination or cancellation other than in accordance with applicable law, Franchisor may reinstate

or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to Franchisee without waiving any of Franchisor's rights under this Agreement.

16.4 Right of Franchisor to Discontinue Services to Franchisee

If Franchisee is in breach of any obligation under this Agreement, Franchisor has the right, in its sole discretion, to suspend its performance of any of its obligations under this Agreement, including, without limitation, the sale or supply of products or services to Franchisee, until such time as Franchisee corrects the breach.

17 RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

17.1 Actions to be Taken

Except as otherwise provided herein, upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall terminate and Franchisee shall:

17.1.1 *immediately cease to operate the Franchised School and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor;*

17.1.2 *cease to use the Proprietary Information, the System and the Marks including, without limitation, all signs, trade dress, slogans, symbols, logos, advertising materials, stationery, forms and any other items that display or are associated with the Marks;*

17.1.3 *upon demand by Franchisor, at Franchisor's sole discretion, immediately assign (or, if an assignment is prohibited, sublease for the full remaining term, and on the same terms and conditions as Franchisee's lease) its interest in the lease then in effect for the Approved Location to Franchisor and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement, and Franchisor has the right to pay rent and other expenses directly to the party to whom such payment is ultimately due;*

17.1.4 *take such action as may be necessary to cancel or assign to Franchisor, at Franchisor's option, any assumed name or equivalent registration filed with state, city or county authorities that contains the name "INFINITY MARTIAL ARTS CO." or any other Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement;*

17.1.5 *pay all sums owing to Franchisor and its Affiliate(s), which may include, but not be limited to, all damages, costs and expenses, including reasonable attorneys' fees, unpaid Royalty Fees, amounts owed for the purchase of products or services, and any other amounts due to Franchisor or its Affiliate(s);*

17.1.6 *pay to Franchisor all costs and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of the Franchise in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;*

17.1.7 *immediately return to Franchisor the Manual and all Proprietary Information, including records, files, instructions, brochures, agreements, disclosure statements and any and all other materials provided by Franchisor to Franchisee relating to the operation of the Franchised School (all of which are acknowledged to be Franchisor's property), and permanently remove from Franchisee's computer or computer data storage devices any electronic copy or backup of the Manual and all Proprietary Information;*

17.1.8 *assign all telephone listings and numbers for the Franchised School to Franchisor and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone numbers or facsimile numbers associated with the Marks in any regular,*

classified or other telephone directory listing and shall authorize transfer of same to or at the direction of Franchisor; and

17.1.9 *comply with all other applicable provisions of this Agreement.*

17.2 Post-Termination Covenant Not to Compete

17.2.1 *Franchisee acknowledges that the restrictive covenants contained in this Section and in Section 7 are fair and reasonable and are justifiably required for purposes including, but not limited to, the following:*

17.2.1.1 to protect the Proprietary Information of Franchisor;

17.2.1.2 to induce Franchisor to grant a franchise to Franchisee; and

17.2.1.3 to protect Franchisor against its costs in training Franchisee and its officers, directors, executives, professional staff and Designated Managers.

17.2.2 *Except as otherwise approved in writing by Franchisor, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may, for a period of one (1) year after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity:*

17.2.2.1 own an interest in, manage, operate or provide services to any Competitive Business located or operating within five (5) mile radius of the Approved Location,; or

17.2.2.2 solicit or otherwise attempt to induce or influence any employee or other business associate of Franchisor to terminate or modify his, her or its business relationship with Franchisor or to compete against Franchisor.

17.2.3 *In furtherance of this Section, Franchisor has the right to require certain individuals to execute nondisclosure or non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Exhibit 2.*

17.3 Unfair Competition

If Franchisee operates any other business, Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in the Marks. Franchisee shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with Franchisor. This Section is not intended as an approval of Franchisee's right to operate other businesses and in no way is it intended to contradict Sections 7, 17.1 or 17.2. If Franchisor elects not to receive an assignment or sublease of the Approved Location, Franchisee shall make such modifications or alterations to the Approved Location (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business subsequently operated by Franchisee or others at the Approved Location. Franchisee shall make such specific additional changes to the Approved Location as Franchisor may reasonably request for that purpose including, without limitation, removal of all trade dress or other physical and structural features identifying or distinctive to the System. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor has the right to enter upon the Approved Location for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee shall pay upon demand.

17.4 Franchisor's Option to Purchase Certain Business Assets

Franchisor has the right (but not the duty), for a period of thirty (30) days after termination or expiration of this Agreement, to purchase any or all assets of the Franchised School including leasehold improvements, equipment, supplies and inventory. The purchase price shall be equal to the assets' fair market value, as determined by an independent appraiser. If Franchisor elects to exercise this option to purchase, it has the right to set off all amounts due from Franchisee under this Agreement, if any, against the purchase price. If Franchisor elects to purchase the business assets at fair market value, Franchisee shall convey said assets to Franchisor by a bill of sale, free and clear of all liens, encumbrances and security interests. Franchisor may utilize all or a portion of the purchase price to directly satisfy liens or security interests on said assets.

17.5 Survival of Certain Provisions

All obligations of Franchisor and Franchisee that expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

18 TRANSFERABILITY OF INTEREST

18.1 Transfer by Franchisor

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by Franchisor and such rights shall inure to the benefit of any person or entity to whom transferred; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor hereunder and Franchisor shall thereafter have no liability for the performance of any obligations contained in this Agreement.

18.2 Transfer by Franchisee to a Third Party

The rights and duties of Franchisee as set forth in this Agreement, and the Franchise herein granted, are personal to Franchisee (or its owners), and Franchisor has entered into this Agreement in reliance upon Franchisee's personal or collective skill and financial ability. Accordingly, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted hereby, the Approved Location used in operating the Franchised School, its assets or any part or all of the ownership interest in Franchisee without the prior written approval of Franchisor. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If Franchisee is in compliance with this Agreement, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

18.2.1 *Franchisee has complied with the requirements set forth in Section 19;*

18.2.2 *all obligations owed to Franchisor, and all other outstanding obligations relating to the Franchised School, are fully paid and satisfied;*

18.2.3 *Franchisee (and any transferring owners, if Franchisee is a business entity) has executed a general release, in a form the same as or similar to Franchisor's standard form General Release, attached as Exhibit 1, of any and all claims against Franchisor, including its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of Franchisee's interest herein or to the transfer of Franchisee's ownership of all or any part of the Franchise; provided, however, that if a general release is prohibited, Franchisee shall give the maximum release allowed by law;*

18.2.4 *the prospective transferee has satisfied Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require, in its sole discretion, to demonstrate ability to conduct the Franchised School;*

18.2.5 *the transferee and, if Franchisor requires, all persons owning any interest in the transferee, have executed the then-current Franchise Agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee and Marketing Fund Contribution rates and other material provisions, and the franchise agreement then executed shall be for the term specified in such agreement;*

