

FRANCHISE DISCLOSURE DOCUMENT



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a Delaware limited liability company
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The franchise offered is for the operation of an i9 Sports® Franchise, which utilizes our System, the Copyrights and Marks (as such terms are defined in Item 1) to operate, market, sell and provide amateur sports leagues, camps, tournaments, clinics, training, development, social activities, special events, products and related services that we designate or approve.

The total investment necessary to begin operation of an i9 Sports® Franchise as an area developer ranges from \$59,900 to \$69,900 for a 10-year term in which the full franchise fee is paid up front. This includes \$39,900 that must be paid to the franchisor or its affiliates prior to opening.

The total investment necessary to begin operation of an i9 Sports® Franchise as an area developer ranges from \$36,500 to \$46,500 for a 5-year term in which the franchise fee is paid in monthly installments. This includes \$16,500 that must be paid to the franchisor or its affiliates prior to opening.

This disclosure document summarizes certain provisions of your Area Developer Agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive the 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 or grant. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Matt Kurowski at 9410 Camden Field Parkway, Riverview, Florida 33578 and (813) 324-2000.

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

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

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

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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 and Exhibits “D” and “E.”
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit “A” includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only i9 Sports business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchise have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be an i9 Sports franchisee?	Item 20 and Exhibits “D” and “E” list 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 that 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 “F.”

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation only in Florida. Out-of-state mediation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate with the franchisor in Florida than in your own states.
2. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
3. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
4. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments, may result in termination of your franchise and loss of your investment.
5. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

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

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

The Franchisor is **i9 SPORTS, LLC**, referred to as “we,” “us,” or “our.” “You” or “Your” means the person who acquires the franchise from us and includes your owners and principals if you are a corporation, limited liability company, or other business entity.

The Franchisor

We are a Delaware limited liability company. We initially were a Florida corporation formed on July 29, 2002. We converted to a limited liability company on October 18, 2021, as part of the transaction described below in this Item 1. We began franchising in November 2003. We do business under our entity name and the names “i9 SPORTS, LLC” or “i9 Sports®.” On November 27, 2006, we changed our name to Momentum Franchise Systems Inc., and on December 13, 2007, we filed a name change to change our corporate name to i9 Sports Corporation.

Our current principal business address is 9410 Camden Field Parkway, Riverview, Florida 33578. Our agent in this state for service of process is, if applicable, disclosed in Exhibit “F.” We grant franchises to qualified and capable candidates for the establishment, development, and operation of businesses that sell and provide amateur sports leagues, camps, tournaments, clinics, training, development, social activities, special events, products and related services that we designate or approve, under the trademark “i9 Sports®” and other associated logos, designs, symbols and trade dress (the “**i9 Sports® Franchise**”).

We do not currently own and operate any locations substantially similar to that being franchised under the “i9 Sports®” mark. Other than as mentioned above, we do not engage in any other business activities and have not offered franchises in any other line of business.

Our Parents, Predecessors and Affiliates

We are an indirect, wholly-owned subsidiary of Youth Enrichment Brands, LLC (“**YEB**”), with a principal place address of 1010 B Street, Suite 450, San Rafael, CA 94901. On October 18, 2021, as a result of a transaction, YEB became our parent company. YEB has not conducted a business of the type that you will operate and has not offered franchises in any line of business.

We are a direct, wholly-owned subsidiary of i9 Holdings, LLC (“**i9 Holdings**”), a Delaware limited liability company formed on September 30, 2021, with a principal address of 1010 B Street, Suite 450, San Rafael, CA 94901. i9 Holdings is an indirect, wholly-owned subsidiary of YEB. i9 Holdings has not conducted a business of the type that you will operate and has not offered franchises in any line of business.

We have had no predecessors in the last ten years.

Our affiliate, i9 Sports Association, Inc. (“**i9 Sports Association**”), is a wholly-owned direct subsidiary of YEB and is a Florida not-for-profit organization formed on June 20, 2005. i9 Sports Association has obtained 501(c)(3) status with the Internal Revenue Service and has its principal business address at 9410 Camden Field Parkway, Riverview, Florida 33578. i9 Sports Association promotes youth athletic participation, educates the public on the health and wellness benefits of athletic participation, and provides financial assistance to youth who cannot otherwise afford to participate in athletic activities. i9 Sports Association does not engage in any other business activities and has never offered franchises in this or any other line of business.

Our affiliate, SafeSplash Brands, LLC (which does business as “**Streamline Brands**”), is a wholly-owned direct subsidiary of YEB that became affiliated with us in June 2022 through an acquisition. Streamline Brands has offered swim school franchises under the SafeSplash Swim School brand since August 2014. Streamline Brands offered franchises under the Swimtastic brand since August 2015 through March 2023 and under the SwimLabs

brand from February 2017 through April 2023. Streamline Brands has a principal place of business at 12240 Lioness Way, Parker, Colorado 80134. As of December 31, 2023, there were 128 franchised and company-owned SafeSplash Swim School outlets (including 12 outlets that are dual-branded with SwimLabs), 11 franchised and licensed SwimLabs swim schools, 11 franchised Swimtastic swim schools, and one dual-branded Swimtastic and SwimLabs swim school operating in the United States. Streamline Brands has never offered franchises in any other line of business.

Our affiliate, School of Rock Franchising LLC (“**School of Rock**”), is a wholly-owned direct subsidiary of YEB that became affiliated with us in September 2023 through an acquisition. School of Rock franchises businesses that operate performance-based music schools with a rock music program under the School of Rock® mark. School of Rock began offering franchises in September 2005. School of Rock has a principal place of business at 1 Wattles Street, Canton, MA 02021. As of December 31, 2023, there were 234 franchised and 47 affiliate-owned School of Rock schools in the United States and 78 franchised School of Rock schools outside the United States.

Although not an affiliate that offers franchises or products or services to franchisees, our affiliate U.S. Sports Camps (“**USSC**”) offers, through a network of coaches and youth sports organizations, youth sports camps that primarily operate in the summer months across 20 different physical sports and eSports under the US Sports Camps marks, and U.S. Baseball Academy and U.S. Softball Academy marks. USSC’s principal business address is 1010 B Street, Suite 450, San Rafael, CA 94901. USSC has never offered franchises in any line of business.

Affiliated Franchise Programs

Through control with private equity funds managed by Roark Capital Management, LLC, we are affiliated with the following franchise programs (“**Affiliated Programs**”). None of these affiliates operate an i9 Sports® franchise.

GoTo Foods Inc. (“**GoTo Foods**”) is the indirect parent company to seven franchisors, including: Auntie Anne’s Franchisor SPV LLC (“**Auntie Anne’s**”), Carvel Franchisor SPV LLC (“**Carvel**”), Cinnabon Franchisor SPV LLC (“**Cinnabon**”), Jamba Juice Franchisor SPV LLC (“**Jamba**”), McAlister’s Franchisor SPV LLC (“**McAlister’s**”), Moe’s Franchisor SPV LLC (“**Moe’s**”), and Schlotzsky’s Franchisor SPV LLC (“**Schlotzsky’s**”). All seven GoTo Foods franchisors have a principal place of business at 5620 Glenridge Drive NE, Atlanta, GA 30342 and have not offered franchises in any other line of business.

Auntie Anne’s franchises Auntie Anne’s® shops that offer soft pretzels, lemonade, frozen drinks and related foods and beverages. In November 2010, the Auntie Anne’s system became affiliated with GoTo Foods through an acquisition. Auntie Anne’s predecessor began offering franchises in January 1991. As of December 31, 2023, there were 1,156 franchised and 11 affiliate-owned Auntie Anne’s shops in the United States and 817 franchised Auntie Anne’s shops outside the United States.

Carvel franchises Carvel® ice cream shoppes and is a leading retailer of branded ice cream cakes in the United States and a producer of premium soft-serve ice cream. The Carvel system became an Affiliated Program in October 2001 and became affiliated with GoTo Foods in November 2004. Carvel’s predecessor began franchising retail ice cream shoppes in 1947. As of December 31, 2023, there were 324 franchised Carvel shoppes in the United States and 29 franchised Carvel shoppes outside the United States.

Cinnabon franchises Cinnabon® bakeries that feature oven-hot cinnamon rolls, as well as other baked treats and specialty beverages. It also licenses independent third parties to operate domestic and international franchised Cinnabon® bakeries and Seattle’s Best Coffee® franchises on military bases in the United States and in certain international countries, and to use the Cinnabon trademarks on products dissimilar to those offered in Cinnabon bakeries. In November 2004, the Cinnabon system became affiliated with GoTo Foods through an acquisition. Cinnabon’s predecessor began franchising in 1990. As of December 31, 2023, there were 952 franchised and 22 affiliate-owned Cinnabon bakeries in the United States and 952 franchised Cinnabon bakeries outside the United States. In addition, as of December 31, 2023, there were 185 franchised Seattle’s Best Coffee units outside the United States.

Jamba franchises Jamba® stores that feature a wide variety of fresh blended-to-order smoothies and other cold or hot beverages and offer fresh squeezed juices and portable food items to customers who come for snacks and light meals. Jamba has offered JAMBA® franchises since October 2018. In October 2018, Jamba became affiliated with GoTo Foods through an acquisition. Jamba's predecessor began franchising in 1991. As of December 31, 2023, there were approximately 733 franchised Jamba stores in the United States and 57 franchised Jamba stores outside the United States.

McAlister's franchises McAlister's Deli® restaurants which offer a line of deli foods, including hot and cold deli sandwiches, baked potatoes, salads, soups, desserts, iced tea and other food and beverage products. The McAlister's system became an Affiliated Program through an acquisition in July 2005 and became affiliated with GoTo Foods in October 2013. McAlister's or its predecessor have been franchising since 1999. As of December 31, 2023, there were 506 domestic franchised McAlister's restaurants and 33 affiliate-owned restaurants operating in the United States.

Moe's franchises Moe's Southwest Grill® fast casual restaurants which feature fresh-mex and southwestern food. In August 2007, the Moe's system became affiliated with GoTo Foods through an acquisition. Moe's predecessor began offering Moe's Southwest Grill franchises in 2001. As of December 31, 2023, there were 606 franchised and six affiliate-owned Moe's Southwest Grill restaurants in the United States.

Schlotzsky's franchises Schlotzsky's® quick-casual restaurants which feature sandwiches, pizza, soups, and salads. Schlotzsky's signature items are its "fresh-from-scratch" sandwich buns and pizza crusts that are baked on-site every day. In November 2006, the Schlotzsky's system became affiliated with GoTo Foods through an acquisition. Schlotzsky's restaurant franchises have been offered since 1976. As of December 31, 2023, there were 295 franchised Schlotzsky's restaurants and 22 affiliate-owned restaurants operating in the United States.

Inspire Brands, Inc. ("Inspire Brands") is a global multi-brand restaurant company, launched in February 2018 upon completion of the merger of the Arby's and Buffalo Wild Wings brands. Inspire Brands is a parent company to six franchisors offering and selling franchises in the United States, including: Arby's Franchisor, LLC ("**Arby's**"), Baskin-Robbins Franchising LLC ("**Baskin-Robbins**"), Buffalo Wild Wings International, Inc. ("**Buffalo Wild Wings**"), Dunkin' Donuts Franchising LLC ("**Dunkin'**"), Jimmy John's Franchisor SPV, LLC ("**Jimmy John's**"), and Sonic Franchising LLC ("**Sonic**"). Inspire Brands is also a parent company to the following franchisors offering and selling franchises internationally: Inspire International, Inc. ("**Inspire International**"), DB Canadian Franchising ULC ("**DB Canada**"), DDBR International LLC ("**DB China**"), DD Brasil Franchising Ltda. ("**DB Brasil**"), DB Mexican Franchising LLC ("**DB Mexico**"), and BR UK Franchising LLC ("**BR UK**"). All of Inspire Brands' franchisors have a principal place of business at Three Glenlake Parkway NE, Atlanta, Georgia 30328 and, other than as described below for Arby's, have not offered franchises in any other line of business.

Arby's is a franchisor of quick-serve restaurants operating under the Arby's® trade name and business system that feature slow-roasted, freshly sliced roasted beef and other deli-style sandwiches. In July 2011, Arby's became an Affiliated Program through an acquisition. Arby's has been franchising since 1965. Predecessors and former affiliates of Arby's have, in the past, offered franchises for other restaurant concepts including T.J. Cinnamons® stores that served gourmet baked goods. All of the T.J. Cinnamons locations have closed. As of December 31, 2023, there were 3,413 Arby's restaurants operating in the United States (2,316 franchised and 1,097 company-owned) and 200 franchised Arby's restaurants operating internationally.

Buffalo Wild Wings is a franchisor of sports entertainment-oriented casual sports bars that feature chicken wings, sandwiches, and other products, alcoholic and other beverages, and related services under Buffalo Wild Wings® name ("**Buffalo Wild Wings Sports Bars**") and restaurants that feature chicken wings and other food and beverage products primarily for off-premises consumption under the Buffalo Wild Wings GO name ("**BWW-GO Restaurants**"). Buffalo Wild Wings has offered franchises for Buffalo Wild Wings Sports Bars since April 1991 and for BWW-GO Restaurants since December 2020. As of December 31, 2023, there were 1,185 Buffalo Wild Wings Sports Bars operating in the United States (533 franchised and 652 company-owned) and 65 franchised Buffalo Wild Wings or B-Dubs restaurants operating outside the United States. As of

December 31, 2023, there were 79 BWW-GO Restaurants operating in the United States (31 franchised and 48 company-owned).

Sonic is the franchisor of Sonic Drive-In® restaurants, which serve hot dogs, hamburgers and other sandwiches, tater tots and other sides, a full breakfast menu and frozen treats and other drinks. Sonic became an Affiliated Program through an acquisition in December 2018. Sonic has offered franchises for Sonic restaurants since May 2011. As of December 31, 2023, there were 3,521 Sonic Drive-Ins operating in the United States (3,195 franchised and 326 company-owned).

Jimmy John's is a franchisor of restaurants operating under the Jimmy John's® trade name and business system that feature high-quality deli sandwiches, fresh baked breads, and other food and beverage products. Jimmy John's became an Affiliated Program through an acquisition in October 2016 and became part of Inspire Brands by merger in 2019. As of December 31, 2023, there were 2,644 Jimmy John's restaurants operating in the United States (2,604 franchised and 40 affiliate-owned). Of those 2,644 restaurants, 2,641 were singled-branded Jimmy John's restaurants and 3 were franchised Jimmy John's restaurants operating at multi-brand locations.

Dunkin' is a franchisor of Dunkin'® restaurants that offer doughnuts, coffee, espresso, breakfast sandwiches, bagels, muffins, compatible bakery products, croissants, snacks, sandwiches and beverages. Dunkin' became an Affiliated Program through an acquisition in December 2020. Dunkin' has offered franchises in the United States and certain international markets for Dunkin' restaurants since March 2006. As of December 31, 2023, there were 9,580 Dunkin' restaurants operating in the United States (9,548 franchised and 32 company-owned). Of those 9,580 restaurants, 8,295 were single-branded Dunkin' restaurants, 2 were franchised Dunkin' restaurants operating at multi-brand locations, and 1,283 were franchised Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December 31, 2023, there were 4,210 single-branded franchised Dunkin' restaurants operating internationally.

Baskin-Robbins is a franchisor of Baskin-Robbins® restaurants that offer ice cream, ice cream cakes and related frozen products, beverages and other products and services. Baskin-Robbins became an Affiliated Program through an acquisition in December 2020. Baskin-Robbins has offered franchises in the United States and certain international markets for Baskin-Robbins restaurants since March 2006. As of December 31, 2023, there were 2,261 franchised Baskin-Robbins restaurants operating in the United States. Of those 2,261 restaurants, 977 were single-branded Baskin-Robbins restaurants, 1 was a Baskin-Robbins restaurant operating at a multi-brand location, and 1,283 were Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December 31, 2023, there were 5,383 single-branded franchised Baskin-Robbins restaurants operating internationally and in Puerto Rico.

Inspire International has, directly or through its predecessors, offered and sold franchises outside the United States for the following brands: Arby's restaurants (since May 2016), Buffalo Wild Wings sports bars (since October 2019), Jimmy John's restaurants (since November 2022), and Sonic restaurants (since November 2019). **DB Canada** was formed in May 2006 and has, directly or through its predecessors, offered and sold Baskin-Robbins franchises in Canada since January 1972. **DB China** has offered and sold Baskin-Robbins franchises in China since its formation in March 2006. **DB Brasil** has offered and sold Dunkin' and Baskin-Robbins franchises in Brazil since its formation in May 2014. **DB Mexico** has offered and sold Dunkin' franchises in Mexico since its formation in October 2006. **BR UK** has offered and sold Baskin-Robbins franchises in the UK since its formation in December 2014. The restaurants franchised by the international franchisors are included in the brand-specific disclosures above.

Primrose School Franchising SPE, LLC ("Primrose") is a franchisor that offers franchises for the establishment, development and operation of educational childcare facilities serving families with children from 6 weeks to 12 years old operating under the Primrose® name. Primrose's principal place of business is 3200 Windy Hill Road SE, Suite 1200E, Atlanta GA 30339. Primrose became an Affiliated Program through an acquisition in June 2008. Primrose and its affiliates have been franchising since 1988. As of December 31, 2023, there were 505 franchised Primrose facilities in the United States. Primrose has not offered franchises in any other line of business.

ME SPE Franchising, LLC (“Massage Envy”) is a franchisor of businesses that offer professional therapeutic massage services, facial services, and related goods and services under the name “Massage Envy®” since 2019. Massage Envy’s principal place of business is 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260. Massage Envy’s predecessor began operation in 2003, commenced franchising in 2010, and became an Affiliated Program through an acquisition in 2012. As of December 31, 2023, there were 1,053 Massage Envy locations operating in the United States, including 1044 operated as total body care Massage Envy businesses and 9 operated as traditional Massage Envy businesses. Additionally, Massage Envy’s predecessor previously sold franchises for regional developers, who acquired a license for a defined region in which they were required to open and operate a designated number of Massage Envy locations either by themselves or through franchisees that they would solicit. As of December 31, 2023, there were 9 regional developers operating 11 regions in the United States. Massage Envy has not offered franchises in any other line of business.

CKE Inc. (“CKE”), through two indirect wholly-owned subsidiaries (Carl’s Jr. Restaurants LLC and Hardee’s Restaurants LLC), owns, operates and franchises quick serve restaurants operating under the Carl’s Jr.® and Hardee’s® trade names and business systems. Carl’s Jr. restaurants and Hardee’s restaurants offer a limited menu of breakfast, lunch and dinner products featuring charbroiled 100% Black Angus Thickburger® sandwiches, Hand-Breaded Chicken Tenders, Made from Scratch Biscuits and other related quick serve menu items. A small number of Hardee’s Restaurants offer Red Burrito® Mexican food products through a Dual Concept Restaurant. A small number of Carl’s Jr. Restaurants offer Green Burrito® Mexican food products through a Dual Concept Restaurant. CKE Inc.’s principal place of business is 6700 Tower Circle, Suite 1000, Franklin, Tennessee. In December 2013, CKE Inc. became an Affiliated Program through an acquisition. Hardee’s restaurants have been franchised since 1961. As of January 29, 2024, there were 204 company-operated Hardee’s restaurants and there were 1,406 domestic franchised Hardee’s restaurants, including 136 Hardee’s/Red Burrito Dual Concept restaurants. Additionally, there were 458 franchised Hardee’s restaurants operating outside the United States. Carl’s Jr. restaurants have been franchised since 1984. As of January 29, 2024, there were 49 company-operated Carl’s Jr. restaurants, and there were 1,019 domestic franchised Carl’s Jr. restaurants, including 243 Carl’s Jr./Green Burrito Dual Concept restaurants. In addition, there were 661 franchised Carl’s Jr. restaurants operating outside the United States. Neither CKE nor its subsidiaries that operate the above-described franchise systems have offered franchises in any other line of business.

Driven Holdings, LLC (“Driven Holdings”) is the indirect parent company to nine franchisors, including Meineke Franchisor SPV LLC (“**Meineke**”), Maaco Franchisor SPV LLC (“**Maaco**”), Merlin Franchisor SPV LLC (“**Merlin**”), Econo Lube Franchisor SPV LLC (“**Econo Lube**”), 1-800-Radiator Franchisor SPV LLC (“**1-800-Radiator**”), CARSTAR Franchisor SPV LLC (“**CARSTAR**”), Take 5 Franchisor SPV LLC (“**Take 5**”), ABRA Franchisor SPV LLC (“**ABRA**”) and FUSA Franchisor SPV LLC (“**FUSA**”). In April 2015, Driven Holdings and its franchised brands at the time (which included Meineke, Maaco, Merlin and Econo Lube) became Affiliated Programs through an acquisition. Subsequently, through acquisitions in June 2015, October 2015, March 2016, September 2019, and April 2020, respectively, the 1-800-Radiator, CARSTAR, Take 5, ABRA and FUSA brands became Affiliated Programs. The principal business address of Meineke, Maaco, Econo Lube, Merlin, CARSTAR, Take 5, Abra and FUSA is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. 1-800-Radiator’s principal business address is 4401 Park Road, Benicia, California 94510. None of these franchise systems have offered franchises in any other line of business.

Meineke franchises automotive centers that offer to the general public automotive repair and maintenance services that it authorizes periodically. These services currently include repair and replacement of exhaust system components, brake system components, steering and suspension components (including alignment), belts (V and serpentine), cooling system service, CV joints and boots, wiper blades, universal joints, lift supports, motor and transmission mounts, trailer hitches, air conditioning, state inspections, tire sales, tune ups and related services, transmission fluid changes and batteries. Meineke and its predecessors have offered Meineke center franchises since September 1972, and Meineke’s affiliate has owned and operated Meineke centers on and off since March 1991. As of December 30, 2023, there were 698 franchised Meineke centers, 22 franchised Meineke centers co-branded with Econo Lube, and no company-owned Meineke centers or company-owned Meineke centers co-branded with Econo Lube operating in the United States.

Maaco and its predecessors have offered Maaco center franchises since February 1972 providing automotive collision and paint refinishing. As of December 30, 2023, there were 373 franchised Maaco centers and no company-owned Maaco centers in the United States.

Merlin franchises shops that provide automotive repair services specializing in vehicle longevity, including the repair and replacement of automotive exhaust, brake parts, ride and steering control system and tires. Merlin and its predecessors offered franchises from July 1990 to February 2006 under the name “Merlin Muffler and Brake Shops,” and have offered franchises under the name “Merlin Shops” since February 2006. As of December 30, 2023, there were 22 Merlin franchises and no company-owned Merlin shops located in the United States.

Econo Lube offers franchises that provide oil change services and other automotive services including brakes, but not including exhaust systems. Econo Lube’s predecessor began offering franchises in 1980 under the name “Muffler Crafters” and began offering franchises under the name “Econo Lube N’ Tune” in 1985. As of December 30, 2023, there were 9 Econo Lube N’ Tune franchises and 12 Econo Lube N’ Tune franchises co-branded with Meineke centers in the United States, which are predominately in the western part of the United States, including California, Arizona, and Texas, and no company-owned Econo Lube N’ Tune locations in the United States.

1-800-Radiator franchises distribution warehouses selling radiators, condensers, air conditioning compressors, fan assemblies and other automotive parts to automotive shops, chain accounts and retail consumers. 1-800-Radiator and its predecessor have offered 1-800-Radiator franchises since 2004. As of December 30, 2023, there were 196 1-800-Radiator franchises in operation in the United States. 1-800-Radiator’s affiliate has owned and operated 1-800-Radiator warehouses since 2001 and, as of December 30, 2023, owned and operated 1 1-800-Radiator warehouse in the United States.

CARSTAR offers franchises for full-service automobile collision repair facilities providing repair and repainting services for automobiles and trucks that suffered damage in collisions. CARSTAR’s business model focuses on insurance-related collision repair work arising out of relationships it has established with insurance company providers. CARSTAR and its affiliates first offered conversion franchises to existing automobile collision repair facilities in August 1989 and began offering franchises for new automobile repair facilities in October 1995. As of December 30, 2023, there were 455 franchised CARSTAR facilities and no company-owned facilities operating in the United States.

Take 5 franchises motor vehicle centers that offer quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products. Take 5 commenced offering franchises in March 2017, although the Take 5 concept started in 1984 in Metairie, Louisiana. As of December 30, 2023, there were 325 franchised Take 5 outlets and 643 affiliate-owned Take 5 outlets operating in the United States.

Abra franchises repair and refinishing centers that offer high quality auto body repair and refinishing and auto glass repair and replacement services at competitive prices. Abra and its predecessor have offered Abra franchises since 1987. As of December 30, 2023, there were 57 franchised Abra repair centers and no company-owned repair centers operating in the United States.

FUSA franchises collision repair shops specializing in auto body repair work and after-collision services. FUSA has offered Fix Auto shop franchises since July 2020, although its predecessors have offered franchise and license arrangements for Fix Auto shops on and off from April 1998 to June 2020. As of December 30, 2023, there were 203 franchised Fix Auto repair shops operating in the United States, 9 of which are operated by FUSA’s affiliate under a franchise agreement with FUSA.

Driven Holdings is also the indirect parent company to the following franchisors that offer franchises in Canada: (1) **Meineke Canada SPV LP** and its predecessors have offered Meineke center franchises in Canada since August 2004; (2) **Maaco Canada SPV LP** and its predecessors have offered Maaco center franchises in

Canada since 1983; (3) **1-800-Radiator Canada, Co.** has offered 1-800-Radiator warehouse franchises in Canada since April 2007; (4) **Carstar Canada SPV LP** and its predecessors have offered CARSTAR franchises in Canada since September 2000; (5) **Take 5 Canada SPV LP** and its predecessor have offered Take 5 franchises in Canada since November 2019; (6) **Driven Brands Canada Funding Corporation** and its predecessors have offered UniglassPlus and Uniglass Express franchises in Canada since 1985 and 2015, respectively, Vitro Plus and Vitro Express franchises in Canada since 2002, and Docteur du Pare Brise franchises in Canada since 1998; (7) **Go Glass Franchisor SPV LP** and its predecessors have offered Go! Glass & Accessories franchises since 2006 and Go! Glass franchises since 2017 in Canada; and (8) **Star Auto Glass Franchisor SPV LP** and its predecessors have offered Star Auto Glass franchises in Canada since approximately 2012.

As of December 30, 2023, there were: (i) 15 franchised Meineke centers and no company-owned Meineke centers in Canada; (ii) 18 franchised Maaco centers and no company-owned Maaco centers in Canada; (iii) 10 1-800-Radiator franchises and no company-owned 1-800-Radiator locations in Canada; (iv) 313 franchised CARSTAR facilities and 1 company-owned CARSTAR facility in Canada; (v) 30 franchised Take 5 outlets and 7 company-owned Take 5 outlets in Canada; (vi) 57 franchised UniglassPlus businesses, 27 franchised UniglassPlus/Ziebart businesses, and 5 franchised Uniglass Express businesses in Canada, and 2 company-owned UniglassPlus businesses and 1 company-owned UniglassPlus/Ziebart business in Canada; (vii) 10 franchised VitroPlus businesses, 57 franchised VitroPlus/Ziebart businesses, and 4 franchised Vitro Express businesses in Canada, and 3 company-owned VitroPlus businesses and no company-owned VitroPlus/Ziebart businesses in Canada; (viii) 32 franchised Docteur du Pare Brise businesses and no company-owned Docteur du Pare Brise businesses in Canada; (ix) 12 franchised Go! Glass & Accessories businesses and no franchised Go! Glass business in Canada, and 8 company-owned Go! Glass & Accessories businesses and no company-owned Go! Glass businesses in Canada; and (x) 8 franchised Star Auto Glass businesses and no company-owned Star Auto Glass businesses in Canada.

In January 2022, Driven Brands acquired Auto Glass Now's repair locations. As of December 30, 2023, there were more than 220 repair locations operating under the AUTOGLASSNOW[®] name in the United States ("**AGN Repair Locations**"). AGN Repair Locations offer auto glass calibration and windshield repair and replacement services. In the future, AGN Repair Locations may offer products and services to Driven Brands' affiliates and their franchisees in the United States, and/or Driven Brands may decide to offer franchises for AGN Repair Locations in the United States.

ServiceMaster Systems LLC is the direct parent company to three franchisors operating five franchise brands in the United States: Merry Maids SPE LLC ("**Merry Maids**"), ServiceMaster Clean/Restore SPE LLC ("**ServiceMaster**") and Two Men and a Truck SPE LLC ("**Two Men and a Truck**"). Merry Maids and ServiceMaster became Affiliated Programs through an acquisition in December 2020. Two Men and a Truck became an Affiliated Program through an acquisition on August 3, 2021. The three franchisors have a principal place of business at One Glenlake Parkway, Suite 1400, Atlanta, Georgia 30328 and have never offered franchises in any other line of business.

Merry Maids franchises residential house cleaning businesses under the Merry Maids[®] mark. Merry Maids' predecessor began business and started offering franchises in 1980. As of December 31, 2023, there were 813 Merry Maid franchises in the United States.

ServiceMaster franchises (i) businesses that provide disaster restoration and heavy-duty cleaning services to residential and commercial customers under the ServiceMaster Restore[®] mark and (ii) businesses that provide contracted janitorial services and other cleaning and maintenance services under the ServiceMaster Clean[®] mark. ServiceMaster's predecessor began offering franchises in 1952. As of December 31, 2023, there were 619 ServiceMaster Clean franchises and 2,064 ServiceMaster Restore franchises in the United States.

Two Men and a Truck franchises (i) businesses that provide moving services and related products and services, including packing, unpacking and the sale of boxes and packing materials under the Two Men and a

Truck[®] mark and (ii) businesses that provide junk removal services under the Two Men and a Junk Truck[™] mark. Two Men and a Truck's predecessor began offering moving franchises in February 1989. Two Men and a Truck began offering Two Men and a Junk Truck franchises in 2023. As of December 31, 2023, there were 313 Two Men and a Truck franchises and three company-owned Two Men and a Truck businesses in the United States. As of December 31, 2023, there were 20 Two Men and a Junk Truck franchises in the United States.

Affiliates of ServiceMaster Systems LLC also offer franchises for operation outside the United States. Specifically, **ServiceMaster of Canada Limited** offers franchises in Canada, **ServiceMaster Limited** offers franchises in Great Britain, and **Two Men and a Truck** offers franchises in Canada and Ireland.

NBC Franchisor LLC ("NBC") franchises gourmet bakeries that offer and sell specialty bundt cakes, other food items and retail merchandise under the Nothing Bundt Cakes[®] mark. NBC's predecessor began offering franchises in May 2006. NBC became an Affiliated Program through an acquisition in May 2021. NBC has a principal place of business at 4560 Belt Line Road, Suite 350, Addison, Texas 75001. As of December 31, 2023, there were 562 Nothing Bundt Cake franchises and 16 company-owned locations operating in the United States. NBC has never offered franchises in any other line of business.

Mathnasium Center Licensing, LLC ("Mathnasium") franchises learning centers that provide math instruction using the Mathnasium[®] system of learning. Mathnasium began offering franchises in late 2003. Mathnasium became an Affiliated Program through an acquisition in November 2022. Mathnasium has a principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056. As of December 31, 2023, there were 968 franchised and 4 affiliate-owned Mathnasium centers operating in the United States. Mathnasium has never offered franchises in any other line of business. Affiliates of Mathnasium Center Licensing, LLC also offer franchises for operation outside the United States.

Mathnasium Center Licensing Canada, Inc. has offered franchises for Mathnasium centers in Canada since May 2014. As of December 31, 2023, there were 89 franchised Mathnasium centers in Canada. **Mathnasium International Franchising, LLC** has offered franchises outside the United States and Canada since May 2015. As of December 31, 2023, there were 79 franchised Mathnasium centers outside the United States and Canada. Mathnasium Center Licensing, LLC, Mathnasium Center Licensing Canada, Inc. and Mathnasium International Franchising, LLC each have their principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056 and none of them has ever offered franchises in any other line of business.

None of the affiliated franchisors are obligated to provide products or services to you; however, you may purchase products or services from these franchisors if you choose to do so.

Except as described above, we have no other parents, predecessors or affiliates that must be included in this Item.

Our Franchise Program

i9 Sports[®] Franchises create and supervise youth amateur sport leagues, camps, tournaments, sport clinics, child development, after-school programs, sport or social activities, umpire/referee training, sport-related training programs, and other related products or services that we may develop (as applicable, collectively, the "**Services**"), and market and sell products that we designate or approve, like uniforms, jerseys, t-shirts, jackets, shorts, trophies, medals/pins, awards, hats, caps, sporting equipment and supplies, apparel, beverages and food, and other products we designate or approve from time to time (collectively, the "**Products**"), within a defined geographic area (the "**Network Area**"). The Products and Services are offered for youth customers under the age of 18 only (each, a "**Customer**") in connection with sports leagues, camps, tournaments, clinics, child development, after-school programs, social activities, umpire/referee training, games, practices, training and conditioning programs and other recreational leagues, sporting or social events and the like which we designate or approve ("**Events**").

At times in this Disclosure Document, we refer to our franchisees as "**Area Developers**" and the form of agreement you must execute to own and operate an i9 Sports[®] Franchise as an "**Area Developer Agreement**." This is because

we expect you to actively develop your Network Area and use your best efforts to promote and advertise the Services, Products and Events that you will be offering through your i9 Sports® Franchise to customers located within your Network Area. Please note that our form of franchise agreement, or “Area Developer Agreement,” only grants you the right to operate a single i9 Sports® Franchise within the Network Area we grant to you.

Each i9 Sports® Franchise uses our distinctive business format and set of specifications and operating procedures (collectively, the “**System**”). The distinguishing characteristics of the System include our guidelines, methods, policies, procedures, league systems, standards, requirements, and specifications that we establish (collectively, the “**System Standards**”); confidential operations manual and various other confidential manuals and writings prepared by us for your use in operating an i9 Sports® Franchise (collectively, the “**Manual**”); confidential information; e-commerce systems; methods for affiliation with public and private sector organizations; Computer System (as defined below); Billing System (as defined below); automated registration program; training programs; and business relationships. We may register, change, cancel, alter, amend, further improve, discontinue, develop or otherwise modify elements of the System from time to time.

We have established and operate a technology-based system for (i) administrative, customer account coordination, billing, revenue collection and commission payment services; and (ii) Product or Service ordering, billing and distribution, (collectively, the “**Billing System**”). The Billing System is a key component to your i9 Sports® Franchise operations. You will enter into agreements with Customers where you will provide Products and Services. A critical part of the Billing System is the interactive website(s), our cloud-based franchise management software (“**Franchise Manager Software**”), and related web pages and links. Customer registration, payment and coordination must take place via the Billing System and the applicable website we designate (e.g., www.i9sports.com or others we may designate).

We identify the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the mark “i9 Sports®,” distinctive trade dress and such other trade names, trademarks, and service marks as we now or in the future may designate in writing for use in connection with the System (the “**Marks**”). We continue to develop, use, and control the use of such Marks in order to identify for the public the source of products and services marketed under the System, and to represent the System's high standards of quality, appearance and service.

Individuals under the age of 18 are referred to as “**Youth Customers**” or “**Customers**” and 18 or older are referred to as “**Adult Customers**.” We only permit you to offer, sell and provide the Products and Services strictly to Youth Customers only. The Adult Customer may only purchase products or services on behalf of the Youth Customer (e.g., parent or guardian registers a child for an Event or purchases a related Product or Service). You may not offer any other Product or Service to Adult Customers, including but not limited to coaches and/or parent games.

The types of sports you are authorized to provide products and services for include flag football, basketball, soccer, baseball, volleyball, and tennis (the “**Authorized Sports**”). You may only offer the Authorized Sports, Products, Services and Events designated in your Network Area in accordance with your Area Developer Agreement and our Manual. We have the right to change, alter or amend the type, timing, or number of Authorized Sports or the types of Customers who you can offer to at Events at any time. In addition, if you fail or refuse to offer an Authorized Sport at any time in your Network Area, then we, or a third party we designate (including another Area Developer) may offer such sport in your Network Area, and you will not be entitled to any compensation in connection with this.

You must appoint an individual owner with at least a 10% ownership interest in your Franchised Business or franchisee entity as your “**Operating Principal**.” If you are the only individual signing the Area Developer Agreement or the sole owner of your franchisee entity, you will serve as the Operating Principal. If there are multiple individuals signing the Franchise Agreement or multiple owners of your franchisee entity, you must select one of them to serve as the Operating Principal. Your Operating Principal must have authority over all business decisions related to your Franchised Business and must have the power to bind you in all dealings with us. In addition, you must appoint a manager to actively manage the day-to-day operations of your Franchised Business on

a full-time basis (the “**Key Manager**”). Your Operating Principal or one of your employees may serve as your Key Manager. Your Key Manager may not serve in such role for more than one i9 Sports® Franchise. Your Operating Principal and Key Manager must satisfy any standards that we require for their position, including successfully completing any training programs we require, and must receive our written approval prior to their appointment.

You will recruit, train and develop event coordinators, coaches, volunteers, officials, operations staff and other personnel needed to conduct the Events (“**Event Personnel**”). You will also establish training programs to teach Customers (or their parents or guardians) how to help you conduct and develop the Events and to work with Event Personnel (“**Customer Liaisons**”). You and the Customer (or their parent or guardian, if applicable) agree on the fees paid to you for development or operation of an Event, the sale or distribution of the Products or performing, rendering or providing the Services.

You may not market, offer, or sell the Products and the Services until the date on which your Required Trainees (as defined in Item 11) successfully complete our Phase I Training (as defined in Item 11) (the “**Business Launch Date**”). After the Business Launch Date, you must begin actively soliciting registrations for Events. You must complete additional training programs and obtain 100 registrations before you may begin conducting Events and providing the Services to Customers. We refer to the date that you begin conducting Events and providing the Services to Customers as the “**Service Start Date.**”

Please note that we previously offered qualified parties the right to enter into a regional director agreement, whereby the party would obtain the right and undertake the obligation to own and operate multiple i9 Sports® Franchises within a designated geographical area (the “**Regional Director Offering**”). We ceased the offer and sale of the Regional Director Offering in 2009, but there is one Regional Director that is currently operating in South Florida.

Competition

You may compete with other sports franchise systems, or similar non-franchised sports and recreational organizations or systems, and may face competition from locally, regionally or nationally recognized sports associations. You may also face competition from public, private, and not-for profit organizations which currently operate amateur sports programs and sell sporting related products or services via store front, mail order, catalogue or the internet. The Products and Services you offer to the general public, organizations or municipalities may be similar to those already offered by others. The market for amateur sports, recreation, sport and social events, sports training, officials training, internet, mail order catalogue and store front sporting products and apparel sales and the like is relatively undeveloped or highly fragmented in some areas and developed in other areas, depending on the number and types of businesses operating or offering such events or products in the particular area.