18.2.6 *the transferee has executed a general release, in a form the same as or similar to Franchisor's standard form General Release, attached as Exhibit 1, of any and all claims against Franchisor and its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), with respect to any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee;*

18.2.7 *Franchisee has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the prospective transferee relating to the intended sale or transfer of the Franchise;*

18.2.8 *Franchisee, or the transferee, has paid to Franchisor a transfer fee in the amount of TEN THOUSAND DOLLARS (\$10,000.00);*

18.2.9 *the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term by executing a personal guaranty in such form as prepared by Franchisor;*

18.2.10 *Franchisee has agreed to be bound to the obligations of the new franchise agreement and to guarantee the full performance thereof by the transferee, if required by Franchisor;*

18.2.11 *the transferee has obtained all necessary consents and approvals by third parties (such as the lessor of the Approved Location) and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied;*

18.2.12 *Franchisee has, and if Franchisee is an entity, all of the holders of a legal and beneficial interest in Franchisee have, executed and delivered to Franchisor a nondisclosure and non-competition agreement in a form satisfactory to Franchisor, and in substance the same as the nondisclosure and non-competition covenants contained in Sections 7 and 17; and*

18.2.13 *the transferee agrees that its Designated Manager and Lead Instructor shall complete, to Franchisor's satisfaction, a training program in substance similar to the initial training described in Section 8.1 prior to assuming the management of the day-to-day operation of the Franchised School.*

18.3 Transfer to a Controlled Entity

18.3.1 *If Franchisee wishes to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity entirely owned by Franchisee ("Controlled Entity"), which Controlled Entity was formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:*

18.3.1.1 the Controlled Entity is newly organized and its charter provides that its activities are confined exclusively to the operation of the Franchised School;

18.3.1.2 Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

18.3.1.3 all obligations of Franchisee to Franchisor or any Affiliate are fully paid and satisfied; provided, however, that neither Franchisee nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Section 18.2.8;

18.3.1.4 the Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised School. If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor;

18.3.1.5 all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement;

18.3.1.6 copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption.

18.3.2 *The term of the transferred franchise shall be the unexpired term of this Agreement, including all rights to successor franchises, subject to any and all conditions applicable to Franchisee's right to operate successor franchises.*

18.3.3 *Franchisor's consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised School, shall not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.*

18.4 Franchisor's Disclosure to Transferee

Franchisor has the right (but not the obligation), without liability of any kind or nature whatsoever to Franchisee, to make available for inspection by any intended transferee of Franchisee all or any part of Franchisor's records relating to this Agreement, the Franchised School or to the history of the relationship of the parties hereto. Franchisee hereby specifically consents to such disclosure by Franchisor and shall release and hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to the Franchised School by an intended transferee identified by Franchisee.

18.5 Transfer by Death or Incapacity

18.5.1 *Upon the death or Incapacity of Franchisee (if Franchisee is an individual) or any holder of a legal or beneficial interest in Franchisee (if Franchisee is a business entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time not exceeding one hundred eighty (180) days following such event, transfer such individual's interest in the Franchised School or in Franchisee to a third party approved by Franchisor. Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and transfers contained in this Agreement. During such one hundred eighty (180) day period, the Franchised School must remain at all times under the primary management of a Designated Manager approved by Franchisor.*

18.5.2 *Following such a death or Incapacity of such person as described in this Section, if necessary in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume operation of the Franchised School until the deceased or incapacitated owner's interest is transferred to a third party approved by Franchisor. Franchisor may charge a management fee as stated in the Manual from time to time, currently equal to FIVE HUNDRED DOLLARS (\$500.00) per Franchisor representative assigned to operate the Franchised School per day, and Franchisor shall be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of the operating cash flow of the Franchised School.*

19 RIGHT OF FIRST REFUSAL

19.1 Submission of Offer

If Franchisee, or any of its owners, proposes to sell or otherwise transfer (including a transfer by death or Incapacity pursuant to Section 18.6) the Franchised School (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder, Franchisee shall obtain and deliver a *bona fide*, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to Franchisor, except with regards to a sale or transfer to a family member. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of Franchisee or any of its owners.

19.2 Franchisor's Right to Purchase

Franchisor shall, for thirty (30) days from the date of delivery of all such documents, have the right, exercisable by written notice to Franchisee, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to Franchisee. Franchisor has the right to substitute cash for the fair market value of any form of payment proposed in such offer. Franchisor's credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to Franchisee of Franchisor's intent to exercise this right of first refusal, Franchisor shall have up to sixty (60) days to close the purchase. Franchisor shall be entitled to receive from Franchisee all customary representations and warranties given by Franchisee as the seller of the assets or such ownership interest or, at Franchisor's election, such representations and warranties contained in the proposal.

19.3 Non-Exercise of Right of First Refusal

If Franchisor does not exercise this right of first refusal within thirty (30) days from the date of delivery of all such documents, the offer or proposal may be accepted by Franchisee or any of its owners, subject to Franchisor's prior written approval as required by Section 18. Should the sale fail to close within one hundred twenty (120) days after the offer is delivered to Franchisor, Franchisor's right of first refusal shall renew and be implemented in accordance with this Section.

20 BENEFICIAL OWNERS OF FRANCHISEE

Franchisee represents, and Franchisor enters into this Agreement in reliance upon such representation, that the individuals identified in Exhibit 5 as Holders of a Legal or Beneficial Interest are the sole holders of a legal or beneficial interest (in the stated proportions) of Franchisee.

21 RELATIONSHIP AND INDEMNIFICATION

21.1 Relationship

This Agreement does not appoint or make Franchisee an agent, legal representative, joint venture, partner, employee, servant or independent contractor of Franchisor for any purpose whatsoever. Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor, and Franchisee is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. In no event shall this Agreement or any conduct pursuant hereto make Franchisor a fiduciary with respect to Franchisee. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised School. Any third party contractors and vendors retained by Franchisee to convert or construct the premises are independent contractors of Franchisee alone.

21.2 Standard of Care

This Agreement does not establish a fiduciary relationship between the parties.

21.3 Indemnification

Franchisee shall hold harmless and indemnify Franchisor, any Affiliate, all holders of a legal or beneficial interest in Franchisor and any Affiliate, and all of Franchisor's and any Affiliate's officers, directors, executives, managers, employees, agents, successors and assigns (collectively "Franchisor Indemnities") from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, that arise from, are based upon or are related to Franchisee's (a) ownership or operation of the Franchised School; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Franchisee and Franchisor (or any Affiliate); (d) defamation of Franchisor or the System; (e) acts, errors or omissions by Franchisee or any of its officers, directors, employees or agents, committed or incurred in connection with the Franchised School, including any negligent or intentional acts; or (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of Proprietary Information. All obligations of Franchisee shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. The obligations of this Section 21.3 shall expressly survive the termination of this Agreement. Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding.

22 GENERAL CONDITIONS AND PROVISIONS

22.1 No Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by Franchisor and shall not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due shall not be

deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

22.2 Injunctive Relief

As any breach by Franchisee of any of the restrictions contained in Sections 6, 7 and 17 would result in irreparable injury to Franchisor, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, Franchisor shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated. Franchisor's right to seek injunctive relief will not affect the parties' waiver of jury trial and covenant to arbitrate all disputes in accordance with Section 23.7. Franchisor's rights herein shall include pursuing injunctive relief through arbitration or in a state or federal court. Franchisee shall be responsible for Franchisor's reasonable attorneys' fees incurred in pursuing the same.

22.3 Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; (c) on the next business day after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five (5) business days after being sent by Registered Mail, return receipt requested. All notices shall be sent to Franchisee at the address listed on page one (1) of this Agreement, or such other address as Franchisee may designate in writing to Franchisor. All notices, payments and reports required by this Agreement shall be sent to Franchisor at the following address:

Kicker Guy Franchises LLC
Attention: Hans Paulson
6220 Nesbitt Road
Fitchburg, WI 53719

22.4 Cost of Enforcement or Defense

If Franchisor is required to enforce this Agreement in a judicial or arbitration proceeding, and Franchisor prevails, Franchisee shall reimburse Franchisor for all costs and expenses incurred by Franchisor in connection with such proceeding, including, without limitation, reasonable accounting and attorneys' fees.

22.5 Unlimited Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Franchisee of five percent (5%) or greater shall be required to execute, as of the Effective Date, the Unlimited Guaranty and Assumption of Obligations attached as Exhibit 3, through which such holders agree to assume and discharge all of Franchisee's obligations under this Agreement and to be personally liable hereunder for all of the same.

22.6 Approvals

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor for such approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval. If the consent of either party

is required or contemplated hereunder, the party whose consent is required shall not unreasonably withhold consent, unless such consent is expressly subject to such party's sole discretion pursuant to the terms of this Agreement.

22.7 Entire Agreement

This Agreement, its exhibits and the documents referred to herein shall be construed together and constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and shall supersede all prior agreements. Except for any representation by Franchisor contained herein or in Franchisor's Franchise Disclosure Document, no other representation, oral or otherwise, has induced Franchisee to execute this Agreement, and there are no representations (other than those within Franchisor's INFINITY MARTIAL ARTS CO. Disclosure Document), inducements, promises or agreements, oral or otherwise, between the parties that are of any force or effect with respect to the matters set forth in or contemplated by this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties.

22.8 Severability and Modification

22.8.1 Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Agreement, Franchisor has the right to, at its option, terminate this Agreement.

22.8.2 Notwithstanding the above, each of the covenants contained in Sections 7 and 17 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Proprietary Information or on competition to the maximum extent permitted by law.

22.9 Construction

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

22.10 Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement.

22.11 Timing

Time is of the essence. Except as set forth in Section 22.10, failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

22.12 Withholding Payments

Franchisee shall not, for any reason, withhold payment of any Royalty Fees or other amounts due to Franchisor or to any of its Affiliates. Franchisee shall not withhold or offset any amounts, damages or other monies

allegedly due to Franchisee against any amounts due to Franchisor. No endorsement or statement on any payment for less than the full amount due to Franchisor shall be construed as an acknowledgment of payment in full, or an accord and satisfaction, and Franchisor has the right to accept and cash any such payment without prejudice to Franchisor's right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. Franchisor has the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Franchisor deems appropriate. Franchisor shall set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor.

22.13 Further Assurances

Each party to this Agreement shall execute and deliver such further instruments, contracts, forms or other documents, and shall perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

22.14 Third-Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer any rights or benefits upon any person or legal entity other than Franchisor or Franchisee, and their respective successors and assigns.

22.15 Multiple Originals

Both parties shall execute multiple copies of this Agreement and each executed copy shall be deemed an original.

23 DISPUTE RESOLUTION

23.1 Choice of Law

Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin (without reference to its conflict of laws principles), excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this Section. References to any law refer also to any successor laws and to any published regulations for such law, as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

23.2 Consent to Jurisdiction

Any action brought by either party shall be brought in the appropriate state or federal court situated in Dane County, Wisconsin. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. The parties hereby submit to service of process by registered mail, return receipt requested, or by any other manner provided by law. Claims for injunctive relief may be brought by Franchisor, at its discretion, in Dane County, Wisconsin, or in the jurisdiction where Franchisee is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments in any appropriate jurisdiction.

23.3 Cumulative Rights and Remedies

No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity

provided or permitted, but each shall be in addition to every other right or remedy. Nothing contained herein shall bar Franchisor's right to obtain injunctive relief against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

23.4 Limitations of Claims

Any claim concerning the Franchised School or this Agreement or any related agreement shall be barred unless an action for that claim is commenced within one (1) year from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim.

23.5 Limitation of Damages

Franchisee and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other, and agree that if there is a dispute with the other, each shall be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees as provided in Section 22.4. Franchisee waives and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Agreement or any related agreement. In any claim or action brought by Franchisee against Franchisor concerning this Agreement, Franchisee's contract damages shall not exceed and shall be limited to refund of Franchisee's Franchise Fee and Royalty Fee payments.

23.6 Waiver of Jury Trial

FRANCHISEE AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM.

24 ACKNOWLEDGMENTS

24.1 Receipt of this Agreement and the Franchise Disclosure Document

Franchisee represents and acknowledges that it has received, read and understands this Agreement and Franchisor's Franchise Disclosure Document, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement. Franchisee represents and acknowledges that it has received, at least fourteen (14) calendar days prior to the date on which this Agreement was executed, the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures.

24.2 Consultation by Franchisee

Franchisee represents that it has been urged to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. Franchisee represents that it has either consulted with such advisors or has deliberately declined to do so.

24.3 True and Accurate Information

Franchisee represents that all information set forth in any and all applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, and Franchisee acknowledges that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

24.4 Risk

Franchisee represents that it has conducted an independent investigation of the business contemplated by this Agreement and acknowledges that, like any other business, an investment in an Infinity Martial Arts School involves business risks and that the success of the venture is dependent, among other factors, upon the business abilities and efforts of Franchisee. Franchisor makes no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated hereby.

24.5 No Guarantee of Success

Franchisee represents and acknowledges that it has not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Franchised School. Franchisee represents and acknowledges that there have been no representations by Franchisor's directors, officers, employees or agents that are not contained in, or are inconsistent with, the statements made in the Franchise Disclosure Document or this Agreement.

24.6 No Violation of Other Agreements

Franchisee represents that its execution of this Agreement will not violate any other agreement or commitment to which Franchisee or any holder of a legal or beneficial interest in Franchisee is a party.