Specific Industry Laws

You must comply with all laws and regulations pertaining to the provision of youth sports leagues and instruction, including, without limitation, all government regulations relating to occupational hazards and health, consumer protection, trade regulations, use of public facilities (like parks and sports complexes), educational standards, public safety, and certain health, sanitation, food, safety, state and local concussion protocols and player safety regulations, and fire standards. Your i9 Sports Franchise will also be subject to laws or regulations that are not specific to the youth sports industry, but applicable to businesses in general, including zoning laws, labor laws and the Fair Labor Standards Act, workers’ compensation laws, business licensing laws, tax regulations, the Americans with Disabilities Act, and the federal Child Online Privacy Protection Act (COPPA), which will regulate the manner in which you and we gather information relating to Youth Customers.

You must also comply with all child safety laws and regulations. In addition, you are required to authorize us, at any time, to conduct a criminal background check on you, and each of your Event Personnel and employees will be required to undergo criminal background checks as well. You are advised to examine all applicable laws and regulations carefully with a qualified advisor before purchasing a franchise from us.

ITEM 2
BUSINESS EXPERIENCE

PRESIDENT (as of April 13, 2024) and EXECUTIVE VICE PRESIDENT (prior to April 13, 2024): Matt Kurowski

Mr. Kurowski will begin serving as our President on April 13, 2024. As of the date of this Disclosure Document, Mr. Kurowski serves as our Executive Vice President, which is a position he has held since January 2023. Since January 2020, he has also served as the Co-Owner and President of The Lash Lounge Mechanicsburg – Carlisle Pike in Mechanicsburg, Pennsylvania. From November 2022 to January 2023, he served as Vice President of Franworth in Ann Arbor, Michigan. From December 2020 to January 2023, he served as Director of Operations of Barre Code Franchisor, L.L.C. in Ann Arbor, Michigan. From October 2017 to January 2020, Mr. Kurowski served as Chief Operating Officer of Soccer Shots Franchising in Middletown, Pennsylvania. He serves in his present capacity in Ann Arbor, Michigan.

VICE PRESIDENT OF MARKETING: Brandy Zickefoose

Ms. Zickefoose has served as our Vice President of Marketing since November 2022. From June 2022 to November 2022, she was an Advisory Lead, Demand Generation Group for BDO Digital USA in Tampa, Florida. From August 2017 to February 2022, she held several positions at EverCommerce Solutions Inc. in Alpharetta, Georgia, including VP of Client Services at Listen 360 – Qiigo from June 2021 to February 2022, Director of Brands at Listen 360 – Qiigo from September 2020 to June 2021, and Customer Success Manager at Listen 360 from August 2017 to September 2020. She serves in her present capacity in Tampa, Florida.

MANAGER: Justin Hoeveler

Mr. Hoeveler has served as one of our Managers since October 2021. He also serves as CEO of our affiliates YEB and USSC in San Rafael, California and has been those roles since September 2020. Prior to that, he served with USSC as Executive Vice President of Growth & Development from January 2018 until September 2020 and as Vice President of Business Development & Strategy from October 2014 until January 2018. He serves in his present capacities in San Rafael, California.

SENIOR CONSULTANT (as of April 13, 2024) and PRESIDENT AND MANAGER (prior to April 13, 2024): A. Brian Sanders

Mr. Sanders will begin serving as our Senior Consultant on April 13, 2024. As of the date of this Disclosure Document, Mr. Sanders serves as our President and as one of our Managers, which are positions he has held since October 2021. From November 2015 to October 2021, he served as our Chief Executive Officer. From July 2017 to October 2021, he also served as our Chairman of the Board. He serves in his present capacities in Riverview, Florida.

ITEM 3
LITIGATION

Disclosures Regarding Affiliated Programs

The following affiliates who offer franchises resolved actions brought against them with settlements that involved their becoming subject to currently effective injunctive or restrictive orders or decrees. None of these actions have any impact on us or our brand nor allege any unlawful conduct by us.

The People of the State of California v. Arby's Restaurant Group, Inc. (California Superior Court, Los Angeles County, Case No. 19STCV09397, filed March 19, 2019). On March 11, 2019, our affiliate, Arby's Restaurant

Group, Inc. (“ARG”), entered into a settlement agreement with the states of California, Illinois, Iowa, Maryland, Massachusetts, Minnesota, New Jersey, New York, North Carolina, Oregon and Pennsylvania. The Attorneys General in these states sought information from ARG on its use of franchise agreement provisions prohibiting the franchisor and franchisees from soliciting or employing each other’s employees. The states alleged that the use of these provisions violated the states’ antitrust, unfair competition, unfair or deceptive acts or practices, consumer protection and other state laws. ARG expressly denies these conclusions but decided to enter into the settlement agreement to avoid litigation with the states. Under the settlement agreement, ARG paid no money but agreed (a) to remove the disputed provision from its franchise agreements (which it had already done); (b) not to enforce the disputed provision in existing agreements or to intervene in any action by the Attorneys General if a franchisee seeks to enforce the provision; (c) to seek amendments of the existing franchise agreements in the applicable states to remove the disputed provision from the agreements; and (d) to post a notice and ask franchisees to post a notice to employees about the disputed provision. The applicable states instituted actions in their courts to enforce the settlement agreement through Final Judgments and Orders, Assurances of Discontinuance, Assurances of Voluntary Compliance, and similar methods.

The People of the State of California v. Dunkin’ Brands, Inc., (California Superior Court, Los Angeles County, Case No. 19STCV09597, filed on March 19, 2019.) On March 14, 2019, our affiliate, Dunkin Brands, Inc. (“DBI”), entered into a settlement agreement with the Attorneys General of 13 states and jurisdictions concerning the inclusion of “no-poaching” provisions in Dunkin’ restaurant franchise agreements. The settling states and jurisdictions included California, Illinois, Iowa, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and the District of Columbia. A small number of franchise agreements in the Dunkin’ system prohibit Dunkin’ franchisees from hiring the employees of other Dunkin’ franchisees and/or DBI’s employees. A larger number of franchise agreements in the Dunkin’ system contain a no-poaching provision that prevents Dunkin’ franchisees and DBI from hiring each other’s employees. Under the terms of the settlement, DBI agreed not to enforce either version of the no-poaching provision or assist Dunkin’s franchisees in enforcing that provision. In addition, DBI agreed to seek the amendment of 128 franchise agreements that contain a no-poaching provision that bars a franchisee from hiring the employees of another Dunkin’ franchisee. The effect of the amendment would be to remove the no-poaching provision. DBI expressly denied in the settlement agreement that it had engaged in any conduct that had violated state or federal law, and, furthermore, the settlement agreement stated that such agreement should not be construed as an admission of law, fact, liability, misconduct, or wrongdoing on the part of DBI. The Attorney General of the State of California filed the above-reference lawsuit in order to place the settlement agreement in the public record, and the action was closed after the court approved the parties’ stipulation of judgment.

New York v. Dunkin’ Brands, Inc. (N.Y. Supreme Court for New York County, Case No. 451787/2019, filed September 26, 2019). In this matter, the N.Y. Attorney General (“NYAG”) filed a lawsuit against our affiliate, DBI, related to credential-stuffing cyberattacks during 2015 and 2018. The NYAG alleged that the cyber attackers used individuals’ credentials obtained from elsewhere on the Internet to gain access to certain information for DD Perks customers and others who had registered a Dunkin’ gift card. The NYAG further alleged that DBI failed to adequately notify customers and to adequately investigate and disclose the security breaches, which the NYAG alleged violated the New York laws concerning data privacy as well as unfair trade practices. On September 21, 2020, without admitting or denying the NYAG’s allegations, DBI and the NYAG entered into a consent agreement to resolve the State’s complaint. Under the consent order, DBI agreed to pay \$650,000 in penalties and costs, issue certain notices and other types of communications to New York customers, and maintain a comprehensive information security program through September 2026, including precautions and response measures for credential-stuffing attacks.

* * *

Other than these 3 actions, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

We offer two purchase options: (i) a 10-year agreement (“**10-Year Agreement**”); and (ii) a 5-year agreement (“**5-Year Agreement**”). For the purposes of this disclosure document, provisions that apply to both purchase options will use the defined term “Area Developer Agreement”. In the 10-Year Agreement, the initial fees payable to us when you sign the Area Developer Agreement include both the Franchise Fee and the Territory Fee (as both terms are defined below) in a lump sum amount of \$39,900. In the 5-Year Agreement, only the Territory Fee is required as an initial fee when you sign the Area Developer Agreement. The initial fees for both options are as follows:

PURCHASE OPTIONS	# OF CHILDREN (Ages 14 and Under)	FRANCHISE FEE	TERRITORY FEE	TOTAL INITIAL FEES
10-Year Agreement	Up to 79,999	\$24,900	\$15,000	\$39,900
5-Year Agreement	Up to 79,999	\$500 per month	\$15,000	\$16,500

Franchise Fee

In connection with the 10-Year Agreement, we charge a non-refundable franchise fee (the “**Franchise Fee**”) of \$24,900 which is payable to us in a lump sum when you sign the Area Developer Agreement. In connection with the 5-Year Agreement, we charge a monthly non-refundable Franchise Fee of \$500 for the term of the 5-Year Agreement. Beginning the first calendar month after you sign the 5-Year Agreement, the monthly Franchise Fee will be deducted via our Billing System and electronic fund transfer (“**EFT**”). Because there may be up to 3 months from the time you sign the Area Developer Agreement until the Business Launch Date, we estimate that you will pay 3 months’ worth of the monthly franchise fee due under the 5-Year Agreement prior to the Business Launch Date, which would total \$1,500. The \$1,500 paid in monthly Franchise Fees under the 5-Year Agreement plus the \$15,000 Territory Fee total \$16,500 in total initial fees prior to the Business Launch Date. If you do not successfully complete our Phase I Training within 3 months of signing the Area Developer Agreement, you will incur additional monthly franchise fees prior to the Business Launch Date.

The Franchise Fee, whether paid initially as a lump sum in connection with a 10-Year Agreement or monthly in connection with a 5-Year Agreement, is fully earned upon payment, and is non-refundable under any circumstances. In the event you elect to transfer a 5-Year Agreement before you have paid the balance of the Franchise Fee, payment of the remaining balance will be due immediately upon execution of any agreement which purports to transfer Area Developer’s rights and obligations under the 5-Year Agreement. The Franchise Fee includes the cost for us to train up to two persons at our headquarters in Florida or a designated training facility, technology license to use the Franchise Manager Software, website customization, software configuration, and set-up and installation.

The Franchise Fee is uniformly imposed on our franchisees, except that you will be entitled to a 10% discount on our then-current Franchise Fee you must pay if: (i) you are an existing franchisee; and (ii) you decide to enter into our then-current 10-Year Agreement for an additional i9 Sports Franchise (provided you meet our then-current criteria to become a multi-unit operator).

We also participate and support the International Franchise Association’s VetFran program which provides special financial incentives to U.S. Armed Forces veterans. If you are a veteran of the U.S. Armed Forces, we will discount 10% (\$2,490) off the \$24,900 Franchise Fee due in connection with a 10-Year Agreement.

Territory Fee

We charge a non-refundable territory fee in the amount of \$15,000 for up to 79,999 children in your Network Area (the “Territory Fee”). The Territory Fee is due in lump sum when you sign an Area Developer Agreement. We determine the number of children (ages 14 and under) in your Network Area using the latest statistics released by a 3rd party demographics and mapping service (we currently use SiteSeer Technologies).

Territory Expansion Fees

During the term of your Area Developer Agreement, you may purchase additional territory up to a maximum of 79,999 children by paying the then-current Territory Fee for the additional territory and signing an Addendum to the Area Developer Agreement. Currently, the Territory Fee for additional territory is \$5,000 for each additional 5,000 children in population for the ages of 14 and under.

The minimum population that can be purchased is 5,000 children. A zip code with fewer children must be bundled with other zip codes bringing the total number of children to or above 5,000, or the zip code may not be purchased. If an Area Developer wishes to purchase a zip code with more than 5,000 children, then the purchase price will equate to \$1.00 per child (for example, an area with 6,235 children would have a purchase price amounting to \$6,235.00).

In order to expand your existing Network Area to include additional territory of any kind, the prerequisites set forth in our Manual, which are subject to change, must be met.

Other Relevant Disclosures

The Territory Fees, as well as the expansion fees, described above in this Item are: (i) deemed fully earned upon receipt and non-refundable under all circumstances; and (ii) uniformly imposed on our franchisees.

ITEM 6
OTHER FEES

Name of Fee ¹	Amount	Due Date	Remarks
Royalty Fee	<p><u>New Franchisees and Existing Franchisees with a Territory of fewer than 80,000 children (ages 14 and under): 7.5% of Network Revenues³ or a minimum of \$425 per month, whichever is greater.</u></p> <p><u>New Franchisees and Existing Franchisees with a Territory of equal to or more than 80,000 children (ages 14 and under): 7.5% of Network Revenues³ or a minimum of \$450 per month, whichever is greater.</u></p>	<p>Minimum does not take effect until 60 days from the Business Launch Date.</p> <p>Currently, deducted daily via an EFT, but we can change the payment interval and/or manner of payment as we designate.⁴</p>	<p>We require you to collect all of your Network Revenues directly via our Billing System or other manner we designate, and then report them to us along with the Royalty Fee payment to us via EFT. The minimum amount will be applied at the end of each month if the minimum is not exceeded for that month.⁴</p>

Name of Fee ¹	Amount	Due Date	Remarks
	<p><u>Transfers from Existing Franchisees with a Territory containing more than 80,000 children (ages 14 and under):</u> the Royalty Fee, including the minimum, as set forth in such prior Area Developer Agreement.</p>		
Customer Service Center Fee	<p>Our then-current Customer Service Center Fee, which is currently the greater of \$0.92 per minute or a minimum of \$322 per month.</p> <p>In addition to the fees listed above, you will pay a telecommunication platform fee which is currently \$15 or \$30 per month.</p>	<p>Minimum does not take effect until 60 days from the Business Launch Date.</p> <p>Currently, deducted daily via an EFT, but we can change the payment interval and/or manner of payment as we designate.⁴</p>	<p>We require you to utilize the Customer Service Center for all registration and customer support purposes.</p> <p>We reserve the right to modify the amount and/or the manner of payment of the Customer Service Center fee and telecommunications platform fee upon 60 days' written notice to you. We also reserve the right to discontinue the Customer Service Center at any time, and you would then no longer pay this fee.</p>
National Brand Fund Contribution	<p>Currently, 1% of Network Revenues or a minimum of \$275 per month, whichever is greater. We may increase the contribution, in our sole discretion.</p>	<p>Minimum does not take effect until 60 days from the Business Launch Date.</p> <p>Currently, deducted daily via an EFT, but we can change the payment interval and/or manner of payment as we designate.⁴</p>	<p>Used by the National Brand Fund. Paid by you to us in the same manner as the Royalty Fee.</p>
Local Advertising	<p>A minimum of 3% of Network Revenues.</p>	<p>Monthly, in your Network Area.</p>	<p>Payable to your local advertising suppliers. See Item 11.</p>
Franchise Fee for 5-Year Agreement	<p>\$500 per month.</p>	<p>Monthly.</p>	<p>You will pay the monthly Franchise Fee if you sign a 5-Year Agreement. The monthly Franchise Fee does not apply if you sign a 10-Year Agreement.</p>
Technology Fee	<p>Our then-current technology fee, which is currently a \$3 processing fee charged directly to each customer with each paid registration.</p>	<p>As incurred</p>	<p>The Technology Fee may be a fixed fee, a Customer processing or registration fee, a usage fee, or a percentage of Network Revenues. We may collect the Technology Fee directly from you or indirectly from your Customers through an additional fee on their invoice. We may modify the Technology Fee, method of payment, and payment frequency from time to time. See Note 5.</p>

Name of Fee ¹	Amount	Due Date	Remarks
Email Fee	Our then-current fee for each email address, which is currently \$14.72 per address	Same date that Royalty Fee is collected.	You must pay this fee for each email address that we provide to you (i.e., john.smith@i9sports.com). Currently, your first two email addresses are included in the Technology Fee, and this fee is charged for your third or subsequent email addresses. We may change the email fee (as well as whether any email addresses will be included in the Technology Fee) upon our written notice to you.
Merchant Account Services	Will vary under circumstances.	As incurred.	You must use a merchant account services provider and gateway provider whom we designate or approve. Currently, you must use Titanium Payments, Inc. as the gateway/merchant account provider. You will pay continuing fees directly to the provider.
Telephone Line and Listing	Cost of Telephone Line.	As required by provider.	You must pay for and maintain, at your expense, a telephone number for general business purposes, as well as: (i) a secondary separate, customer telephone line which will be provided to you by the third-party Customer Service Center; and (ii) a third separate telephone line to be specifically dedicated as your Weather Hotline.
Training Program Fee	A reasonable training fee. Currently, \$395 for our Phase I Training and \$250 for Phase II Training.	If incurred.	You will pay us a training fee if we provide our Training Program (as defined in Item 11) to anyone other than your two initial trainees who attend the same initial sessions.
Additional Training or On-Site Assistance	Currently \$750 per trainee per day, plus expenses for additional on-site assistance and training. We may charge a reasonable training fee for other Additional Training programs, which will vary by program.	If incurred.	If we provide or require Additional Training (as defined in Item 11) or on-site assistance, you are responsible for any additional travel and living expenses that your trainees or our trainers incur.
Annual Conference Registration	Our then-current fee, which is currently \$600 per attendee.	90 days prior to conference.	Your Operating Principal (and, if you, your owners, or your affiliates own multiple i9 Sports Franchises, your Key Manager) is required to attend our annual conference. You must pay the fee for your Operating Principal (and any required Key Manager) even if they do not attend the annual conference. The fee is paid via EFT and is subject to change. You are responsible for all travel, food, and lodging expenses that your representatives incur in attending. We may change the fee and attendance requirements.
Financial Benchmarking Fee	Currently, not collected.	Monthly.	We reserve the right to charge you a fee for Financial Benchmarking (as defined in Item 8) services that we may provide to you. We reserve the right to modify the amount and/or

Name of Fee ¹	Amount	Due Date	Remarks
			manner of payment for such fees. We also reserve the right to modify or terminate the Financial Benchmarking services at any time upon 60 days' written notice to you.
Supplier Approval/Testing Costs	Our cost of approval.	When incurred.	If you request us to test an unapproved product, service or supplier, you must pay any out-of-pocket costs we incur in researching and approving the proposed product, service, or supplier, regardless of whether we subsequently approve the product or supplier. See Item 8 for more information.
Transfer Fee (if you transfer your franchise)	<u>For a 10-Year Agreement:</u> The greater of 50% of our then-current Franchise Fee, or \$12,450. <u>For a 5-Year Agreement:</u> \$12,450.	Due prior to closing in connection with the assignment/transfer of the franchise at issue.	The Transfer Fee includes transferee's tuition for Phase I Training. You or the Transferee pay all travel and living expenses incurred by transferees. We will not charge a transfer fee if you transfer your i9 Sports® Franchise to an existing co-owner, spouse, or direct descendant.
Renewal Fee	\$5,000, plus expenses we incur in conjunction with the grant of a renewal.	Upon signing a successor Area Developer Agreement.	You have the right to renew the Area Developer Agreement for 1 additional 10-year term, subject to meeting certain criteria.
Audit	Cost of inspection or audit plus travel.	10 days after billing.	Payable only if you fail to furnish reports, supporting records or other required information, or if the audit reveals an understatement. You must also pay any understated amount plus interest.
Interest	Lesser of 18% per year or highest contract rate of interest allowed by law, whichever is less.	15 days after billing.	Payable on all overdue amounts. Interest accrues from the original due date until paid in full.
Late Payment Penalties	5% of the late amount.	Due on payment of late amount.	Payable on all late payments including interest.
Insufficient Fund Fee	\$25.	As incurred.	This fee applies to check/EFT return for insufficient funds.
Costs and Attorneys' Fees	Will vary under circumstances.	As incurred.	Payable upon your failure to comply with the Area Developer Agreement.
Liquidated Damages	Will vary under circumstances.	If incurred.	If your Area Developer Agreement is terminated early for any reason, you agree to pay us within 15 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is less. In addition to the liquidated damages above, if you sign a 5-Year Agreement which is subsequently terminated for cause, you also agree to pay us liquidated damages equal to

Name of Fee ¹	Amount	Due Date	Remarks
			the number of months remaining in the Term, multiplied by the monthly Franchise Fee payment of \$500.
Mandatory Insurance Program Fee	Currently, \$3.01 per unique player per policy year.	As incurred.	You must participate in our mandatory insurance coverage program (the “ Mandatory Insurance Program ”), in which we have arranged for an insurance carrier that we designate (the “ Designated Insurer ”) to provide certain insurance coverage to franchisees. Currently, we collect this fee from your Network Revenues and submit it to the Designated Insurer on your behalf. We may change the amount, timing, and method of payment for the fee. See Note 6.
Procurement of Insurance	Our actual costs of procuring insurance on your behalf.	As incurred.	In addition to the insurance included in the Mandatory Insurance Program, you are required to obtain and maintain insurance as we designate in the Manual or otherwise in writing, which may change from time to time. See Item 8 for our current requirements. This fee is payable if you fail to maintain the required insurance and we procure it on your behalf.
Step-in Fee	\$500 per day, plus any direct out-of-pocket costs and expenses that we incur, including the wages, travel, and living expenses of our representatives.	As incurred.	Payable if we step-in and manage your i9 Sports® Franchise. See Note 7.
Reimbursement of Costs Related to Non-Compliance	Varies based on nature, severity, number, and frequency of defaults, but will not exceed \$1,000 per violation.	As incurred.	Payable if you fail to comply with System Standards or any provision of the Area Developer Agreement. See Note 8.
Reimbursement of Costs Related to Risk Management Investigations	Our actual costs of conducting and mitigating an investigation, including (i) the wages, travel, and living expenses of our representatives, (ii) the cost to hire investigators, public relation firms, and lawyers, and (iii) the expenses incurred by such third parties.	As incurred.	Payable if we become aware of any risk management incidents and investigate such incidents. You must reimburse us for the costs of our investigation and any costs we incur to mitigate the results of such investigation.
Indemnification	Will vary under circumstances.	As incurred.	You have to reimburse us if we are held liable for claims arising from your i9 Sports® Business operations.