IN WITNESS WHEREOF, the parties, intending to be legally bound, have duly executed this Agreement.

KICKER GUY FRANCHISES LLC:

By: _____

Name: _____

Title: _____

FRANCHISEE: _____

(type/print name)

By: _____

Name: _____

Title: _____

[or, if an individual]

Signed: _____

Name printed: _____

EXHIBIT 1 TO THE FRANCHISE AGREEMENT

GENERAL RELEASE

THIS GENERAL RELEASE is made and given on this ____ day of _____, 20____ by _____, (“RELEASOR”) an individual/corporation/limited liability company/partnership with a principal address of _____, in consideration of:

_____ the execution by Kicker Guy Franchises LLC (“RELEASEE”) of a successor franchise agreement or other renewal documents renewing the franchise (the “Franchise”) granted to RELEASOR by RELEASEE pursuant to that certain franchise agreement (the “Franchise Agreement”) between RELEASOR and RELEASEE; or

_____ RELEASEE’S consent to RELEASOR’S assignment of its rights and duties under the Franchise Agreement; or

_____ RELEASEE’S consent to RELEASOR’S assumption of rights and duties under the Franchise Agreement; or

_____ RELEASEE’S refund of fifty percent (50%) of the Franchise Fee RELEASOR paid to RELEASEE,

and other good and valuable consideration, the adequacy of which is hereby acknowledged, and accordingly RELEASOR hereby releases and discharges RELEASEE, RELEASEE’S officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), and RELEASEE’S successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR’S heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE.

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written.

RELEASOR: _____
(type/print name)

By: _____

Name: _____

Title: _____
(or, if an individual)

Signed: _____

Name printed: _____

EXHIBIT 2(a) TO THE FRANCHISE AGREEMENT

**NONDISCLOSURE AND NON-COMPETITION AGREEMENT
(HOLDERS OF LEGAL OR BENEFICIAL INTEREST IN FRANCHISEE)**

This "Agreement," made as of the ____ day of _____, 20____, is by and between Kicker Guy Franchises LLC ("Company") and _____ ("Individual").

W I T N E S S E T H:

WHEREAS, _____ ("Franchisee") (d/b/a an Infinity Martial Arts Franchise) is a party to that certain Kicker Guy Franchises LLC Franchise Agreement ("Franchise Agreement") by and between Franchisee and Company; and

WHEREAS, Individual is the holder of a legal or beneficial interest in Franchisee, and as such will have access to or to review certain Trade Secrets and other Confidential Information, which are more particularly described below; and

WHEREAS, the Franchise Agreement provides that Company may require Individual, as the holder of a legal or beneficial interest in Franchisee, to execute this Agreement for the benefit of Company; and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such information to compete against Company, Franchisee or any other franchisee of Company in any business that (i) offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) martial arts instruction services or (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of Franchisee, Company or Company's other franchisees (hereinafter, "Competitive Business"); provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee under a Franchise Agreement with Company or any business operated by a publicly held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Trade Secrets and Confidential Information

Individual understands Franchisee possesses and will possess Trade Secrets and other Confidential Information of Company that are important to Company's business.

a) For the purposes of this Agreement, a "Trade Secret" is information in any form (including, but not limited to, policy and procedural manuals, training guides, recipes, materials and techniques, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in Franchisee's business as an Infinity Martial Arts School and provided by Company that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

b) For the purposes of this Agreement "Confidential Information" means technical and non-technical information, to the extent it is not a Trade Secret, used in or related to Franchisee's business as an Infinity Martial Arts School and provided by Company that is not commonly known by or available to the public. In addition, any other information identified as confidential when delivered by Franchisee shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of Individual; (ii) Individual can demonstrate was rightfully

in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

c) Any information expressly designated by Company or Franchisee as “Trade Secrets” or “Confidential Information” shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. Individual understands Company’s providing of access to the Trade Secrets and other Confidential Information to Franchisee and Individual creates a relationship of confidence and trust between Individual and Company with respect to the Trade Secrets and other Confidential Information.

2. Confidentiality/Non-Disclosure

a) Individual shall not, without the prior written consent of Company, directly or indirectly, on Individual’s own behalf or in the service or on behalf of another, access, use or disclose, or permit the access, use or disclosure of, any Trade Secrets, for so long as they remain Trade Secrets, with the sole exception of access and use in the service of Franchisee’s operation of an Infinity Martial Arts School during the term of the Franchise Agreement. At all times from the date of this Agreement, Individual must take all steps reasonably necessary and/or requested by Company to ensure that Trade Secrets are kept confidential pursuant to the terms of this Agreement. Individual must comply with all applicable policies, procedures and practices that Company has established and may establish from time to time with regard to Trade Secrets. Individual agrees to take all reasonable measures within Individual’s control to prevent the unauthorized access, use, or disclosure of Trade Secrets by Individual or anyone else.

b) For so long as Individual is the holder of a beneficial or legal interest in Franchisee, or is employed or serves as an agent for Franchisee, and for a period of two (2) years after the end of such period of ownership, employment or agency, Individual shall not, without the prior written consent of the Company, directly or indirectly, on Individual’s own behalf or in the service of or on behalf of another, access, use or disclose, or permit the access, use or disclosure of any Confidential Information (whether Individual had such Confidential Information in memory or embodied in writing or other physical, electronic or other form), where such access, use or disclosure is not made in the service of Franchisee’s operation of an Infinity Martial Arts School during the term of the Franchise Agreement. Individual acknowledges that Individual is not authorized to be in possession, custody or control of any Company property (including but not limited to Confidential Information and Trade Secrets) except as permitted in the Franchise Agreement.

c) Individual’s obligations under paragraphs 2(a) and (b) of this Agreement shall continue in effect after termination of Individual’s relationship with Franchisee or Company, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisee is entitled to communicate Individual’s obligations under this Agreement to any future customer, employer or other party to the extent deemed necessary by Franchisee for protection of its rights hereunder.

3. Non-Competition

a) During the term of Individual’s relationship with Franchisee and Company and for a period of one (1) year after the expiration or termination of Individual’s relationship with either Franchisee or Company, regardless of the cause of expiration or termination, Individual shall not, directly or indirectly, for himself or herself or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, divert or attempt to divert any business or customer of Franchisee to any Competitive Business, 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 Company’s service mark “Infinity Martial Arts” and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as the Company designates to be used in connection with Infinity Martial Arts Schools or the Company’s uniform standards, methods, procedures and specifications for the establishment and operation of Infinity Martial Arts Schools.

b) During the term of Individual’s relationship with Franchisee and Company and for a period of one (1) year thereafter, regardless of the cause of termination, Individual shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, carry on, be engaged in or take part in, render services to, or own or share in the earnings of any Competitive Business located within a five-mile radius of the Franchisee’s approved location..