Name of Fee ¹	Amount	Due Date	Remarks
Additional Territory Fee	Our then-current territory expansion fee, as described more fully in Item 5.	Upon execution of the Addendum to your ADA.	See Note 9.

1. Unless otherwise indicated, all fees are imposed by and payable to us. All fees are non-refundable and are uniformly imposed on our franchisees. We may require you to pay any fees to us via electronic funds transfer and via the Billing System.
2. We may, at our option, operate the Billing System through the e-commerce methods we may designate. Through the Billing System, we may host some or all of the billing and invoicing for the Products and the Services you sell or provide through the i9 Sports® Franchise. Any of the Products or the Services which we designate for sale or directly to the Customers must be reported to us as per our System Standards. Unless we give you prior written permission to the contrary, all Network Revenues must be paid to you and be deposited directly with you in the manner we designate. At any time, we may choose to alter or amend the types of Network Revenues that must be paid through the Billing System by designating this change in our System Standards.
3. **“Network Revenues”** means all revenues derived from operating your i9 Sports® Franchise, including all amounts from: the sale, distribution, rendering, performing, or providing the Products or the Services and any other products, services, or activities whatsoever including any that are in any way associated with the System, Marks, or Copyrights; or the use, lease, barter or sale of any Products or Services, and whether from cash, check, barter, credit or debit card, or credit transactions, including the redemption value of gift certificates redeemed by you regardless of whether those gift certificates are issued by you or someone else; but excluding: (a) all federal, state or municipal sales, use or service taxes collected from Customers and paid to the appropriate taxing authority; (b) Customer refunds, adjustments, credits and allowances actually made by you, if approved by us; (c) complimentary products or sales actually provided to Customers or others, if approved by us; (d) the value of gift certificates and amounts paid for them, if approved by us; (e) the amount of over-rings, allowances, discounts to Customers, tips to employees (including discounts attributable to coupon sales, provided they have been included in Network Revenues), if approved by us; and (f) isolated sales, non-inventory items or the bulk sales of the business itself. For purposes of calculating Royalty Fees, gross sales of Online Retail Products are excluded from Network Revenues.
4. We currently require you to collect all types of Network Revenues via a merchant account and gateway we designate or approve, and if we do so you must pay the Royalty Fee, National Brand Fund Contributions, and Customer Service Center Fee due on them to us via EFT, on or before each payment day we designate (the **“Payment Day”**), if and as required by us. We reserve the right to change the interval of the Payment Day in the future. We reserve the right to require you to send us reports, at an interval we designate, of your Network Revenues if we cannot independently access the Network Revenues or any other financial/Customer information related to the operation of your i9 Sports® Franchise through the Billing System, your Computer System, or otherwise.

We reserve the right to require Customers to pay us directly for the sale or distribution of the Products and Services. In that instance, we or our designee will: (i) invoice Customers for all Products and Services provided through your i9 Sports Franchise since the date invoices were last issued; (ii) remit to you your Network Revenues that were actually collected during the immediately preceding month via EFT net of (a) Royalty Fee, (b) National Brand Fund Contribution, (c) Customer Service Center Fee, (d) credit card processing fees, (e) Mandatory Insurance Program Fees, and (f) any other amounts due and owing to us for services rendered to you within the Network Area during the immediately preceding month (currently, we intend to remit this amount on or about the 1st of each month). If we opt to have Customers pay us directly, you will not be required to maintain merchant account and gateway services.

We shall have the right to charge you an insufficient funds fee of \$25.00 per occurrence for insufficient EFT funds. Three or more charges of insufficient funds within any 12-month period will be a default under the Area Developer Agreement.

5. We will use the Technology Fee to defray our costs of developing, implementing, upgrading, operating, maintaining, supporting, or providing any technology-related products, services, programs, systems, or platforms that we, in our sole discretion, deem appropriate. We may add, delete, or otherwise modify the products, services, programs, systems, and platforms that are funded by the Technology Fee from time to time.
6. You must participate in the Mandatory Insurance Program and must submit any applications or sign any participation agreements required by the Designated Insurer to participate in the Mandatory Insurance Program and pay all associated fees and premiums (“**Mandatory Insurance Program Fees**”). Currently, we deduct the Mandatory Insurance Program Fee from your Network Revenues the first time that a player registers for a program during the applicable insurance policy year and pay it to the Designated Insurer on your behalf. The fee is currently collected one time per insurance policy year for each unique player/registrant no matter how many programs such individual registers for in such year. In the future, we may (i) require you to pay the Mandatory Insurance Program Fees directly to the Designated Insurer or (ii) collect the Mandatory Insurance Program Fees from you as a separate fee. We may at any time change, in our sole discretion, (a) the Designated Insurer, (b) the amount, method of payment, or timing of payment of the Mandatory Insurance Program Fee, and/or (c) the coverage that is included in the Mandatory Insurance Program. We may, in our sole discretion, discontinue the Mandatory Insurance Program at any time upon 60 days’ written notice to you, in which case you will be responsible for procuring insurance that meets our minimum requirements.
7. If we determine in our sole judgment that the operation of your business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the franchised business which would cause harm to the System and thereby lessen its value, you authorize us to operate your business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the franchised business if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your business; or we determine that operational problems require that we operate your business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the business as a going concern.
8. If you fail to comply with any of the System Standards or any provision of the Area Developer Agreement, in addition to any other remedies we may be entitled to, we may charge you one or more non-compliance fees upon written notice to you. The non-compliance fees (i) shall be specified in the Manual or otherwise in writing and may be changed from time to time, provided that the fee per violation shall not exceed \$1,000, (ii) may be charged repeatedly (as frequently as daily) if the non-compliance is ongoing, and (iii) may vary based on the severity of the defaults, the number of the defaults, and whether the defaults have been repeated. If you fail you to make a payment when due, we will not charge a non-compliance fee, other than the interest and late charge described above, for such non-compliance.
9. If your Network Area contains less than 79,999 children, then you may increase the size of your Network Area so that it contains up to 79,999 children by purchasing additional territory during the term of your Area Developer Agreement, provided you: (i) pay our then-current Territory Fee for the amount of additional territory you wish to purchase (please see Item 5 for our current Territory Fees); (ii) enter into our prescribed form of addendum to your Area Developer Agreement, under which we will grant you the additional territory (the “**Addendum**”); and (iii) meet our then-current prerequisites for the right to purchase additional territory, as set forth in our Manual.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. Lump Sum Franchise Fee for a 10-Year Agreement

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Franchise Fee (1)	\$24,900	\$24,900	Lump Sum	Upon signing the 10-Year Agreement	Us
Territory Fee (2)	\$15,000	\$15,000	Lump Sum	Upon Signing Area Developer Agreement	Us
Grand Opening Advertising (3)	\$6,000	\$8,000	As Incurred	As Incurred	Suppliers and Third Parties
Insurance (4)	\$1,000	\$1,500	As Agreed	As Incurred	Suppliers and Third Parties
Legal & Accounting Services (5)	\$800	\$1,500	As Agreed	As Incurred	Third Parties
Furniture, Equipment, Inventory, and Supplies (6)	\$3,000	\$4,000	As Incurred	As Incurred	Suppliers and Third Parties
Training Expenses (7)	\$1,200	\$2,000	As Incurred	As Incurred	Third Parties
Additional Funds– 3 months (8)	\$8,000	\$13,000	As Incurred	As Incurred	Suppliers, Third Parties, and Us
TOTAL ESTIMATED INITIAL INVESTMENT (9)	\$59,900	\$69,900			

YOUR ESTIMATED INITIAL INVESTMENT

B. Monthly Franchise Fee for a 5-Year Agreement

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Franchise Fee (1)	\$1,500	\$1,500	Lump Sum	\$500 per month in connection with a 5-Year Agreement	Us
Territory Fee (2)	\$15,000	\$15,000	Lump Sum	Upon Signing Area Developer Agreement	Us
Grand Opening Advertising (3)	\$6,000	\$8,000	As Incurred	As Incurred	Suppliers and Third Parties
Insurance (4)	\$1,000	\$1,500	As Agreed	As Incurred	Suppliers and Third Parties

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Legal & Accounting Services (5)	\$800	\$1,500	As Agreed	As Incurred	Third Parties
Furniture, Equipment, Inventory, and Supplies (6)	\$3,000	\$4,000	As Incurred	As Incurred	Suppliers and Third Parties
Training Expenses (7)	\$1,200	\$2,000	As Incurred	As Incurred	Third Parties
Additional Funds—3 months (8)	\$8,000	\$13,000	As Incurred	As Incurred	Suppliers, Third Parties, and Us
TOTAL ESTIMATED INITIAL INVESTMENT (9)	\$36,500	\$46,500			

In general, none of the expenses listed in the above Charts A and B are refundable, except any security deposits you must make may be refundable.

Explanatory Notes

1. In the 5-Year Agreement, the Franchise Fee is not paid as an initial fee upon signing but is paid as an ongoing monthly fee over the term of the agreement. The low amount is 3 months' worth of the \$500/month Franchise Fee payable during the initial 3 months after signing the 5-Year Agreement prior to the Business Launch Date. If you do not successfully complete our Phase I Training within 3 months of signing the Area Developer Agreement, you will incur additional monthly franchise fees prior to the Business Launch Date. In the 10-Year Agreement, the Franchise Fee of \$24,900 is paid and deemed fully earned upon signing the 10-Year Agreement. We offer a VetFran discount of 10% (\$2,490) off the Franchise Fee for a 10-Year Agreement. This discount is not included in the above Chart B. See Item 5 for more details. If you are an existing i9 Sports franchisee and wish to purchase an additional i9 Sports Franchise, you will be entitled to receive a discounted Franchise Fee (10% of our then-current Franchise Fee) in connection with this additional i9 Sports Franchise, provided: (i) you meet our then-current criteria to own and operate an additional i9 Sports franchise; (ii) enter into our then-current form of 10-Year Agreement; and (iii) also pay us the appropriate Territory Fee upon execution. Please be advised that entering into an Area Developer Agreement does not grant you any automatic right or option to own or operate any additional i9 Sports franchises.
2. The Territory Fee is \$15,000 for up to 79,999 children in your Network Area. See Item 5 for more details.
3. The low amount of \$6,000 is the minimum required amount you need to spend on your grand opening advertising to promote your initial sports programs (this is a total amount which will be budgeted over a period 90 days before your Service Start Date) as per our marketing plan System Standards. The high amount of \$8,000 includes additional recommended marketing efforts.
4. Insurance must be obtained to meet the minimum requirements established by the System Standards. If you fail to obtain the required insurance, our System Standards provide that we may purchase insurance on your behalf and charge you for doing so. See Item 8 for more details.
5. You should consult with an attorney, accountant and/or other business advisors regarding the operation of your i9 Sports® Franchise. This item includes an estimate of the cost to incorporate as an entity and an initial consultation with an accountant.
6. This item includes a laptop computer, a mobile smartphone (with contracted service), printer, desk, chair, phone/fax, filing cabinets and office supplies. The low end of the range assumes that you use an existing home

office space with some of these items already in place or due to purchase of used equipment. The high end of the range assumes that all new equipment is purchased. See Item 11, Computer System/Mobile Smart Phone for the hardware and software requirements. We require you to sign our then current form of Conditional Assignment of Telephone Numbers and Listings in the form attached as Exhibit “D” in the Area Developer Agreement.

7. You must pay for all travel, living expenses and compensation for all persons attending the Phase I Training (as defined in Item 11), Phase II Training (as defined in Item 11), or additional training at our headquarters or designated facility. The cost can vary dramatically due to airfare (including the distance you must travel), lodging (the type of accommodations you choose), and meal costs.
8. The range in the chart reflects the amount of additional working capital you will need during the first three months after your Business Launch Date, including a wide variety of miscellaneous expenses, such as second season marketing, additional payroll costs, costs of maintaining and using your automobile in connection with your business activities, and the cost of purchasing from us additional branded goods that you will use in conducting events, such as uniforms, game-day apparel, field signage, and equipment. We anticipate that you and your personnel will use your personal automobiles to visit customers, events and to provide certain Products or Services. We have not estimated the cost to purchase or lease vehicles since we assume that personal vehicles will be used. Since we expect most i9 Sports® Franchises to be operated out of existing homes, our estimate does not include leasehold improvements or rent.
9. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. These are only estimates and your costs may vary based on actual prices in your area, and other site-specific requirements or regulations.

We relied on the experience of our affiliates and our owners to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. You may be able to obtain financing for some or all of the costs described above from a third party, but we do not offer financing in connection with your i9 Sports® Franchise. The availability and terms of financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions from which you may request a loan. See Item 10 for more info on financing.

ITEM 8 **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You must operate and develop your i9 Sports® Franchise in strict conformance with our System Standards. Our System Standards are prescribed in in our Manual. We may periodically change our standards and specifications at our sole discretion.

Approved Products, Services, and Suppliers

In order to maintain the quality of the goods and services provided by i9 Sports® Franchises and the reputation of our System, we require you to develop and operate Events and to offer and sell Products and Services in accordance with our specifications. Under the Area Developer Agreement, you must purchase or lease and use only the services, equipment and supplies that we may specify or approve. We provide you with advice and assistance in connection with most aspects of establishing your i9 Sports® Franchise and the Events.

In addition, you must purchase certain products and services from suppliers approved by us (“**Approved Suppliers**”). We issue standards/criteria for these Approved Suppliers which are available to you in the Manual. You must also purchase or lease business materials or services, and other goods, services, supplies, fixtures, equipment, or inventory relating to the establishment or operation of an i9 Sports® Franchise as per our Manual.

Currently, you must purchase the following goods and services from Approved Suppliers, which may include us or our affiliates, and in accordance with our specifications: (i) all goods that bear our Marks, including apparel (t-shirts, polo shirts, jerseys, uniforms, shorts, etc.), venue canopies, flag belts, certain balls and athletic equipment, trophies, medals/pins, awards, certificates, banners, stationary, and all promotional and collateral material (brochures, registration forms, direct mail, posters, flyers, road signage, and other marketing pieces), (ii) criminal background checks for youth coaches and employees, (iii) financial benchmarking services, (iv) insurance, and (v) certain other services, supplies, assets, products or materials we designate.

Computer Hardware and Software

You must purchase computer hardware and software meeting our standards and specifications prior to the Business Launch Date. Our present computer hardware and software requirements are listed in detail in Item 11 of this Franchise Disclosure Document. Part of your Computer System related activities will relate to merchant accounts and gateway providers for billing purposes. We require you to use an Approved Supplier for merchant account and gateway services to accept Visa, MasterCard, American Express, and Discover card.

Financial Benchmarking

You must participate in the Financial Benchmarking (defined below) that we have implemented and within the timeframes that we stipulate. We reserve the right to require you to pay fees associated with our provision of Financial Benchmarking services and we may modify the amount and/or manner of payment for such fees from time to time. We also reserve the right to modify or terminate the Financial Benchmarking services at any time upon 60 days' written notice to you.

“**Financial Benchmarking**” refers to the practice of franchisee’s reporting on certain key metrics of the Franchised Business, which are then aggregated such that the system develops a picture of what other franchised businesses are doing and what metrics drive success as demonstrated by leading/successful franchisees. Franchisees, and i9 Sports franchise field support teams, can use this data to drive improvements in their own results.

Insurance

We have established, and you must participate in, the Mandatory Insurance Program in which a Designated Insurer will provide you with some, but not all, of the minimum insurance coverage that we currently require. You must submit any applications or sign any participation agreements required by the Designated Insurer to participate in the Mandatory Insurance Program and pay all associated Mandatory Insurance Program Fees (as described in Item 6). We may at any time change, in our sole discretion, (i) the Designated Insurer, (ii) the amount, method of payment, or timing of payment of the Mandatory Insurance Program Fee, and/or (iii) the coverage that is included in the Mandatory Insurance Program. We may, in our sole discretion, discontinue the Mandatory Insurance Program at any time upon 60 days' written notice to you, in which case you will be responsible for procuring insurance that meets our minimum requirements.

Unless such coverage is included in the Mandatory Insurance Program, you must, at your expense, procure and maintain in force from an Approved Supplier or insurance carrier acceptable to us insurance policies that (a) contain such types and minimum amounts of coverage, exclusions, and maximum deductibles as we prescribe from time to time in the Manual or otherwise in writing from time to time; (b) name us and our affiliates as additional insureds; (c) provide for 30 days' prior written notice to us of any, cancellation, renewal, material modification, or expiration of such policy; and (d) include such other provisions as we may require from time to time. We may change the required insurance requirements, upon reasonable notice to you, to conform to reasonable business practices.

Currently, the Mandatory Insurance Program includes the following coverage that meets our minimum requirements: (1) comprehensive general liability insurance with a minimum policy limit of \$1,000,000 per occurrence with a \$2,000,000 aggregate, covering third-party claims of bodily injury, property damage liability, and personal and advertising injury claims; (2) property damage liability insurance with a minimum policy limit of

\$1,000,000 per occurrence, covering third-party claims of property damage liability to short-term leased or borrowed space; and (3) liability and abuse & molestation coverage with a minimum policy limit of \$2,000,000 per occurrence, related to participation in an i9 Sports® program, use of related equipment, gear, facilities, and certain claims that may be asserted against coaches, directors, franchisees, and others.