4. Reasonableness of Restrictions

Individual acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisee, Company, and Company's Trade Secrets and other Confidential Information, the Company's business system, network of franchises and trade and service marks, and Individual waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then Individual shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. Relief for Breaches of Confidentiality, Non-Solicitation and Non-Competition

Individual further acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause Franchisee and Company immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, Franchisee and Company shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by Individual of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisee and Company may have at law or in equity.

6. Miscellaneous

a) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

b) Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin (without reference to its conflict of laws principles). References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

c) Any action brought by either party, shall only be brought in the appropriate state or federal court located in or serving Dane County, Wisconsin. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Claims for injunctive relief may be brought by Company where Franchisee is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

d) Individual agrees if any legal proceedings are brought for the enforcement of this Agreement, in addition to any other relief to which the successful or prevailing party may be entitled, the successful or prevailing party shall be entitled to recover attorneys' fees, investigative fees, administrative fees billed by such party's attorneys, court costs and all expenses, including, without limitation, all fees, taxes, costs and expenses incident to arbitration, appellate, and post-judgment proceedings incurred by the successful or prevailing party in that action or proceeding.

e) This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of the Company, Franchisee and their subsidiaries, successors and assigns.

f) The failure of either party to insist upon performance in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

g) The paragraph headings in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

h) In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

i) This Agreement may be modified or amended only by a written instrument duly executed by Individual, Franchisee and Company.

j) The existence of any claim or cause of action Individual might have against Franchisee or Company will not constitute a defense to the enforcement by Franchisee or Company of this Agreement.

k) Except as otherwise expressly provided in this Agreement, no remedy conferred upon Franchisee or Company pursuant to this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Agreement or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy pursuant to this Agreement shall preclude any other or further exercise thereof.

INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY, AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

IN WITNESS WHEREOF, Franchisee has caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, all being done in duplicate originals with one (1) original being delivered to each party as of the day and year first above written.

WITNESS:

KICKER GUY FRANCHISES LLC:

By: _____

Its: _____

INDIVIDUAL:

Signature: _____

Printed Name: _____

EXHIBIT 2(b) TO THE FRANCHISE AGREEMENT/EMPLOYEE
NON-DISCLOSURE AND NON-COMPETITION AGREEMENT
(RECIPIENTS OF TRADE SECRETS)

This "Agreement," made as of the ____ day of _____, 20____, is by and between _____, ("Franchisee") (d/b/a an Infinity Martial Arts School Franchise) and _____ ("Individual").

WITNESSETH:

WHEREAS, Franchisee is a party to that certain Kicker Guy Franchises LLC Franchise Agreement ("Franchise Agreement") by and between Franchisee and Kicker Guy Franchises LLC ("Company"); and

WHEREAS, Individual's execution of this Agreement is a mandatory condition of employment, or any further employment, with Franchisee; Franchisee will not employ, or continue to employ, Individual in the absence of Individual's execution of this Agreement; and

WHEREAS, Franchisee desires Individual to have access to or to review certain Trade Secrets and other Confidential Information, which are more particularly described below; and

WHEREAS, Individual understands the necessity of not disclosing any Trade Secrets or other Confidential Information or using such information to compete against Company, Franchisee or any other franchisee of Company in any business (i) that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) martial arts instruction services or (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of Franchisee, Company, or Company's other franchisees (hereinafter, "Competitive Business"); provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee under a Franchise Agreement with Company or any business operated by a publicly held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest.

NOW, THEREFORE, as a mandatory condition of employment, or further employment, and in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Trade Secrets and Confidential Information

Individual understands Franchisee possesses and will possess Trade Secrets and other Confidential Information that are important to its business.

a) For the purposes of this Agreement, a "Trade Secret" is information in any form (including, but not limited to, policy and procedure manuals, training guides, recipes, materials and techniques, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in Franchisee's business as an Infinity Martial Arts School that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

b) For the purposes of this Agreement, "Confidential Information" means technical and non-technical information, to the extent it is not a Trade Secret, used in or related to Franchisee's business as an Infinity Martial Arts School, that is not commonly known by or available to the public. In addition, any other information

identified as confidential when delivered by Franchisee shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of Individual; (ii) Individual can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

c) Any information expressly designated by Company or Franchisee as “Trade Secrets” or “Confidential Information” shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. Individual understands Franchisee’s providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets and other Confidential Information.

2. Confidentiality/Non-Disclosure

a) Individual shall not, without the prior consent of Franchisee’s owners and the Company, directly or indirectly, on Individual’s own behalf or in the service of or on behalf of another, access, use, or disclose, or permit the access, use, or disclosure of, any Trade Secrets, for so long as they remain Trade Secrets. If Individual has previously been employed by Franchisee, Individual represents and warrants that Individual has not previously accessed, used, or disclosed any Trade Secrets in a manner that would have been prohibited by this Agreement had this Agreement been in effect during the entire period of Individual’s employment.

b) For so long as Individual is employed by Franchisee, and for a period of two (2) years after the separation of employment for any reason, Individual shall not, without the prior consent of Franchisee’s owners and the Company, directly or indirectly, on Individual’s own behalf or in the service of or on behalf of another, access, use, or disclose, or permit the access, use, or disclosure of, any Confidential Information, whether Individual had such Confidential Information in memory or embodied in writing or other physical, electronic, or other form, where such access, use, or disclosure of Confidential Information would reasonably be considered to be useful to Individual or any third party to engage in unfair competition against Franchisee. To avoid any doubt, Individual acknowledges that Individual is not authorized to be in possession, custody, or control of any Franchisee property at any time after the separation of employment including, but not limited to, Confidential Information and Trade Secrets, irrespective whether in electronic or other form, and irrespective whether the two (2) year restrictive period applicable to Confidential Information remains in effect.

c) Individual agrees to take all reasonable measures within Individual’s control to prevent the unauthorized access, use, or disclosure of Trade Secrets and Confidential Information by Individual or anyone else.

d) Franchisee and Company are entitled to communicate Individual’s obligations under this Agreement to any third party in Franchisee’s discretion.

3. Restrictive Covenants

a) For so long as Individual is employed by Franchisee, and for the shorter period of one (1) year after the separation of employment for any reason or the length of Individual’s employment, Individual shall not, without the prior written consent of the owners of Franchisee, directly or indirectly, on Individual’s own behalf or in the service of or on behalf of another:

i) Sell or promote the sale of martial arts instruction services within a five-mile radius of Franchisee’s principal place of business;

ii) Provide martial arts instruction on behalf of any business that sells or promotes

the sale of martial arts instruction services within a five-mile radius of Franchisee's principal place of business;

iii) Solicit any Franchisee customer, with whom Individual had direct contact on behalf of Franchisee in the last 12 months of Individual's employment, or about whom Individual had access to Trade Secrets or Confidential Information, for the sale of martial arts instruction services;

iv) Divert or attempt to divert from Franchisee any business or customer of Franchisee for the sale of martial arts instruction services; or

v) Engage in any act injurious or prejudicial to the goodwill associated with the Company's service mark "Infinity Martial Arts" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as the Company designates to be used in connection with Infinity Martial Arts School or the Company's uniform standards, methods, procedures and specifications for the establishment and operation of Infinity Martial Arts Schools.

4. Reasonableness and Divisibility of Restrictions

a) Individual acknowledges that in the course of employment with Franchisee, Individual will have unique access to Trade Secrets, Confidential Information, and Franchisee's goodwill and that such access could not be fully and collectively obtained by Individual except through employment with Franchisee and that Franchisee and Company would be irreparably harmed if Individual accesses, uses, or discloses such Trade Secrets or Confidential Information, uses Franchisee's goodwill, or engages in conduct in breach of this Agreement. Individual further acknowledges that Franchisee has a bona fide reasonable interest in protecting itself against unfair competition by Individual.

b) Individual agrees that the restrictions set forth in this Agreement are founded on valuable consideration, are reasonable in duration and territorial scope, are not unreasonable to Individual or the general public, and are minimally necessary to protect the legitimate interests of Franchisee from unfair competition. Individual further agrees that the restrictive covenants contained herein, including but not limited to paragraph 3(a)(i) – (v), are separate, distinct, and divisible from one another. Finally, Individual acknowledges that federal and state law prohibits Individual from engaging in certain conduct that may overlap some of the restrictive covenants contained in this Agreement. This Agreement does not affect or modify the application of those laws or lessen Individual's duty to comply with those laws. If, however, a court of competent jurisdiction determines that any restriction in this Agreement is unreasonable or unenforceable, then Individual shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. Relief for Breaches of Confidentiality, Non-Solicitation and Non-Competition

Individual acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause Franchisee and Company immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, Franchisee and Company shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by Individual of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisee and Company may have at law or in equity.

6. Franchisee and Company Property

Individual acknowledges that Individual is not authorized to be in possession, custody, or control of any Franchisee or Company property including but not limited to Trade Secrets and Confidential Information except as required in the performance of Individual's job duties during Individual's employment with Franchisee. Individual represents and warrants that immediately upon the separation of employment for any reason or earlier upon demand from Franchisee or Company, Individual will return to Franchisee all property of Franchisee and Company that was in Individual's possession, custody, or control by virtue of employment without keeping, copying, or disclosing the same.

7. Miscellaneous

a) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

b) Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin (without reference to its conflict of laws principles). References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

c) Any action brought by either party, shall only be brought in the appropriate state or federal court located in or serving Dane County, Wisconsin. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Claims for injunctive relief may be brought by Company where Franchisee is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

d) If Franchisee seeks injunctive or any other legal or equitable relief with regard to any breach, or threatened breach, by Individual of any term of this Agreement, and substantially recovers any of such relief requested, Individual shall be required to reimburse Franchisee all of its attorneys' fees, court costs, and other expenses incurred in obtaining that relief, even if other relief requested by the Franchisee is denied.

e) This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns. Company is an intended third-party beneficiary of this Agreement with the independent right to enforce the confidentiality, non-competition, and other restrictive covenant provisions contained herein.

f) The failure of either party to insist upon performance in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

g) The paragraph headings in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

h) In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

i) This Agreement may be modified or amended only by a written instrument duly executed by Individual, Franchisee and Company.

j) The existence of any claim or cause of action Individual might have against Franchisee or Company will not constitute a defense to the enforcement by Franchisee or Company of this Agreement.

k) Except as otherwise expressly provided in this Agreement, no remedy conferred upon Franchisee or Company pursuant to this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Agreement or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy pursuant to this Agreement shall preclude any other or further exercise thereof.

INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY, AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

THE PARTIES ACKNOWLEDGE THAT THE COMPANY IS A THIRD PARTY BENEFICIARY TO THIS AGREEMENT AND THAT THE COMPANY SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF THE FRANCHISEE. INDIVIDUAL AND FRANCHISEE AGREE THAT THIS AGREEMENT CANNOT BE MODIFIED OR AMENDED WITHOUT THE WRITTEN CONSENT OF THE COMPANY.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Franchisee has caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, all being done in duplicate originals with one (1) original being delivered to each party as of the day and year first above written.

WITNESS:

FRANCHISEE:

By: _____

Its: _____

INDIVIDUAL:

Signature: _____

Printed Name: _____

EXHIBIT 3 TO THE FRANCHISE AGREEMENT

UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this ____ day of ____
, 20____, by _____
_____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith (“Agreement”) by Kicker Guy Franchises LLC (“Franchisor”), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ (“Franchisee”) shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement. Each of the undersigned shall be personally bound by, and personally liable for, Franchisee’s breach of any provision in the Agreement, including those relating to monetary obligations and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Sections 6, 7 and 17 of the Agreement. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (a) its direct and immediate liability under this Guaranty shall be joint and several; (b) it shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person or entity; and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which 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 shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

This Guaranty represents the entire agreement and understanding of these parties concerning the subject matter hereof, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

Successors and Assigns; Death of Guarantor. This Guaranty shall be binding upon Guarantor and his or her heirs, executors, administrators, successors and assigns and shall inure to the benefit of Franchisor and its successors, endorsees, transferees and assigns. Without limiting any other provision hereof, Guarantor expressly agrees that Guarantor’s death shall not serve as a revocation of or otherwise affect the guaranty made hereunder and that Guarantor’s estate and heirs shall continue to be liable hereunder with respect to any Guaranteed Obligations created or arising after Guarantor’s death.

The validity, interpretation and enforcement of this Guaranty and any dispute arising out of the relationship between Guarantor and Franchisor, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of Wisconsin (without giving effect to principles of conflicts of law).

Guarantor hereby irrevocably consents and submits to the non-exclusive jurisdiction of the Courts of the State of Wisconsin and the United States District Court located in or serving Dane County, Wisconsin and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Guaranty or any of the other Franchising Agreements or in any way connected with or related or incidental to the dealings of Guarantor

and Franchisor in respect of this Guaranty or the transactions related hereto or thereto, in each case whether now existing or hereafter arising and whether in contract, tort, equity or otherwise, and agrees that any dispute arising out of the relationship between Guarantor or Franchisee and Franchisor or the conduct of any such persons in connection with this Guaranty or otherwise shall be heard only in the courts described above (except that Franchisor shall have the right to bring any action or proceeding against Guarantor or his or her property in the courts of any other jurisdiction which Franchisor deems necessary or appropriate in order to realize on any collateral at any time granted by Franchisee or Guarantor to Franchisor or to otherwise enforce its rights against Guarantor or his or her property).