In addition, currently, we require you to maintain and procure from an insurance carrier acceptable to us the following policies: (1) commercial automobile liability insurance, including non-owned auto insurance, with a minimum policy limit of \$1,000,000 combined single limit; (2) professional negligence insurance with a minimum policy limit of \$1,000,000 per occurrence; (3) errors and omissions liability insurance with a minimum policy limit of \$1,000,000; (4) media liability insurance with a minimum policy limit of \$1,000,000 per occurrence; (5) employer's liability insurance with a minimum policy limit of \$1,000,000 per occurrence; (6) employment practices liability insurance with a minimum policy limit of \$2,000,000 per occurrence, including coverage for claims of discrimination and sexual harassment; (7) comprehensive casualty, fire, and theft coverage in an amount sufficient to replace the business personal property of the i9 Sports® Franchise; (8) any other insurance required by law (such as workers' compensation insurance and stop gap insurance); and (9) any other insurance we may reasonably require. The cost of these policies will vary depending on the insurance carrier charges, terms of payment and your history.

Upon our request, you must submit a certification of insurance to us which demonstrates compliance with such insurance requirements. If you fail to obtain the required insurance coverage, we may, at our option and in addition to our other rights and remedies, obtain such insurance coverage on your behalf, and you must reimburse us for any costs and premiums we incur.

Our standards and specifications for insurance coverage are intended as "minimum" standards. Therefore, it is your responsibility to review your insurance coverage and policies with your insurance agent/broker to determine if additional coverage is necessary, appropriate, or desired by you.

Standards and Specifications

We reserve the right to formulate and modify our standards and specifications for operating an i9 Sports Franchise. Our standards and specifications are described in the Area Developer Agreement, the Manual, and other written documents. We have the right under the Area Developer Agreement to change the standards and specifications applicable to your operation of an i9 Sports Franchise, including standards and specifications for approved services and products, and related issues by written notice to you or through changes in the Manual. You may incur an increased cost to comply with these changes at your own expense. We will notify you of any change to our standards and specifications by way of written amendments to the Manual or otherwise in writing.

We or Our Affiliates as Approved Suppliers

We require you to order through us certain apparel and other business materials as we may specify from time to time, which will be drop shipped directly to you or the Customer from our designated supplier. Currently, we are the only Approved Supplier for uniforms, game-day apparel, and financial benchmarking services. We are an Approved Supplier for certain other branded goods, but you are not required to purchase such goods from us. We may derive revenue from your required purchases ordered through us.

Interest in Approved Suppliers

No franchisor officer owns an interest in any supplier.

Proportion of Purchases Subject to Specifications

We estimate that the costs of your purchases from designated or approved sources, or according to our standards and specifications, will range from 15% to 30% of the total cost to establish an i9 Sports® Franchise and approximately 30% to 50% of the cost to operate an i9 Sports® Franchise after that time.

Change of Suppliers, Products or Services

If you wish to purchase any items that do not comply with our specifications or are to be purchased from a supplier that has not yet been approved by us, you can make a written request to us. Based on information obtained by inspection, testing of samples, and other factors, we will determine whether the proposed suppliers, products or services are acceptable. We may limit our approval to those suppliers in our sole judgment, including a condition that they are willing to sign Approved Supplier agreements. Generally, we will do so within 60 days of the date you provide us all of the information we request, but if we do not notify you of our decisions within 120 days, we are deemed to have rejected the request. We may occasionally change, alter or amend our review and approval periods in the Manual. We may revoke an approval at any time for any reason we deem relevant. Our approval may be revoked at any time if the supplier, product or service no longer meets our then-current standards or if we change our System Standards for any reason, and we will give you 30 days' notice of this revocation. After your receipt of this revocation notice, you must not purchase the revoked product or service or make purchases from a revoked supplier.

Revenue from Required Purchases

We reserve the right to derive revenue from your required purchases ordered through us. In our fiscal year that ended on December 31, 2023, we derived \$11,114,631, or 38% of our total revenue of \$29,045,897, from franchisees' required purchases and leases from us.

We may negotiate with manufacturers to receive rebates on certain items you must purchase. We may require that certain Approved Suppliers sign agreements with us to be an Approved Supplier and that you sign agreements with them under which we may receive payments based on your purchases from them. These payments may be either a percentage of sales or a flat amount. We currently receive rebates from Approved Suppliers, including payments ranging from 10 to 13% for product purchases, 7.5% for trophy purchases, and \$0.25 per medal. In our fiscal year that ended on December 31, 2023, we derived \$307,652, or 1.05% of our total revenue of \$29,045,897, as rebates from franchisees' required purchases and leases.

Cooperatives and Purchasing Arrangements

We have the right to negotiate purchase arrangements with suppliers for the benefit of Area Developers. We have negotiated programs with certain Approved Suppliers so that i9 Sports® Franchises may receive preferred pricing, delivery, credit or other terms (each, an "**Approved Supplier Program**"). You are required to participate in the Approved Supplier Program(s) that we designate. We may terminate your participation in any Approved Supplier Program without terminating any of your other rights under your Area Developer Agreement if you breach any agreement with us or any Approved Supplier, or if you otherwise fail to comply with the rules of an Approved Supplier Program.

There are currently no purchasing or distribution cooperatives. Except as described above, we do not have any other purchase arrangements with suppliers for the benefit of Area Developers, but we may pursue these arrangements in the future.

Material Benefits

When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements.

ITEM 9 **FRANCHISEE'S OBLIGATIONS**

This table lists your principal obligations under the area developer 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 Area Developer Agreement	Item in Disclosure Document
(a) Site selection and acquisition/lease	Section 2.2	Items 7, 11 and 12
(b) Pre-opening purchases/leases	Sections 5, 7, 9, 11.8	Items 5, 6, 7, 8, 11 and 16
(c) Site development and other pre-opening requirements	Sections 6, 7, 8.3, 8.4, and 9	Items 6, 7 and 11
(d) Initial and ongoing training	Sections 5, 6.1, 6.4, and 8.2	Item 11
(e) Opening	Section 2.6	Item 11
(f) Fees	Sections 2.4, 4, 5.3, 5.4, 9.1, 9.11, 12.2, 12.3, 12.4, 17.3-, and 5-Year Addendum	Items 5, 6 and 7
(g) Compliance with standards and policies/Operating Manual	Sections 8, 11, and 16	Items 8, 11, and 16
(h) Trademarks and proprietary information	Sections 9.1 to 9.6, and 10	Items 13 and 14
(i) Restrictions on products/services offered	Sections 8.3, 8.4, 11.1, 11.11	Items 11 and 16
(j) Warranty and customer service requirements	Sections 6.6 and 13	Item 11
(k) Territorial development and sales quotas	Section 3.5 and 3.6	Item 12
(l) On-going product/service purchases	Sections 8 and 11.11	Item 8
(m) Maintenance, appearance and remodeling requirements	Section 6.6	Items 11 and 17
(n) Insurance	Section 11.8	Items 7 and 8
(o) Advertising	Sections 4.7, 11.2, 11.5, and 12	Items 6, 7 and 11
(p) Indemnification	Sections 6.5 and 15	Item 6
(q) Owner's participation/management/staffing	Sections 2.7, 6, and 11.6, 11.12	Items 11 and 15
(r) Records and reports	Sections 4.11, 11.3, 11.4, and 16	Item 11

Obligation	Section in Area Developer Agreement	Item in Disclosure Document
(s) Inspections and audits	Section 16	Items 6 and 11
(t) Transfer	Section 17, and 5-Year Addendum	Items 6 and 17
(u) Renewal	Section 2.4	Items 6 and 17
(v) Post-termination obligations	Sections 18 and 19.5	Item 17
(w) Non-competition covenants	Sections 18 and 19.5	Item 17
(x) Dispute resolution	Sections 10.4 and 24	Item 17
(y) Liquidated damages	Section 19.6, and 5-Year Addendum	Item 6

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease, or other obligation.

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. Pre-Opening Obligations

Before you open your i9 Sports® Franchise (prior to the Business Launch Date), we will:

1. Assist you with connecting to the Billing System. (Area Developer Agreement – Section 4.16)
2. Provide you with Phase I Training, as well as other pre-opening instruction/training, to you and one other person. This Phase I Training will include marketing, sales, financial, technology, operations and program launch training. Please see Subsection C of this Item for additional information. (Area Developer Agreement – Sections 5.1 and 5.2)
3. Grant you access to our Manual or other publications via our intranet portal or other digital format in which we designate our System Standards. (Area Developer Agreement – Section 8.1). The table of contents of our Manual is specified in Exhibit “C.” Our Manual includes approximately 330 pages.
4. Sublicense to you certain software we designate, including our Franchise Manager Software, and provide certain hosting services as we may designate. (Area Developer Agreement – Section 9.2)

B. Site Selection and Time to Open

We expect that you will operate your franchise from your home. However, in the event you choose to operate your i9 Sports® Franchise from a separate office location, the site must be located within your Network Area. We do not provide site selection assistance. (Area Developer Agreement – Section 2.2)

We estimate that it will be approximately 4 to 12 weeks from signing the Area Developer Agreement to the Business Launch Date (the date that you begin operating your i9 Sports® Franchise by marketing, offering, and selling the

Products and the Services) and approximately 14 to 30 weeks from the Business Launch Date to the Service Start Date (the date you will begin conducting Events and providing the Services to Customers). The actual length of these periods will depend upon factors including the timing of marketing sports programs, venue procurement, your purchase of the Computer System, obtaining phone service, insurance, merchant account services, and background check services, the delivery schedule for equipment and supplies, hiring of staff, delays in securing financing arrangements and completing training, and your compliance with local laws and regulations.

After the Business Launch Date, you must designate your intended Service Start Date and must begin actively soliciting and selling registrations for Events. You must achieve a minimum of 100 registrations at least four weeks prior to your Service Start Date, and your Required Trainees must successfully complete the Post-Phase I Online Training and Phase II Training (as each are defined in Section C) prior to the Service Start Date. If you fail to obtain the required registrations or complete the required training, in order to ensure a quality customer experience, we may require you to delay the Service Start Date and may restrict you from beginning to conduct the Events and providing the Services. The actual Service Start Date must take place within six months from the Business Launch Date or we will have the right, in our sole discretion, to terminate this Agreement. (Area Developer Agreement – Sections 2.6 and 19.2)

C. Training

All owners directly or indirectly holding 25% or more of the ownership interests in your i9 Sports® Franchise or your entity (if you are an entity), your Operating Principal, and your Key Manager (the “**Required Trainees**”) must attend, and complete to our satisfaction, our initial training program (the “**Training Program**”). The training program takes you on a learning journey using a combination of in-classroom trainings, virtual training, webinars, and online courses via our learning management system. Our entire Training Program is conducted in six components, including: (i) pre-training tasks (“**Pre-Training Tasks**”); (ii) up to 4 consecutive days of classroom training furnished at our headquarters in Riverview, Florida, a designated training facility, or via virtual format at our discretion (“**Phase I Training**”); (iii) post-phase I webinars and/or online learning modules (“**Post-Phase I Online Training**”); (iv) grand opening day training (“**Phase II Training**”); (v) post first season supplemental training (“**Phase III Training**”); and (vi) annual strategic planning (“**Phase IV Training**”). The Pre-Training Tasks and Phase I Training must be successfully completed by your Required Trainees before you may begin marketing, offering, and selling the Products and the Services. The Post-Phase I Online Training and Phase II Training must be successfully completed by your Required Trainees prior to the Service Start Date. Phase I and Phase II Training may be conducted at the i9 Sports® Training Facility in Riverview, Florida, at an i9 Sports® operating location, or virtually, as determined by us at our sole discretion. (Area Developer Agreement — Sections 5.1 and 5.2)

We do not charge a fee for your first two trainees to attend the Training Program, provided both individuals attend the Training Program prior to the Service Start Date. We reserve the right to charge you a reasonable training fee if (i) you elect to bring additional trainees, other than the Required Trainees, to the Training Program, (ii) any of your Required Trainees fail to successfully complete the Training Program and re-enroll in the program or are replaced with new trainees that enroll in the program, or (iii) we provide the Training Program to any subsequent trainees. You must pay all expenses you and your trainees incur for any training programs, including your/their travel, food, lodging, compensation, and benefit expenses. (Area Developer Agreement — Sections 5.1)

TRAINING PROGRAM

Pre-Training Tasks

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Incorporating Business Entity	None	2 Hours	Your Franchised Business (working with our Home Office)

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Business Checking Account	None	1 Hour	Your Franchised Business
Federal Tax ID	None	2 Hours	Your Franchised Business
Obtain Mailbox	None	1 Hour	Your Franchised Business
Initial Insurance Set Up	None	1 Hour	Your Franchised Business
Merchant Account Set Up	None	1 Hour	Your Franchised Business
Background Check Account Set Up	None	1 Hour	Your Franchised Business
Phone/Internet Service Set Up	None	2 Hours	Your Franchised Business
Foundation of i9 Sports	None	2 Hours	Your Franchised Business
Pre-Training Handbook	None	2 Hours	Your Franchised Business
Pre-Training Total	None	15 Hours	

Phase I Training

Phase I Training gives you a deep view of i9 Sports, the tools and know-how to build your first season and introduces you to our Billing System and Franchise Manager Software. This training includes self-paced modules in our online learning management system that will be completed out of the classroom to allow for more engaging in-classroom sessions focused on application and output. Modules will take between 4 to 10 hours to complete depending on learners' pace. These modules will be assigned daily at the conclusion of the in-classroom time.

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Introduction History & Brand Culture Who is i9 Sports? Sports Programming Quality Coach & Quality Sport Experience at the Field Introduction to Our Proprietary Software	7.5 Hours	None	i9 Sports Training Facility Riverview, FL or virtually
Evaluating Your Venue Opportunities Customer Service Marketing Planning & Application Franchise Manager Software	7.5 Hours	None	i9 Sports Training Facility Riverview, FL or virtually
Financial Management Purchasing & Compliance Scaling for Success Vendor Presentations	7.5 Hours	None	i9 Sports Training Facility Riverview, FL or virtually
Business Ownership	4 Hours	None	i9 Sports Training Facility Riverview, FL or virtually

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
National Marketing & Brand Fund Local Marketing Tactics & How-to Sourcing Venues Risk Management Purchasing Formula for Success Billing Overview	None	10 Hours	Learning Management System
Phase I Training Total	26.5 Hours	10 Hours	

Post-Phase I Online Training

You must attend the Post-Phase I Online Training, which may include webinars and online training modules, as scheduled.

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Email Blasts	None	1 Hour	Webinar or Learning Management System
Franchise Manager Training – Reporting	None	1.5 Hour	Webinar or Learning Management System
Staffing Webinar	None	1 Hour	Webinar or Learning Management System
Franchise Manager Training – Scheduling/Roster Builder	None	1.5 Hour	Webinar or Learning Management System
Post-Phase I Webinar Total	None	5 Hours	

In addition to Post-Phase I Online Training, Area Developers will receive weekly communications from the Franchise Business Coach team that will include a leader board along with recommended learning modules to complete in the learning management system.

Phase II Training

Within one to three months after successful completion of the Phase I Training described above, and prior to the Service Start Date, your Required Trainees must attend and successfully complete Phase II Training. This training is a hybrid training and includes a self-paced online training course via our learning management system in addition to up to 2 consecutive days of classroom training. The online training is released up to 6 weeks prior to your Service Start Date, while the classroom training takes place between 2 to 4 weeks prior to your Service Start Date. The self-paced online training course takes 3 to 5 hours to complete. (Section 5.2 of the Area Developer Agreement).

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Case Study Setting & Meeting Expectations at the Field Meeting with a Business Coach How to Layout a Field (off-site) How to Set-up Equipment (off site)	6 Hours	None	i9 Sports operating location or virtually

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Opening Day (off-site) Trouble Shooting Resources Discussion with an Area Developer Wrap Up	7.75 Hours	None	i9 Sports operating location or virtually
Sports Programming Field Set Up Sportsmanship Coach Recruitment First Season Staffing Customer Service Measuring Customer Satisfaction	None	5 Hours	Webinar or Learning Management System
Phase II Training Total	13.75 Hours	5 Hours	18.75 Hours

Phase III Training

Within two to three months after your Service Start Date, your Required Trainees must attend and successfully complete the specified Phase III Training webinars conducted by us.

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Results Open Discussion Marketing for Multiple Venues Staffing for Success Financial Awareness	None	1.5 Hours	Webinar or Learning Management System
Phase III Training Total	None	1.5 Hours	

Phase IV Training

Within ten to twelve months after your Service Start Date, your Required Trainees must attend and successfully complete the specified Phase IV Training webinar conducted by us.

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Business Strategy Session	None	.5 Hours	Webinar or Learning Management System
Territory Demographics	None	.5 Hours	Webinar or Learning Management System
Current/Future Venue Possibilities	None	.5 Hours	Webinar or Learning Management System
Game Plan Strategy	None	.25 Hours	Webinar or Learning Management System
Goal Setting	None	.25 Hours	Webinar or Learning Management System

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Revisit Plan: Sport/Venue Expansion	None	.5 Hours	Webinar or Learning Management System
Phase IV Training Total	None	2.5 Hours	

Our training instructors and their years of experience in the franchising and youth sports industry are listed below:

Training Instructor	Years of Experience in Youth Sports or the Franchise Industry	Years of Experience with i9 Sports
Kim Armellino (CFE)*	23 years	22 years
Chris Snyder	22 years	4 years
Brandy Zickefoose	16 years	6 years
Mike Carty	14 years	14 years
Susan Rabel (CFE)*	14 years	14 years
Geoff Gilliece	13 years	13 years
Nick Baxter (CFE)*	11 years	6 years
Alli Wentzell	10 years	10 years
Kelvyn Hemphill	10 years	10 years
Matt Kurowski	9 years	2 years

*These individuals are recognized by the International Franchise Association (IFA) as Certified Franchise Executives (CFE) who have completed professional educational and training courses that are specific to franchising.

It is the nature of i9 Sports® Franchise business that all aspects of the Phase I Training are integrated, that is, regardless of any day specified in the chart above, there are no definitive starting and stopping times; although the entire Phase I Training is intended to be accomplished in a four-day period. There is no specific schedule for our Training Program, which is held on an as-needed basis depending on the number of new Area Developers entering the System, other individuals requiring training and similar factors. The materials we use in our Training Program include our Manual and any other materials that we believe will be beneficial to the trainees. We reserve the right to modify our Training Program based on the individual needs and/or experience of a particular trainee. We provide advice to you in connection with training Event Personnel, Sales Staff, Customer Liaisons and others we may designate in our sole judgment. While we provide advice and on-demand modules through our learning management system to you regarding training Event Personnel and Customer Liaisons, you must train them.

Field Visit /Additional Training

If you wish to receive a field visit for additional on-site training or assistance, you must pay to us our then-current fee, which is presently \$750 per trainer, per day. You must pay all expenses incurred by the trainer in connection with providing this training, including but not limited to travel, lodging, meals, and local transportation. Also, you are solely responsible for all expenses that you personally incur related to your and any of your employee’s participation in such training, including but not limited to travel, lodging, meals, and local transportation, and your wages of your employees. (Area Developer Agreement – Section 5.4). Note that additional on-site training and assistance is subject to trainer availability and is available on a first come, first serve basis.

We may require you, your Required Trainees, your other managers, owners, Event Personnel or other staff to attend additional, periodic or refresher training courses that we periodically provide (“**Additional Training**”) and pay the

applicable fees (see Item 6). You also will have to pay us for training new Operating Principals, Key Managers, or trainees appointed or hired after the i9 Sports® Franchise's Service Start Date. We may require that all your employees successfully complete our Phase I Training component of our training program. Subsequent training program(s) conducted by you for your employees must be conducted by trainers that we have approved or certified, who have also successfully completed our training. When training is onsite, you must provide an alternative training facility if we feel that construction or other distractions prevent us from satisfactorily performing the training on premises. (Area Developer Agreement – Sections 5.3 and 5.4)

Annual Conference

We may, in our discretion, hold an annual i9 Sports® conference (the “**Annual Conference**”) at a location to be selected by us. We shall determine the topics and agenda for the conference to serve the purpose among other things, of updating Area Developers on new developments affecting Area Developers, exchanging information between Area Developers and our personnel regarding i9 Sports® Franchise operations and programs, and recognizing Area Developers for their achievements. We may use contributions from the National Brand Fund for purposes related to the Annual Conference, including costs related to productions, programs, and materials.

If you, your owners, and your affiliates own only one i9 Sports Franchise, your Operating Principal must attend the Annual Conference, and you must pay the then-current registration fee (currently, \$600 per attendee) for them, even if they fail to attend. If you, your owners, and your affiliates own multiple i9 Sports Franchises, your Operating Principal and Key Manager (for each i9 Sports Franchise) must attend the Annual Conference, and you must pay the then-current registration fee for each of them, even if any or all of them fail to attend. We permit your other owners, your Key Manager (if they are not already required to attend), and any other individuals we specify to attend the Annual Conference. You must pay our then-current registration fee for each of your representatives that attends the Annual Conference. All expenses, including your representatives' transportation to and from the Annual Conference, and lodging, meals, and salaries during the Annual Conference, are your sole responsibility. We reserve the right to modify in the Manual from time to time the individuals who are required or permitted to attend the Annual Conference, as well as the applicable registration fee and related attendance policies. (Area Developer Agreement – Section 5.5)

D. Post-Opening Obligations

During your operation of the i9 Sports® Franchise (beginning after the Business Launch Date), we will:

1. Provide, to the extent we may periodically designate, administrative, customer account coordination, and commission payment services, and Product or Service ordering, billing and distribution systems as we designate from time to time in our Manual or intranet, through the Billing System. (Area Developer Agreement – Section 4.16)
2. Provide additional periodic or refresher training and assistance as we deem necessary. (Area Developer Agreement – Section 5.3 and 5.4)
3. Continue to provide you with access to our Manual (which may include audio, video, computer software and written materials) that we generally furnish to Area Developers for use in operating i9 Sports® Franchises, including any updates or modifications to our Manual. (Area Developer Agreement – Section 8.1)
4. Issue, modify and supplement System Standards for i9 Sports® Franchises, as we deem appropriate in our discretion. (Area Developer Agreement – Section 8.1)
5. Provide you with guidance and assistance with respect to the System Standards, as we deem appropriate. (Area Developer Agreement – Section 8.1 and 8.2)

6. Provide you with assistance in establishing prices for the Products and Services offered through your i9 Sports® Franchise, as we deem appropriate in our discretion. (Area Developer Agreement – Section 8.5)
7. Provide limited software support services as well as updates, patches, bug fixes, modifications, enhancements and new versions of any proprietary software that we license to you, which currently includes the Franchise Manager Software. (Area Developer Agreement - Section 9.7)
8. Provide you with designated marketing materials as we deem appropriate. (Area Developer Agreement – Section 11.5)
9. Maintain a National Brand Fund. (Area Developer Agreement – Section 12.4)

E. Advertising and Marketing

National Brand Fund

We have established a national advertising fund (“**National Brand Fund**”) for the common benefit of Area Developers. We currently require you to participate in and contribute a percentage of your Network Revenues (currently 1%), or a minimum of \$275 per month, whichever is greater, to the National Brand Fund in the manner we prescribe (Area Developer Agreement – Section 4.7). We may increase or decrease the contribution amount in the future, in our sole discretion. We will direct all programs financed by the National Brand Fund, and may determine the creative concepts, materials and endorsements used and the geographic, market and media placement and allocation of the programs. The National Brand Fund may be used to pay the costs of (i) developing, preparing and producing video, audio, printed and digital advertising materials; (ii) developing and servicing corporate accounts; (iii) evaluating new Event development, operation or marketing techniques, services or products; (iv) administering regional and multi-regional advertising programs, including, without limitation, purchasing e-commerce rights, services, and other media advertising and employing advertising, promotion and marketing agencies; (v) supporting public relations; (vi) conducting market research; (vii) establishing, developing, maintaining, servicing or hosting Websites or other e-commerce programs; and (viii) other advertising, promotion and marketing activities. The National Brand Fund will periodically furnish you with samples of advertising, marketing and promotional formats and materials at its cost. Multiple copies of these materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges. (Area Developer Agreement – Section 12.5)

The National Brand Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for reasonable administrative costs and overhead we incur in activities reasonably related to managing, developing, and implementing advertising, marketing, and National Brand Fund-supported programs (including the salaries of our marketing personnel and retainers and fees for outside agencies). We may spend, on behalf of the National Brand Fund, in any fiscal year an amount greater or less than the aggregate contribution of all i9 Sports® to the National Brand Fund in that year, and the National Brand Fund may borrow from us or others to cover deficits or invest any surplus for future use. Any sums paid to the National Brand Fund that are not spent in the year they are collected will be rolled over into the National Brand Fund for use in the following year. All interest earned on monies contributed to the National Brand Fund will be used to pay advertising costs before other assets of the National Brand Fund are used. We will prepare an annual statement of monies collected and costs incurred by the National Brand Fund and furnish the statement to you upon written request. There is no requirement that the National Brand Fund be audited. We will not use any monies from the National Brand Fund for the preparation of franchise sales solicitation materials. We have the right to cause the National Brand Fund to be incorporated or operated through a separate entity when it is appropriate to do so, and the successor entity will have all of the rights and duties described in the Area Developer Agreement. (Area Developer Agreement – Section 12.6)

The National Brand Fund will be intended to maximize recognition of the Marks and patronage of i9 Sports® Franchises. Although we will try to use the National Brand Fund to develop advertising and marketing materials

and programs and to place advertising that will benefit all i9 Sports® Franchises, we cannot ensure that expenditures by the National Brand Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the National Brand Fund by i9 Sports® Franchises operating in that geographic area or that any i9 Sports® Franchise will benefit directly or in proportion to its contribution to the National Brand Fund from the development of advertising and marketing materials or the placement of advertising. We have no other direct or indirect liability or obligation to you regarding the collection of amounts due to, or maintaining, directing or administering, the National Brand Fund. (Area Developer Agreement – Section 12.7)

Contributions to the National Brand Fund will generally be on a uniform basis, but we reserve the right to defer or reduce contributions of a particular Area Developer and, upon 30 days' prior written notice to you, to reduce or suspend contributions to and operations of the National Brand Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the National Brand Fund. If the National Brand Fund is terminated, all unspent monies on the date of termination will be distributed to Area Developers in proportion to their respective contributions to the National Brand Fund during the preceding 12-month period. We will contribute to the National Brand Fund on the basis as franchise owners for any i9 Sports® Franchise they own or operate. (Area Developer Agreement – Section 12.4)

During the fiscal year that ended December 31, 2023, the following percentages of National Brand Fund contribution were spent in these areas: (i) production: 16%; (ii) media placement: 74%; and (iii) administrative: 10%. Any contributions that we did not spend in the last fiscal year were rolled over into this year's National Brand Fund.

Local Advertising

In addition to the National Brand Fund contributions described above, we require you to spend a minimum of 3% of your Network Revenues on local advertising in accordance with an annual plan approved by us (the “**Local Advertising Requirement**”). You must spend the Local Advertisement Requirement as we prescribe in the Manual or otherwise in writing, which may include, without limitation, requirements that you place a certain number and/or type(s) of media advertisements to assist you in promoting your i9 Sports® Franchise. We may require you to use Local Advertising Requirement funds to participate in any local marketing programs we may implement, including local events, partnership activities, paid search, social media advertising or other digital or grassroots marketing campaigns. You may spend any additional sums you wish on local advertising. You acknowledge and agree that your local advertising obligation must be expended regardless of the amount(s) spent by other area developers on local advertising. You may only use the advertising and promotional materials we have previously approved in writing. We are not required to spend any amount on advertising in a particular franchisee's Network Area. (Area Developer Agreement – Section 12.2)

Prior to your Service Start Date, you must spend a minimum of \$6,000 in local marketing expenses for grand opening advertising, which must be conducted in accordance with any standards and requirements that we may specify.

You must submit proof of your compliance with the Local Advertising Requirement and grand opening advertising obligation on a monthly basis or in another manner we specify. Currently, you must report marketing expenditures in the marketing categories that we specify in the chart of accounts for the preceding month, quarter, and/or year-to-date. If you fail to spend the Local Advertisement Requirement in any month, in addition to other remedies, we may require you to contribute the amount of the deficiency to the National Brand Fund within 30 days of your receipt of our invoice.

All advertising, promotion and marketing must be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the standards and specifications described in the Manual or otherwise in writing by us. Samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted for approval before you may use them. If you do not receive written approval from us within 30 days after we receive the materials, the materials are deemed not approved. You may

not use any advertising or promotional materials that we have not approved or disapproved. (Area Developer Agreement – Section 12.1) (See Items 6, 8 and 9)

Advertising Cooperatives

There are presently no advertising councils or local or regional advertising cooperatives, but one may be formed in the future. If an advertising cooperative is formed by us, or by our Area Developers and approved by us, you must agree to contribute to the cooperative the amount agreed upon by a majority of the members of the cooperative, to pay that amount to the advertising cooperative at the times agreed upon by a majority of the members, and to abide by the cooperative's rules. The cooperative will determine who will administer the cooperative. The written governing documents will be available for review by you. Cooperatives need not prepare annual or periodic financial statements, but if they are prepared, they may be reviewed by you. We will have the power to require cooperatives to be formed, changed, dissolved or merged.

Sponsorships

From time to time, we may enter into a sponsorship or licensing arrangement (a “**Sponsorship Program**”) with third parties (“**Sponsors**”) in which the Sponsor agrees to sponsor certain programs nationwide or in certain markets in exchange for us, our affiliates, and/or our franchisees licensing and displaying the Sponsor's logo on uniforms, signage, marketing materials, and other items or providing the opportunity for the Sponsor to offer or promote products or services to Customers. You are required to participate in, and comply with any standards or requirements of, any Sponsorship Programs that we specify. For some Sponsorship Programs, we may require you to enter into a participation or licensing agreement directly with us or the Sponsor. You acknowledge that your participation in a Sponsorship Program may preclude you from obtaining certain local sponsorships. In some cases, we may enter into a Sponsorship Program, solely because we believe it will be beneficial to associate the Marks and System with the Sponsor's brand.

F. Computer System; Mobile Smart Phone

We require that you buy and use one or more laptop computer systems that must meet our specifications and standards and include wireless internet access and software that we specify from time to time (the “**Computer System**”).

We provide certain hosting services to you as part of the Billing System. Other than providing you with limited Billing System support services and updates, patches, bug fixes, modifications, enhancements and new versions of the Billing System, neither we nor our affiliates will provide you with any maintenance, updates or upgrades for your Computer System. (Area Developer Agreement – Section 9.1)

If you already have computer hardware and/or software that meet our then-current standards for the Computer System, then you may use these items in connection with your Franchised Business provided you obtain our approval. Otherwise, we estimate the costs to purchase the entire current Computer System to be approximately \$1,000. We expect that the Computer System and Billing System will need to be maintained and updated. We anticipate that annual software upgrades and maintenance will cost less than \$1,000 per year. This amount does not include amounts that a franchisee might choose to expend on annual hardware updates, upgrades or support, but we do not currently require that you: (i) upgrade/update the hardware used in connection with your Computer System on an annual basis; or (ii) enter into any annual support contracts with respect to such hardware. As such, we do not anticipate that you will incur any additional costs in connection with any optional or required maintenance/upgrades/updates with this hardware. Due to the changing nature of the computer and information technology industry, however, hardware and software upgrade costs in the future may vary significantly from our current expectations. We have not yet arranged for a mandatory software or hardware maintenance contract for the Computer System to be purchased by you but may do so in the future. We require you to use a merchant account and gateway to facilitate payments to you made by credit cards or other electronic medium. We have designated an approved supplier for merchant account or gateway services. (Area Developer Agreement – Section 9.1)

We may require you to provide us with independent access to the information and data compiled on the Computer System if that data is released to Franchised Businesses. Generally, we may access the Computer System to obtain gross and net sales information, product mix, labor reports and customer counts. There are no limitations on our right to do so. We reserve the right at any time to modify our specifications for or components of your Computer System and you must comply with our modifications at your own expense. There are no contractual limitations on our right to make these modifications or the cost of these modifications. (Area Developer Agreement – Section 9.1)

Apart from the Computer System, we require that you obtain a mobile smart phone (the “**Smart Phone**”) and maintain a contract with a service provider (*e.g.*, Verizon, AT&T) for that smart phone over the term of your Area Developer Agreement, all of which meet our System Standards and specifications. (Area Developer Agreement – Section 9.1).

Websites

Except as approved in advance in writing by us, you may not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with your Franchised Business on any social media site (such as Facebook, Twitter, LinkedIn, Pinterest, Instagram, TikTok, Snapchat, Google My Business, Yelp, YouTube or any other networking site). Any such Internet website or presence is considered “advertising” and must be approved by us prior to use, as described in this Item. If we do permit you to establish one or more of the above presences on the Internet, you must: (i) establish and operate your World Wide Web or Internet site in accordance with System Standards and any other policies we designate in the Manual or otherwise in writing from time to time; (ii) utilize any templates that we provide to you to create and/or modify such site(s); and (iii) remove any content that is posted or otherwise displayed (whether by you or a third party) on such website, social media page or other Internet presence that does not comply with our System Standards or then-current policies within two (2) days of the date you receive our removal request in writing. (Area Developer Agreement – Section 9.11)

We have the right to establish and maintain a website, that may, without limitation, promote the Marks and/or the System (the “**Website**”), including the contact information of your Franchised Business. We have sole control over all aspects of the Website, including without limitation its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We also have the right to discontinue operation of the Website at any time without notice to you. We have the right to modify our policies regarding your use of social media and Internet websites in connection with your Franchised Business as we deem necessary or appropriate in the best interest of the System. We are the sole registrant of the Internet domain name www.i9sports.com and www.i9sportsfranchise.com, as well as any other Internet domain names that we or our affiliates register in the future. You must not register any Internet domain name that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words. (Area Developer Agreement – Section 9.11)

You may not accept any payments or funds from any customer of your franchised business, or otherwise engage in any e-commerce in connection with your franchised business, through any website/channel other than the specific website/channels that we specify or approve in writing. You must participate in any e-commerce channels we designate, including our Billing System. (Area Developer Agreement – Section 9.11)

G. Telephone Numbers / Customer Service Center

You must have a general phone number (which may be your cell phone number). You will be provided with a customer phone number by our third-party Customer Service Center and, at your own cost, you will pay the line service fee for this phone number, which we sometimes refer to as a “Telecommunications Platform Fee.” You must also have, and pay for, a “Weather Hotline”, which will automatically provide callers with your pre-recorded message regarding the cancellation or postponement of any games. You must have these phone numbers and the Weather Hotline at all times during the term of your Area Developer Agreement. We reserve the right to forward your customer calls to your owners’ personal cell phone numbers if you are not responding to customer calls in

accordance with your Area Developer Agreement. If you have been a part of the i9 Sports® system prior to January 1, 2017, and have not already ported the customer phone number associated with your i9 Sports Franchise to the third-party Customer Service Center, you agree to do so as of the effective date of the renewal of your Area Developer Agreement. (Area Developer Agreement – Section 11.10)

You must participate in our Customer Service Center program. The Customer Service Center will provide you with customer support services, process Customer registrations for your programs, answer participation inquiries, and forward other calls to you, including sales inquiries. We reserve the right to modify the amount and/or manner of payment for the Customer Service Center fee. We also reserve the right to terminate our Customer Service Center at any time upon 60 days' written notice to you. You will pay for all phone charges, including applicable call forwarding fees. (Area Developer Agreement – Section 11.10)

ITEM 12 **TERRITORY**

The franchise is granted for a Network Area that first must be approved by us. You must locate your office for your i9 Sports® Franchise in your Network Area, unless otherwise approved by us. If your home is located outside of your Network Area, we may permit you to operate your home office from a location outside of your Network Area, provided that you do not market your i9 Sports® Franchise, solicit Customers, or hold Events outside of your Network Area. Likewise, other home-based Area Developers may have their home offices located in your Network Area, but we will prohibit them from marketing their i9 Sports® Franchise, holding Events, or soliciting Customers within your Network Area. You may not relocate your i9 Sports® Franchise without our written consent, which we will not unreasonably withhold provided that the new location meets our then-current criteria for the site of a franchised business.

You will be granted a Network Area wherein you must operate your i9 Sports® Franchise. Generally, each Network Area is determined by the number of children (ages 14 and under) in the Network Area at the time of signing your Area Developer Agreement, as determined using the latest statistics released by our mapping service. A single Network Area must be a contiguous geographic area and will be delineated by metropolitan boundaries, street boundaries, zip codes or housing subdivisions or other criteria we choose. If the United States Postal Service or similar agency modifies the composition of certain zip codes or removes a zip code altogether that comprises your Network Area which, in turn, results in a change to your Network Area, then we may modify the description of your Network Area to maintain the original delineation of your Network Area, as we deem appropriate in our discretion. Except for the foregoing sentence, as long as you are in compliance with the Area Developer Agreement, we will not modify your Network Area during the term of your Area Developer Agreement.

You are granted a protected Network Area to operate an i9 Sports® Franchise for the type of Customers we designate and for the types of Authorized Sports within the protected Network Area, based on a Territory of up to 79,999 children (ages 14 and under). If you fail or refuse to offer an Authorized Sport at any time in your Network Area, then we, or a third party we designate (including another Area Developer) may offer such sport in your Network Area, and you will not be entitled to any compensation in connection with this.

Except as provided in this Item, neither we nor our affiliates will open or operate, or grant any third party the right to open or operate, an i9 Sports® Franchise in your Network Area during the term of your Area Developer Agreement, provided you comply with the terms and conditions of your agreement.

You are prohibited from marketing your i9 Sports® Franchise, soliciting Customers, or holding Events outside of your Network Area, except in the event a person from outside your Network Area elects to become a Customer of yours by participating in Events within your Network Area (in which case you may employ Customer-specific direct marketing communication with such Customer(s)). Any Customers residing or otherwise located within your Network Area may elect to participate in any Authorized Sports or Events at any location, whether inside or outside of your Network Area.

Our grant of the i9 Sports® Franchise does not include any option or promise to allow you to purchase any additional franchises, authorization for new types of Customers, additional sports or to expand your Network Area contiguously, or elsewhere. We operate the i9sports.com website and may operate other websites we designate. We sell similar Products and Services through these websites to Customers located anywhere.

If your Network Area contains less than 79,999 children, then you may increase the size of your Network Area so that it contains up to 79,999 children by purchasing additional territory during the term of your Area Developer Agreement, provided: (i) you pay our then-current Territory Fee for the amount of additional territory you wish to purchase (please see Item 5 for our current Territory Fees); (ii) enter into our prescribed form of Addendum to your Area Developer Agreement, under which we will grant you the additional territory; and (iii) you meet our then-current prerequisites for the right to purchase additional territory as described more fully in (a) Item 5, and (b) Note 8 to Item 6 of this Disclosure Document.

Performance Standards

Your rights within your Network Area will not be modified by a subsequent change in population, however, you must meet the “**Performance Standards**” we designate for minimum performance, sales, distribution and performance as a provision of the Products or Services in order to maintain your exclusive operating rights in your Network Area. Performance Standards are specified in the Area Developer Agreement and may be changed at our sole discretion. After one year from the date you complete Phase I Training, currently, the minimum Performance Standards require you to: (i) meet or exceed a minimum annual player registration revenue of \$60,000; (ii) not fall within the bottom 25% of all Area Developers (that have also been in the system at least 1 year) on the Network Scorecard that is currently published monthly; and (iii) not fall within the bottom 25% of all Area Developers (that have also been in the system at least 1 year) in customer satisfaction (as currently measured by Net Promoter Score determined by in-season surveys of your customers on a rolling 12-month basis).