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

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

EXHIBIT 4 TO THE FRANCHISE AGREEMENT

LEASE RIDER

This Lease Rider (“Rider”) is dated the ___ day of _____, by and between _____ (“Landlord”) and _____ (“Tenant”)

RECITALS

Tenant is a franchisee of Kicker Guy Franchises LLC (“Franchisor”), a Wisconsin limited liability company and franchisor of martial arts schools operating under the trade name Infinity Martial Arts, and has agreed with the Franchisor to operate a Infinity Martial Arts School on the Leased Premises pursuant to a Franchise Agreement, as it may be amended from time to time (“Franchise Agreement”). The Franchisor is not a party to this Lease, but has the desire to be granted the right to take an assignment of the Lease in the case of Tenant’s Default. Landlord and Tenant are providing the Franchisor the following rights under the Lease:

AGREEMENT

1. Assignment. Tenant does not have the right to sublease or assign the Lease to any third party without Franchisor’s written approval. Tenant has the right to assign its interests in the Lease to Franchisor or Franchisor’s affiliates, at any time during the term of the Lease, including any extensions or renewals, without first obtaining Landlord’s consent. Provided, however, such assignment will not be effective until Franchisor or its designated affiliate provides Landlord with written notice of its acceptance of the assignment. If Franchisor elects to assume the Lease under this Lease Rider, or unilaterally assumes the Lease as provided in paragraphs 2 or 3 below, Landlord and Tenant agree that (i) Tenant will remain liable for the responsibilities and obligations owed to Landlord prior to the date of assignment and assumption, and (ii) Franchisor will have the right to sublease the Leased Premises to another franchisee, provided the franchisee agrees to operate a Infinity Martial Arts School pursuant to a franchise agreement with Franchisor. Franchisor or its affiliate will be responsible for the lease obligations incurred after the effective date of the assignment.

2. Default and Notice.

a. If Tenant defaults or is in violation of the terms of the Lease, Landlord agrees to provide Tenant and Franchisor with written notice of such default or violation. Upon a default by Tenant, the Franchisor is provided the right (at Franchisor's election) for a period ending 15 days after the expiration of any default cure period provided in

_____ of the Lease, to notify Landlord that it intends to cure the default and unilaterally assume Tenant's interest in the lease.

b. Landlord agrees to provide Franchisor copies of any changes to the lease, amendments and assignments, and of all notices (including notices of default) the Landlord sends to Tenant relating to the Lease or the Leased Premises. Landlord agrees to send all notices to Franchisor by registered or certified mail, postage prepaid, to the following address:

Kicker Guy Franchises LLC
Attention: Hans Paulson
6220 Nesbitt Road
Fitchburg, WI 53719

3. Termination or Expiration. Upon the termination or expiration of the Franchise Agreement, Franchisor has the right (but not the obligation) to unilaterally assume Tenant's interest in the lease. Upon the expiration or termination of the Lease, Landlord agrees to cooperate and allow Franchisor to enter the Leased Premises, no later than 30 days after expiration or termination, without cost or without being guilty of trespass, to remove all signs, awnings and all other items identifying the Leased Premises as an Infinity Martial Arts School and to make such other modifications as are reasonably necessary to distinguish the Leased Premises from an Infinity Martial Arts School. In the event Franchisor exercises its option to purchase assets of Tenant, Landlord agrees to permit Franchisor to remove all such assets being purchased by Franchisor.

4. Miscellaneous.

a. Landlord acknowledges that the provisions of this Lease Rider are required pursuant to the Franchise Agreement and that Tenant may not lease the Leased Premises to operate an Infinity Martial Arts School without this Lease Rider.

b. Landlord acknowledges that Tenant is not an agent of Franchisor and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor.

c. No amendment or variation of the terms of this Lease Rider will be valid unless made in writing and signed by Tenant, Landlord and Franchisor. Franchisor is an intended third-party beneficiary of this Lease Rider.

IN WITNESS WHEREOF, the parties execute this Lease Rider as of this ____ day
of _____, _____.

LANDLORD:

TENANT:

By:

By:

Its:

Its:

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned (“Franchisee”) assigns and transfers to Kicker Guy Franchises LLC, a Wisconsin limited liability company (“Assignee”), all of its right, title and interest as tenant in the lease attached as Exhibit 1 (“Lease”) for premises with a street address of _____ (“Leased Premises”).

This Collateral Assignment of Lease is for collateral purposes only and except as specified herein, Assignee will have no liability or obligation of any kind arising from or relating to this Collateral Assignment of Lease unless Assignee takes possession of the Leased Premises and assumes Franchisee’s obligations under the terms of the Lease and a certain Franchise Agreement dated _____ (“Franchise Agreement”).

Franchisee represents and warrants to Assignee that it has full power and authority to assign the Lease and its interest therein and that it has not previously (and is not obligated to) assign or transfer any of its interest in the Lease or the Leased Premises to any other entity.

Upon Franchisee’s default under the Lease or the Franchise Agreement, or in the event of a default by Franchisee under any document or instrument relating to the Franchise Agreement, Assignee will have the right to take possession of the Leased Premises, expel Franchisee from the Leased Premises and, in such event, Franchisee will have no further right, title or interest in the Lease.

Franchisee agrees that it will not allow or permit any surrender, termination, amendment or modification of the Lease without Assignee’s prior written consent. During the term of the Franchise Agreement and any renewals thereto, Franchisee will elect and exercise all options to extend the term or renew the Lease not less than thirty (30) days before the last day that such option must be exercised, unless Assignee otherwise agrees in writing.

ASSIGNEE:
Kicker Guy Franchises LLC

FRANCHISEE:

By:
Its:

By:
Its:

EXHIBIT 5 TO THE FRANCHISE AGREEMENT

**HOLDERS OF LEGAL OR BENEFICIAL INTEREST
IN FRANCHISEE; OFFICERS, DIRECTORS, MANAGERS**

Holders of Legal or Beneficial Interest:

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____%

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____%

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership _____%

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership _____%

Officers and Directors:

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL

INFINITY MARTIAL ARTS
Franchise Manual



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EXHIBIT D TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS



May 7, 2023

To Whom it May concern,

LKM Accounting Services, LLC hereby consents to the use in the Franchise Disclosure Document issued by Kicker Guy Franchises, LLC, ("Franchisor") on May 7 of our report dated May 7, 2023 relating to the initial balance sheet of Franchisor as of May 7, 2023.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lisa K Albertson', is written over the word 'Sincerely,'.