The “**Network Scorecard**” is a rating system used by us to rank the overall performance of our Area Developers on a relative basis. Metrics measured in the Network Scorecard are currently: (i) new member growth versus prior year; (ii) total new members on a rolling 12-month basis; (iii) revenue growth versus prior year; (iv) total revenue on a rolling 12-month basis; (v) customer satisfaction (as currently measured by Net Promoter Score determined by in-season surveys of your customers); (vi) retention rate of your Customers versus prior year; (vii) frequency of play (currently measured by the percent of your customers who played two or more programs in the preceding 12 months); (viii) number of core sports offered on a rolling 4-season basis; (ix) number of venue locations on a rolling 4-season basis; (x) attendance at national/regional meetings; and (xi) participation in quarterly financial benchmarking. At our sole discretion, we may change the scorecard by adding or removing metrics.

If you do not meet the minimum Performance Standard, we may require that you attend our then-current remedial training. If you refuse to attend this remedial training, or if you do not improve your Network Scorecard and/or Net Promoter Score (as applicable), we may either: (i) terminate your exclusive rights to the Network Area and sell the Products and the Services directly or through others; (ii) reduce the scope of the geographic area comprising the Network Area in which you will have exclusive marketing rights; (iii) reduce the number of Authorized Sports or authorized Customers; or (iv) terminate the Area Developer Agreement.

Reservation of Rights

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. We and our affiliates reserve the right to: (i) own and operate i9 Sports® Franchises, or license third parties the right to own and operate i9 Sports® Franchises, utilizing the Marks and System at any location outside of your Network Area; (ii) own and operate, and license third parties the right to own and operate, i9 Sports® Franchises that offer sports other than the Authorized Sports at any location inside or outside of your Network Area; (iii) own and operate businesses, or license third parties the right to own and operate businesses, under marks that are different than the Marks at any location inside or outside of your Network Area; (iv) send out marketing materials, and otherwise promote the i9 Sports® brand,

Marks and System and various Events and Authorized Sports offered, at any location, inside or outside of your Network Area, utilizing the Marks (including sending emails and other materials to Customers with links to our Website so such Customers can determine what Events, venues and leagues are being conducted near the zip code the input); (v) utilize the Marks and System in connection with services and products, promotional and marketing efforts, or related items, or in alternative channels of distribution, including products and services authorized for i9 Sports® Franchises and related merchandise under the Marks or other marks (“**Proprietary Products**”) through wholesale and retail outlets, via the Internet, and through mail order catalog, without regard to location; (vi) retain some or all of the profits derived from the sale of Online Retail Products and distribute to i9 Sports® Area Developers some or all of those monies on a periodic basis and according to the rules we establish; and (vii) use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in this Agreement.

In addition, if you fail or refuse to offer an Authorized Sport at any time in your Network Area, then we, or a third party we designate (including another Area Developer) may offer such sport in your Network Area, and you will not be entitled to any compensation in connection with such activity.

Alternative Distribution Channels

We and our affiliates retain the right, in our sole discretion, to sell products under the Marks within and outside your Network Area through any method of distribution other than a dedicated i9 Sports® Franchise, including sales through channels of distribution such as the Internet, retail or wholesale stores, catalog sales, telemarketing or other direct marketing sales (together, “**Alternative Channels of Distribution**”). Goods to be provided through Alternative Channels of Distribution include our Proprietary Products, and other youth sports related products. We reserve the right, among others, as to any service arrangements relating to our sale of products and services through Alternative Channels of Distribution. You may not use Alternative Channels of Distribution to make sales outside or inside your Network Area except as described in the following paragraph and you will not receive any compensation for our sales through Alternative Channels of Distribution except as described in the following paragraph.

If we engage in electronic commerce through any Internet, World Wide Web or other computer network site or sell through any other Alternative Channels of Distribution, and we receive orders for any proprietary products or other products offered by an i9 Sports Franchise calling for delivery or performance in your Network Area, then we may in our sole judgment, offer the order to you at the price we establish. If you choose not to fulfill the order or are unable to do so, then we, or a third party we designate (including another Area Developer) may fulfill the order, and you will not be entitled to any compensation in connection with this.

We have not established, nor presently intend to establish, other franchised or company-owned businesses which sell our proprietary products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

Other Businesses

Except as described in Item 1, we do not operate or franchise, or currently plan to operate or franchise, any business under a different trademark that sells or will sell goods or services similar to those that our franchisees sell. However, our affiliates, including the Affiliated Programs described in Item 1 and other portfolio companies that currently are or in the future may be owned by private equity funds managed by Roark Capital Management, LLC, may operate and/or franchise businesses that sell similar goods or services to those that our franchisees sell.

Item 1 describes our current Affiliated Programs that offer franchises, their principal business addresses, the goods and services they sell, whether their businesses are franchised and/or company-owned, and their trademarks. All of these other brands (with limited exceptions) maintain offices and training facilities that are physically separate from the offices and training facilities of our franchise network. Most of the Affiliated Programs are not direct competitors of our franchise network given the products or services they sell, although some are, as described in

Item 1. All of the businesses that our affiliates and their franchisees operate may solicit and accept orders from customers near your business. Because they are separate companies, we do not expect any conflicts between our franchisees and our affiliates' franchisees regarding territory, customers and support, and we have no obligation to resolve any perceived conflicts that might arise.

ITEM 13
TRADEMARKS

You will have the limited right to use the Marks we designate for use in connection with the System. We own the following trademarks, which are registered on the Principal Register of the United States Patent and Trademark Office (“PTO”):

Mark	Registration Date	Registration Number
i9 Sports®	February 24, 2004	2816247
i9 Sports An Experience Beyond The Game (and design)®	June 26, 2007	3255920
Helping Kids Succeed in Life Through Sports.®	June 29, 2010	3809872
i9 Sports (and design)®	March 20, 2007	3219403
The Way Youth Sports Should Be®	February 20, 2018	5407306

License of the Marks

There are no agreements currently in effect which significantly limit our rights to use or license the use of our Marks in a manner material to the franchise. There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, cancellation or opposition proceedings or material litigation, involving the Marks. All required affidavits have been filed.

Use of the Marks

You must follow our rules when you use the Marks. You may not use the Marks as part of your corporate or other legal name. We must approve your corporate name and all fictitious names under which you propose to do business in writing before use. You must use your corporate or limited liability company name either alone or followed by the initials “D/B/A” and the business name “i9 Sports®.” You must promptly register at the office of the county in which your Franchised Business is located, or such other public office as provided for by the laws of the state in which your i9 Sports® Franchise is located, as doing business under such assumed business name.

You cannot use any Mark in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing.

We are the lawful and sole owner of the domain names: www.i9sports.com. You cannot register any of the Marks now or in the future owned by us or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar, as Internet domain names. We retain the sole right to advertise the system on the Internet and to create, operate, maintain and modify, or discontinue using of a website using the Marks. You may access our website. Except as we may authorize in writing in advance, however, you cannot: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products or services on the worldwide web; and (iii) create or register any Internet domain name in connection with your franchise.

You may use only the Marks which we designate and may use them only in the manner we authorize and permit. Any goodwill associated with Marks, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit. You may use the Marks only for the operation of the i9

Sports® Franchise or in advertising for the i9 Sports Franchise. You must use all Marks without prefix or suffix and in conjunction with the symbols “SM,” “®,” “S” or “®,” as applicable. You may not use the Marks in connection with the offer or sale of any services or products which we have not authorized for use in connection with the System.

Infringements

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and you may not communicate with any person other than us, our attorneys and your attorneys in connection with any infringement, challenge or claim. We, in our sole judgment, may take any action that we deem appropriate, and we have the right to control exclusively any litigation, PTO proceeding or any other administrative proceeding arising from any infringement, challenge or claim or otherwise relating to any Mark. You must sign any instruments and documents, provide assistance and take any action that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or PTO or other proceeding or otherwise to protect and maintain our interests in the Marks. The Area Developer Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed to you by us or if the proceeding is resolved unfavorably to you.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of our principal trademarks in any state; however, a federal trademark registration does not necessarily protect the use of the concerned mark against a prior user in a given relevant market area. Therefore, before entering into the Area Developer Agreement, you should make every effort to ascertain that there are no existing uses of the Marks or confusingly similar marks being used in the market area where you wish to do business. You should immediately notify us of any confusingly similar marks you discover.

Changes to the Mark

If we determine that it becomes advisable for us and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. You will pay the expense of changing your i9 Sports® franchise signs. Further, we will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any registered patents or pending patent applications that are material to the franchise.

We, our affiliates or licensors claim copyrights (the “**Copyrights**”) in the Manual, Event, Product or Service brochures, the www.i9sports.com website, the Franchise Manager Software, the interior decor and the Event plans, product and service materials, advertising materials and related items used in operating the franchise. The duration for each of the Copyrights is the lifetime of the author plus seventy years. We may further register, develop, change, cancel, enhance or modify Copyrights at any time. We have registered the following Copyrights with the United States Registrar of Copyrights:

Copyright	Registration Date	Registration Number	Description
i9sports.com	August 6, 2008	TX0006863535	Consumer website
i9 Sports Franchise Operations Manual	August 8, 2008	TXU001587703	Franchise Operations Manual Franchise Manager Website

Copyright	Registration Date	Registration Number	Description
i9sportsfranchise.com	August 21, 2008	TX0006866678	Franchise website

The Manual, which is described in Item 11, and other materials we possess contain our confidential information. This information includes: the Manual; System Standards; Services; methods for operating, managing, developing or coordinating Events; Product or Service Sales, marketing, distribution, performance, provision or rendering methods, techniques, equipment or supplies; Customer Liaison recruitment, training, coordination, recruiting, marketing or compensation methods; Event registration and sports statistics tracking and reporting methods, and techniques; Customer lists; referral sources; billing and collection methods; financial information; makeup and functions of the Computer System, Billing System and other information about us and information about our Approved Suppliers; strategic partners, business plans, employees, and independent contractors (collectively, the “**Confidential Information**”). You acknowledge that we have expended and continue to expend great amounts of time, money and effort in devising and processing the Confidential Information. We consider the Confidential Information confidential and our trade secrets, where applicable.

All ideas, concepts, techniques and other newly developed information or materials relating to an i9 Sports® Franchise, whether or not constituting protectable intellectual property, and whether created by or on behalf of you or your owners, must be promptly disclosed to us, will be considered our property and part of our franchise system and will be considered to be works made-for-hire for us. You and your owners must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in these ideas, concepts, techniques or materials.

You may not use our confidential information in an unauthorized manner and must take reasonable steps to prevent its disclosure to others. You must adopt and implement reasonable procedures to prevent the unauthorized use or disclosure of the Confidential Information including, but not limited to, restricting its disclosure to your personnel and others and using non-disclosure agreements with those having access to Confidential Information, a form of which is attached as Exhibit “F” to the Area Developer Agreement. With the exception of our customer lists, information available in the public domain will not be deemed Confidential Information. You must maintain the confidentiality of client identities and likenesses, and may not use them for any other purpose. You agree to use your best efforts to maintain the confidentiality of our Confidential Information.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the Copyrighted materials. Nor are there any agreements currently in effect which significantly limit our right to use or authorize Area Developers to use the Copyrighted materials. Furthermore, there are no infringing uses actually known to us which could materially affect an Area Developer’s use of the Copyrighted materials in any state. We are not required by any agreement to protect or defend Copyrights or confidential information, although we intend to do so when this action is in the best interests of the i9 Sports® Franchise system.

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

Your Operating Principal (which will be you, if you are the only individual signing the Franchise Agreement) and your Key Manager (which may be the same person as your Operating Principal) must satisfactorily complete our Training program, criminal background check, and any other training programs we require during the term of your Area Developer Agreement.

Your Operating Principal must have authority over all business decisions related to your Franchised Business and must have the power to bind you in all dealings with us. We may rely solely on the decisions and representations of your Operating Principal. Your Operating Principal must satisfy any standards that we require for their position,

including successfully completing any training programs we require. You must obtain our written approval of your Operating Principal, which we may withhold in our sole discretion.

Your Key Manager must actively manage the day-to-day operations of your Franchised Business on a full-time basis. Your Operating Principal or one of your employees (who does not need to have an ownership interest in your Franchised Business or Business Entity) may serve as your Key Manager, provided that you must obtain our written approval of such individual, which we may withhold in our sole discretion. Your Key Manager may not serve in such role for more than one i9 Sports® Franchise. Your Key Manager must satisfy any standards that we require for their position, including successfully completing any training programs we require.

You may not appoint an Operating Principal or Key Manager without our prior written approval, which we may withhold in our sole discretion. You must provide us with written notice of your proposed initial Operating Principal and Key Manager at least 30 days prior to opening. You must notify us immediately of the death, disability, termination, removal, or departure of your Operating Principal or Key Manager and must obtain our approval of a successor Operating Principal within 30 days after such event and of a successor Key Manager within 60 days after such event. We may withdraw our approval for such an appointment at any time, in which case you must propose a new appointment and obtain our approval of such successor within 30 days after such event.

You must at all times faithfully, honestly and diligently perform your obligations under the Area Developer Agreement, continuously exert your best efforts to promote and enhance the i9 Sports® Franchise and not engage in any other business or activity that conflicts with your obligations to operate the i9 Sports® Franchise in compliance with the Area Developer Agreement. Our System Standards require that you, your Operating Principal, or your Key Manager participate personally on a daily basis in the direct operation of the i9 Sports® Franchise.

You must employ sufficient number of qualified, competent personnel to offer prompt, courteous and efficient service to the public in accordance with our System Standards. You are solely responsible for all labor and employment-related matters and decisions related to your Franchised Business, including hiring, firing, promoting, demoting, and compensating (including through wages, bonuses, or benefits) your employees and contractors. You must ensure that your employees and contractors (a) are qualified to perform their duties in accordance with our System Standards, (b) successfully pass an appropriate screening and background check, (c) do not pose a threat to any individuals, and (d) are not reasonably likely to have an adverse effect on you, the reputation of you or your owners, our franchise system, our concept, your Franchised Business, the Marks, and any associated goodwill (an “**Adverse Effect**”). We do not require you to implement any employment-related policies or procedures that we (at our option) may make available to you in the Manual or otherwise for your optional use other than policies and procedures related to background checks and risk management that are fundamental components of our System Standards. You shall determine if and to what extent any optional policies and procedures may be applicable to your operations at the Franchised Business.

If you are a corporation, limited liability company, limited partnership or limited liability partnership, each of your owners, and their spouses, must not only personally guarantee your obligations under the Area Developer Agreement, but also agree to be personally bound by, and personally liable for the breach of, every provision of the Area Developer Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

You must adopt and implement reasonable procedures to prevent the unauthorized use or disclosure of the Confidential Information including, but not limited to, restricting its disclosure to your owners, personnel and others and using non-disclosure agreements with those having access to Confidential Information, a form of which is attached as Exhibit “F” to the Area Developer Agreement (“**Confidentiality Agreement**”). We have created the Confidentiality Agreement to assist you in complying with your obligation to obtain signed agreements from your personnel and others to protect our Confidential Information. However, it is your obligation to have the form reviewed by your local attorney and otherwise to ensure it is valid and enforceable under applicable law. If you are taking over an existing i9 Sports® Franchise, you will be required to ensure that any personnel you retain sign a new form of Confidentiality Agreement with you directly (if so required).

We also require you to complete an Owners’ Statement in the form attached as Exhibit “B” to the Area Developer Agreement. The Owners’ Statement describes all of your owners and their interests in you.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale all Products, and perform, provide or render all Services which we authorize for your Network Area and may periodically require for i9 Sports® Franchises. You may not offer for sale any Products or perform, provide or render any Services that we have not authorized or for Customers for which you are not authorized (see Items 8 and 9 and the Area Developer Agreement). Our System Standards may regulate required or authorized Products or Services, Product or Service categories and supplies. We have the right to change the types of required and/or authorized goods and services at any time and there are no limits on our right to do so. You are not allowed to solicit Customers, provide Events, or distribute Proprietary Products or other merchandise outside of your Network Area without our prior written approval. You must at all times maintain sufficient levels of inventory to adequately satisfy consumer demand. You must stop using disapproved products or services immediately upon notice that such services or products have been discontinued. If the law prohibits the use or sale of any product or service, use must cease immediately. We may terminate your Area Developer Agreement if you fail to meet our quality standards as prescribed in the Area Developer Agreement and our Manual.

We designate the type of Authorized Sports you may offer at Events (e.g., in connection with Products and Services) and the type of Customers to whom you may offer them.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements pertaining to renewal, termination, transfer, and dispute resolution. You should read these provisions in the agreements attached to this disclosure document.

THE FRANCHISE RELATIONSHIP

Provision	Section in Area Developer Agreement	Summary
(a) Length of the franchise term	Section 2.3	Two options: (i) 10 years; and (ii) 5 years.
(b) Renewal or extension of the term	Section 2.4	If you are in good standing, you have the right to renew the Area Developer Agreement for 1 additional 10-year term provided certain conditions are met.
(c) Requirements for you to renew or extend	Section 2.4	You must: (i) timely notify us in writing of your intention to renew; (ii) have satisfactorily completed before the expiration of the then-current term, all maintenance or upgrading of required hardware and software to bring your i9 Sports® Franchise into full compliance with our then-current System Standards and specifications; (iii) not be in breach of any provision of the Area Developer Agreement, or any other agreement between you and us, our affiliates, and/or our major suppliers and vendors, and you have substantially complied with all such agreements during their respective terms; (iv) have satisfied all monetary obligations you owe us, our affiliates, and/or our major suppliers and vendors; (v) execute our then-current form of franchise

Provision	Section in Area Developer Agreement	Summary
		agreement, which may contain materially different key terms than the Area Developer Agreement you initially sign; (vi) satisfy our then-current training requirements; (vii) sign a general release in the form we prescribe; and (viii) pay us a renewal fee of \$5,000 at least 30 days before the expiration of the Area Developer Agreement.
(d) Termination by you	No Provision	You do not have the contractual right to terminate the Area Developer Agreement (subject to state law).
(e) Termination by us without cause	No Provision	Not Applicable.
(f) Termination by us with cause	Section 19.2	We can terminate only if you commit one of several violations.
(g) “Cause” defined – defaults which can be cured	Section 19.1	Curable defaults include: (a) 10 days to cure most violations of the law; (b) 30 days to cure staffing and supervisory deficiencies; (c) 10 days to cure payment defaults; (d) 30 days to cure missed or incomplete reports; (e) 24 hours to cure failure to respond to communications from us; and (f) 30 days to cure you, your owners, or your affiliates failure to comply with any other provision of the Area Developer Agreement, or any other agreement with us and/or any affiliate of ours, or any specification, standard or operating procedure.
(h) “Cause” defined – non-curable defaults	Section 19.1	We have the right to terminate the Area Developer Agreement or exercise other remedies with notice but without providing you an opportunity to cure if: (a) you or your owners take part in criminal acts or misconduct or engage in activities that may have an adverse effect; (b) you or your owners make any unauthorized direct or indirect assignment of the Area Developer Agreement; (c) you or your owners make any unauthorized use, duplication or disclosure of any Confidential Information or violate the noncompete; (d) you or related parties file a voluntary or involuntary petition in bankruptcy or have a petition in bankruptcy filed against you or you otherwise make an assignment for the benefit of creditors or experience any act of insolvency or enter into any proceedings for the benefit of creditors; (e) you or your owners make any material representation or omission to us in relation to our continuing business relationship; (f) you fail to timely commence operating; (g) you, any of your employees or principal owners fail to successfully complete the initial training program; (h) you abandon the i9 Sports® Franchise; (i) you fail to comply with any law or regulation that poses a health or safety issue or any anti-terrorism law; (j) you violate any material law pertaining to the operation of the i9 Sports® Franchise; (k) there are five or more customer complaints with respect to your franchised business in any 12-month period; (l) you have failed to retain required records; (m) you or your owners make an unauthorized use of the Marks; (n) you offer any unauthorized and unapproved products or services; (o) you make any purchases from an unapproved supplier; (p) you misuse or make unauthorized use of our or our affiliate’s proprietary or approved software; (q) you fail to maintain insurance or to repay us for insurance paid for by us; (r) you fail to remain current in obligations to taxing authorities, suppliers, or others; (s) you take any property of the i9