Lisa K Albertson, CPA
President
LKM Accounting Services, LLC

12:20 PM
05/05/23
Accrual Basis

Kicker Guy Franchises LLC
Balance Sheet
As of May 7, 2023

	<u>May 7, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 - Oak Bank - Operating	1,000.00
Total Checking/Savings	<u>1,000.00</u>
Total Current Assets	<u>1,000.00</u>
TOTAL ASSETS	<u><u>1,000.00</u></u>
LIABILITIES & EQUITY	
Equity	
3100 - Stockholder - H.Paulson	
3100.05 - Paulson Investment	500.00
Total 3100 - Stockholder - H.Paulson	<u>500.00</u>
3200 - Stockholder - M.Welch	
3200.05 - MWelch Investment	500.00
Total 3200 - Stockholder - M.Welch	<u>500.00</u>
Total Equity	<u>1,000.00</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,000.00</u></u>

**EXHIBIT E TO DISCLOSURE DOCUMENT
KICKER GUY FRANCHISES LLC**

FRANCHISEE ACKNOWLEDEMENT

Applicant: _____

Address: _____

Territory: _____

1. I received the Franchise Disclosure Document of Kicker Guy Franchises LLC for the state of Wisconsin at my first personal meeting with Kicker Guy Franchises LLC and have had at least fourteen (14) days since that first personal meeting before executing the Franchise Agreement with Kicker Guy Franchises LLC, or paying any monies to Kicker Guy Franchises LLC.
2. Except for fill-in-the-blank provisions or negotiated changes that I initiated, I received a copy of the Franchise Agreement executed contemporaneously with this Franchisee Acknowledgement at least seven (7) days before signing the Franchise Agreement.
3. I have signed and returned the acknowledgement of receipt for the Franchise Disclosure Document given to me by Kicker Guy Franchises LLC.
4. I have received no statements, promises, guarantees or assurances relative to earnings, revenues, profits or projected revenues for the Infinity Martial Arts school that I would operate pursuant to the Franchise Agreement from Kicker Guy Franchises LLC, or any of its representatives. If I am purchasing an existing Infinity Martial Arts school or franchise, I am relying solely on any representations made by the seller as part of that sale.
5. I have received no promises, guarantees or assurances regarding the grant of any additional Infinity Martial Arts schools.
6. I understand that operating an Infinity Martial Arts school involves risks and that the success of my business will depend largely upon my ability and me.

[SIGNATURE PAGE FOLLOWS]

Dated this ____ day of _____, 20__.

KICKER GUY FRANCHISES LLC

[FRANCHISEE]

By:

By_____

By_____

By_____

KICKER GUY FRANCHISES LLC

MULTI-STATE ADDENDA

EXHIBIT F TO THE DISCLOSURE DOCUMENT

**ADDENDUM TO THE
KICKER GUY FRANCHISES LLC
FRANCHISE DISCLOSURE DOCUMENT**

FOR THE STATE OF ILLINOIS

- For choice of law purposes, and for the interpretation and construction of the Franchise Agreement, the Illinois Franchise Disclosure Act, 815 ILCS 705 governs.
- No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after the franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the franchisee of a written notice disclosing the violation, whichever shall first expire.
- Illinois law governs the Franchise Agreement (without regard to conflict of laws), and jurisdiction and venue for court litigation shall be in Illinois.
- Any provision in the Franchise Agreement requiring a general release is void to the extent that such provision requires a waiver of compliance with the Illinois Franchise Disclosure Act.
- Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois.

ITEM 5 of the is amended to add the following:

- All franchise fees payable by Illinois Franchisees will be held in an escrow account until Franchisor has completed all of its pre-opening obligations and you have opened for business and are operational. A copy of the escrow agreement is on file with the Office of the Illinois Attorney General.

ITEM 17 of the Disclosure Document is amended to add the following:

- The conditions under which a franchise can be terminated and your rights upon non-renewal may be affected by Sections 705/19 and 20 of the Illinois Franchise Disclosure Act of 1987, Ill. Rev. Stat. Ch. 815 Par. 705/1 – 705/44.
- The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

FOR THE STATE OF WISCONSIN

ITEM 17 of the Disclosure Document is amended to add the following:

- The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

RECEIPT

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF KICKER GUY FRANCHISES LLC OFFERS YOU A FRANCHISE, KICKER GUY FRANCHISES LLC 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 UNLESS OTHERWISE STATED IN YOUR STATE'S ADDENDUM:

IF KICKER GUY FRANCHISES 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 AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE STATE ADMINISTRATOR LISTED IN EXHIBIT A.

KICKER GUY FRANCHISES LLC AUTHORIZES THE AGENT LISTED IN EXHIBIT A TO RECEIVE SERVICE OF PROCESS FOR KICKER GUY FRANCHISES LLC

I HAVE RECEIVED A FRANCHISE DISCLOSURE DOCUMENT INCLUDING THE FOLLOWING EXHIBITS ON THE DATE LISTED BELOW:

- A. LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS
- B. FRANCHISE AGREEMENT
- C. TABLE OF CONTENTS OF OPERATIONS MANUAL
- D. FINANCIAL STATEMENTS
- E. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- F. MULTI-STATE ADDENDA

Please sign and print your name below, date and return one copy of this receipt to Kicker Guy Franchises LLC and keep the other for your records.

Date of Receipt

Print Name

Return to:
Kicker Guy Franchises LLC
6220 Nesbitt Road
Fitchburg, Wisconsin 53719

Signature (individually or as an officer or partner of)

(Name of corporation, partnership or LLC)
a _____ corporation
(State of incorporation)
a _____ partnership
(State where partnership formed)

a _____ LLC
(State where limited liability company formed)

RECEIPT

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF KICKER GUY FRANCHISES LLC OFFERS YOU A FRANCHISE, KICKER GUY FRANCHISES LLC 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 UNLESS OTHERWISE STATED IN YOUR STATE'S ADDENDUM:

IF KICKER GUY FRANCHISES 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 AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE STATE ADMINISTRATOR LISTED IN EXHIBIT A.

KICKER GUY FRANCHISES LLC AUTHORIZES THE AGENT LISTED IN EXHIBIT B TO RECEIVE SERVICE OF PROCESS FOR KICKER GUY FRANCHISES LLC

I HAVE RECEIVED A FRANCHISE DISCLOSURE DOCUMENT INCLUDING THE FOLLOWING EXHIBITS ON THE DATE LISTED BELOW:

- A. LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS
- B. FRANCHISE AGREEMENT
- C. TABLE OF CONTENTS OF OPERATIONS MANUAL
- D. FINANCIAL STATEMENTS
- E. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- F. MULTI-STATE ADDENDA

Please sign and print your name below, date and return one copy of this receipt to Kicker Guy Franchises LLC and keep the other for your records.

Date of Receipt

Print Name

Signature (individually or as an officer or partner of)

Return to:
Kicker Guy Franchises LLC
6220 Nesbitt Road
Fitchburg, Wisconsin 53719

(Name of corporation, partnership or LLC)
a _____ corporation
(State of incorporation)
a _____ partnership
(State where partnership formed)
a _____ LLC
(State where limited liability company formed)

-- LAST PAGE -