Provision	Section in Area Developer Agreement	Summary
		Sports® Franchise for your own personal use; (t) if there are insufficient funds in your bank account to cover a check or EFT payment to us three or more times within any 12-month period; (u) you fail to accurately report revenue; (v) you fail to comply with screening and background check provisions or fail to implement and enforce a risk management policy; (w) you, your owners, or your affiliates default under another agreement with us or our affiliates; (x) you or your owners default two or more times in a 12-month period or three or more times in a 24-month period; or (y) you commit a material default that cannot be cured.
(i) Your obligations on termination/non-renewal	Section 19.5	Upon termination or expiration, you must, at your own expense: (a) cease using our Confidential Information and Marks; (b) return your any material containing Confidential Information or Marks; (c) cooperate in assigning to us any agreements or contracts at our option; (d) cease using our Marks and Copyrights, and holding yourself out to the public as being associated with us; (e) terminate your access to e-commerce activities, assign to us all telephone numbers, e-name and directory listings associated with your i9 Sports Franchise, and direct service provides to transfer all numbers and listings to us or our designee; (f) pay us, our affiliates, and designated suppliers and vendors all monies owed, including, but not limited to, all applicable customer refunds and issued customer credits; (g) comply with all post-term covenants; and (h) at our option, assign any venue contracts we designate.
(j) Assignment of contract by us	Section 17.1	We have the right to assign our rights under the Area Developer Agreement.
(k) “Transfer” by you-definition	Section 17.2	Voluntary or involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in the Area Developer Agreement, you or the i9 Sports® Franchise.
(l) Our approval of transfer by you	Sections 17.2 and 17.4	You may not transfer any rights in the i9 Sports® Franchise or Area Developer Agreement without our prior written consent. We have the right to approve transfers even to a business entity controlled by you.
(m) Conditions for our approval of transfer	Section 17.3 and 5 Year Addendum	Our approval is subject to our satisfaction of the following conditions: (a) any advertising you used to advertise the sale of your franchise was approved by us; (b) transferee meets our qualifications; (c) you have paid all amounts owed; (d) transferee (or its owners) agree to complete our training program, at their own expense; (e) transferee agrees to be bound by the Area Developer Agreement; (f) transferee executes our then-current form of Area Developer Agreement; (g) transferee upgrades and modernizes the i9 Sports® Franchise to our then-current standards and specifications; (h) you or transferee pays us a transfer fee which is, for a 10-Year Agreement, the greater of 50% of our then-current Franchise Fee or \$12,450, and for a 5-Year Agreement, equal to \$12,450, for each i9 Sports® Franchise being transferred, plus any broker fees; (i) you execute a general release in a form to our satisfaction; (j) we determine the terms of the transfer will not adversely affect transferee’s operation; (k) you subordinate amounts due to you; (l) you and your spouse sign our non-competition covenant, and transferee

Provision	Section in Area Developer Agreement	Summary
	Section 17.4	<p>agrees to be bound by the non-competition covenants in the Area Developer Agreement; (m) you de-identify yourself from us and our Marks; and (n) and you provide guidance and support to the transferee for a period of time amounting to the longer of: (i) 60 days or (ii) through 3 weeks of first season operated by transferee.</p> <p>Our approval of your transfer to a business entity is conditioned upon: the business entity conducts no business other than the i9 Sports® Franchise; you owning, controlling and having the right to vote fifty-one percent (51%) or more of the business entity; you guarantee the business entity's performance; and we may require (in addition to other terms) the proposed owner sign an agreement agreeing to be bound jointly and severally by, to comply with, and to guarantee the performance of, all of your obligations under the Area Developer Agreement.</p>
(n) Our right of first refusal to acquire your business	Section 17.8	We can match any offer for an ownership interest in you, your Area Developer Agreement or your i9 Sports® Franchise provided that we may substitute cash for any form of payment at a discounted amount if an interest rate will be charged on any deferred payments, our credit will be deemed equal to that of any proposed purchaser, we will have no less than 30 days to prepare for closing and we receive all customary representations and warranties, as we specify.
(o) Our option to purchase your business	No provision	Not applicable
(p) Your death or disability	Sections 17.5 and 17.6	Franchise or an ownership interest in you must be assigned to an approved buyer within the time we designate, not less than one month but not more than six months and must be run by a trained manager during the period before the assignment. Assignment is subject to our right of first refusal.
(q) Non-competition covenants during the term of the franchise	Sections 18.5	No interest or participation in a competing business: (i) within the Network Area; (ii) within any geographic territory that we have assigned to any one of our other i9 Sports® Franchises, employees, or Area Developers, or in which we directly operate, market or sell; (iii) via the Internet or other form of e-commerce, wherever located; or (iv) within 40 miles of any Network Area in existence or under development during the Term or as of the date of termination of the Area Developer Agreement (same restrictions apply after assignment). You will not interfere with our business relationships or with anyone or any entity with which we have a business relationship. (subject to state law)
(r) Non-competition covenants after the franchise is terminated or expires	Section 18.5 and 19.5	No interest or participation in a competing business for 2 years: (i) within the Network Area; (ii) within any geographic territory that we have assigned to any one of our other i9 Sports® Franchises, employees, or Area Developers, or in which we directly operate, market or sell; (iii) via the Internet or other form of e-commerce, wherever located; or (iv) within 40 miles of any Network Area in existence or under development during the Term or as of the date of

Provision	Section in Area Developer Agreement	Summary
		termination of the Area Developer Agreement (same restrictions apply after assignment). For 2 years, you will not interfere with our business relationships or with anyone or any entity with which we have a business relationship. (subject to state law)
(s) Modification of the agreement	Section 25.4	The Area Developer Agreement may only be modified or amended in writing signed by all parties.
(t) Integration/merger clause	Sections 25.4	Only the terms of your Area Developer Agreement are binding (subject to state law). Any representations or promises made outside this disclosure document and the Area Developer Agreement may not be enforceable. Nothing herein is intended to disclaim any of the representations set forth in this Disclosure Document.
(u) Dispute resolution by mediation	Sections 24.2 and 24.3	You must bring all disputes before our President prior to bringing a claim before a third party. At our option, all claims or disputes between you and us must be submitted first to mediation in Hillsborough County, Florida in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect. (subject to state law)
(v) Choice of forum	Section 24.4	All claims not subject to mediation must be brought before a court of general jurisdiction in Hillsborough County, Florida or the United States District Court for the Middle District of Florida. You consent to the personal jurisdiction and venue of any court of general jurisdiction in Hillsborough County, Florida and the United States District Court for the Middle District of Florida. (subject to state law)
(w) Choice of law	Section 24.1	The Area Developer Agreement is governed by the laws of the State of Florida. (subject to state law)

ITEM 18
PUBLIC FIGURES

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

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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.

PART I: REGISTRATION REVENUE AND KEY PERFORMANCE INDICATORS

Part I of this Financial Performance Representation reflects the historical average and median of the registration revenue and certain key performance indicators including the number of venues operated, the number of sports offered, and the market penetration rate of certain i9 Sports Franchises (“**Franchise Units**”) for the period January 1, 2023 through December 31, 2023 (the “**Measurement Period**”).

For the purposes of Charts 1 and 2 in this Part I, please note that: (i) the term “**Registration Revenue**” means all registration sales generated by a Franchise Unit during the Measurement Period and does not include other types of revenue earned by Franchise Units, such as sponsorships, commissions, merchandise sales, and concession sales; (ii) the term “**Venue**” is defined as the number of playing locations operated by a Franchise Unit with a unique address during the Measurement Period; (iii) the term “**Market Penetration Rate**” is defined as the total number of unique player registrations generated by a Franchise Unit during the Measurement Period divided by that Franchise Unit's territory population of kids ages 14 and under (as determined by using SiteSeer Technology’s software); (iv) the term “**Average**” is calculated by taking the cumulative Registration Revenue of the Franchise Units in that particular subset divided by the number of Franchise Units in that subset; and (v) the term “**Median**” for a particular subset of the Franchise Units in these Charts is the middle value in the sorted list of all reported Registration Revenue results with half of the Reporting Unit results for each Chart being higher than the median and half being lower than the median.

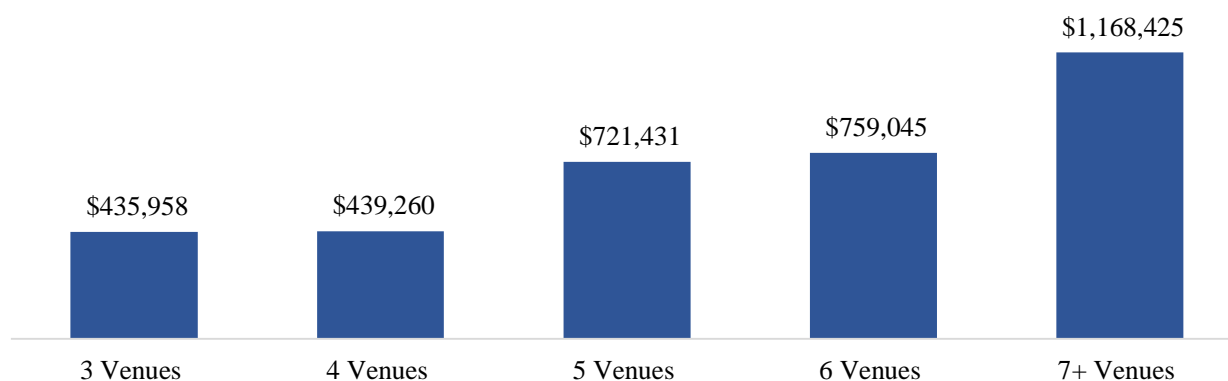
As of December 31, 2023, there were 245 Franchise Units. For purposes of creating Charts 1 and 2 in this Part I, we included the results of 121 full-time Franchise Units which: (i) were operated throughout the entire Measurement Period; and (ii) averaged three or more Venues over four Seasons during the Measurement Period and offered four or more sports during the Measurement Period (the “**Covered Units**”). We consider a Franchise Unit to have begun operating on its Business Launch Date. A “**Season**” is defined as a distinct period of time during which one or more separate programs or leagues are operated. The Covered Units do not include: (i) 43 Franchise Units that were not operating throughout the entire Measurement Period; and (ii) 81 Franchise Units that failed to average three or more Venues over four Seasons and four or more sports during the Measurement Period.

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Chart 1: Registration Revenue and Key Performance Indicators for Covered Units during the Measurement Period (January 1, 2023 to December 31, 2023)

	<u>Total</u>	<u>Bottom Half</u>	<u>Top Half</u>
Maximum Registration Revenue	\$ 1,871,983	\$ 526,459	\$ 1,871,983
Median Registration Revenue	\$ 533,644	\$ 402,228	\$ 802,720
Minimum Registration Revenue	\$ 180,220	\$ 180,220	\$ 533,644
Average Registration Revenue	\$ 650,424	\$ 379,068	\$ 917,331
Total # of Units	121	60	61
Average # of Venues	5.2	3.9	6.4
Average # of Sports	4.7	4.4	5.0
Market Penetration Rate	3.2%	2.4%	4.0%

Chart 2: Average Registration Revenue by Number of Venues Operated for Covered Units during the Measurement Period (January 1, 2023 to December 31, 2023)



Registration Revenue					
	<u>3 Venues⁽¹⁾</u>	<u>4 Venues⁽²⁾</u>	<u>5 Venues⁽³⁾</u>	<u>6 Venues⁽⁴⁾</u>	<u>7+ Venues⁽⁵⁾</u>
Average	\$ 435,958	\$ 439,260	\$ 721,431	\$ 759,045	\$ 1,168,425
Lowest	\$ 180,220	\$ 220,616	\$ 294,001	\$ 442,096	\$ 608,674
Highest	\$ 1,123,640	\$ 698,061	\$ 1,871,983	\$ 1,250,380	\$ 1,774,323
Median	\$ 394,445	\$ 439,849	\$ 614,298	\$ 769,204	\$ 1,202,685
# of Units Included	34	30	20	17	20
# Met/Exceeded Average	13	15	6	9	11
% Met/Exceeded Average	38%	50%	30%	53%	55%

Explanatory Notes to Chart 2:

1. In 2023, there were 34 Franchise Units operating 3 Venues that generated a total average of \$435,958 in Registration Revenue.
2. In 2023, there were 30 Franchise Units operating 4 Venues that generated a total average of \$439,260 in Registration Revenue.

3. In 2023, there were 20 Franchise Units operating 5 Venues that generated a total average of \$721,431 in Registration Revenue.
4. In 2023, there were 17 Franchise Units operating 6 Venues that generated a total average of \$759,045 in Registration Revenue.
5. In 2023, there were 20 Franchise Units operating 7+ Venues that generated a total average of \$1,168,425 in Registration Revenue. Of these 20 Franchise Units, the lowest number of Venues operated by a Franchise Unit was 7 Venues and the highest number of Venues was 21.

PART II: SALES TO COST ANALYSIS

Part II of this Item reflects financial information that was self-reported by our franchisees to a third-party consultant that we engaged to provide financial benchmarking for the i9 Sports Network. As of September 30, 2023, there were 230 Franchise Units in operation. The Chart below includes financial performance data for the 12-month period beginning October 1, 2022 through September 30, 2023 (the “**Reporting Period**”) for 74 Franchise Units that (i) were operated throughout the entire Reporting Period; and (ii) self-reported materially complete financial information to our consultant (“**Included Franchises**”). The data in Chart 1 below excludes: (i) 78 Franchise Units whose data was either materially incomplete and not useable or who failed to self-report; and (ii) 78 Franchise Units that were not operating throughout the entire Reporting Period.

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Chart 1: Franchisee Income Statement for Included Franchises during the Reporting Period (October 1, 2022 to September 30, 2023)

	<u>Total</u>	<u>Bottom Half</u>	<u>Top Half</u>
# Units Included	74	37	37
Avg. # of Venues	3.9	2.5	5.3
Avg. # of Sports	4.2	3.7	4.6
Market Penetration Rate	2.6%	1.7%	3.5%
Revenue ⁽¹⁾	\$ 490,592	\$ 248,305	\$ 732,879
Player Expense ⁽²⁾	\$ 67,045	\$ 37,945	\$ 96,145
Venue Expense ⁽³⁾	\$ 50,680	\$ 26,303	\$ 75,057
<u>Other Cost of Sales ⁽⁴⁾</u>	<u>\$ 24,367</u>	<u>\$ 12,306</u>	<u>\$ 36,428</u>
COGS ⁽⁵⁾	\$ 142,091	\$ 76,553	\$ 207,629
Gross Profit ⁽⁶⁾	\$ 348,501	\$ 171,752	\$ 525,250
<i>% Revenue</i>	<i>71%</i>	<i>69%</i>	<i>72%</i>
Personnel Expense ⁽⁷⁾	\$ 126,457	\$ 58,655	\$ 194,260
Marketing Expense ⁽⁸⁾	\$ 16,242	\$ 11,431	\$ 21,052
<u>Other Expense ⁽⁹⁾</u>	<u>\$ 33,728</u>	<u>\$ 19,871</u>	<u>\$ 47,585</u>
Total Operating Expense ⁽¹⁰⁾	\$ 176,427	\$ 89,957	\$ 262,896
<i>% Revenue</i>	<i>36%</i>	<i>36%</i>	<i>36%</i>
Royalty Fee ⁽¹¹⁾	\$ 36,794	\$ 18,623	\$ 54,966
<i>% Revenue</i>	<i>7.5%</i>	<i>7.5%</i>	<i>7.5%</i>
Operating Profit ⁽¹²⁾	\$ 135,280	\$ 63,172	\$ 207,388
<i>% Revenue</i>	<i>28%</i>	<i>25%</i>	<i>28%</i>
<u>Other Income/Non Operating</u>	<u>\$ 57,329</u>	<u>\$ 28,802</u>	<u>\$ 85,855</u>
Net Income	\$ 77,951	\$ 34,369	\$ 121,533
<u>Revenue</u>	<u>Total</u>	<u>Bottom Half</u>	<u>Top Half</u>
Highest	\$ 1,708,781	\$ 429,120	\$ 1,708,781
Median	\$ 435,490	\$ 258,238	\$ 608,793
Lowest	\$ 50,471	\$ 50,471	\$ 441,859
<u>Operating Profit</u>	<u>Total</u>	<u>Bottom Half</u>	<u>Top Half</u>
Highest	\$ 726,855	\$ 170,581	\$ 726,855
Median	\$ 121,389	\$ 52,508	\$ 180,935
Lowest	\$ (7,252)	\$ (7,252)	\$ 63,246

Explanatory Notes to Part II, Chart 1:

1. “Revenue” is the average revenue generated from player registrations, sponsorships, commissions, merchandise sales, concession sales, and other revenue.
2. “Player Expense” is the average expenses related to purchasing jerseys, participant shirts, equipment bags, t-ball hats, flag belts, awards (trophies, stickers, medals), and name tag labels.
3. “Venue Expense” is the average fees spent on venues to operate sport programs as agreed upon in the venue contract.
4. “Other Cost of Sales” is the average expenses related to coaches, background checks, player liability insurance, credit card fees, and other registration-related costs.
5. “COGS” is equal to the sum of Player Expense, Venue Expense, and Other Cost of Sales.
6. “Gross Profit” is equal to Revenue minus COGS.
7. “Personnel Expense” is the average expenses related to staff wages, payroll taxes, worker's compensation, payroll company fees, training/continuing education, staff meetings, staff appreciation, recruiting fees, group insurance/benefits, and other employee expenses. This does not include any compensation paid to owners.
8. “Marketing Expense” is the average expenses related to in-person events, flyers/printed materials, road signs, digital marketing, sponsorships/partnerships, Brand Fund contributions, and other marketing fees.
9. “Other Expense” is the average expenses related to general and operating fees, office/storage, and insurance expenses.
10. “Total Operating Expense” is equal to the sum of Personnel Expense, Marketing Expense, and Other Expense.
11. “Royalty Fee” is the average aggregate royalty fee paid by Area Developers under the terms of the Area Developer Agreement, which is 7.5% of Revenues.
12. “Operating Profit” is equal to Revenue minus COGS minus Total Operating Expense minus Royalty Fee. Operating Profit does not include any compensation or benefits paid to owners, including owners’ salary, bonus, commission, benefits, vehicle expense, and other owner-related expenses.

General Notes

1. **Some Franchise Units have earned this amount. Your individual results may differ. There is no assurance that you’ll earn as much.**
2. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.
3. We encourage you to consult with your own accounting, business, and legal advisors to assist you to prepare your budgets and projections and to assess the likely or potential financial performance of your franchise. We also encourage you to contact existing franchisees to discuss their experiences with the system and their i9 Sports® Franchise.
4. We suggest strongly that you consult your financial advisor or personal accountant concerning federal, state, and local income taxes and any other applicable taxes that you may incur in operating an i9 Sports® Franchise.

Other than the preceding Financial Performance Representations presented above, we do not make any other financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Matt Kurowski at 9410 Camden Field Parkway, Riverview, Florida 33578, (813) 324-2000, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

We consider an i9 Sports® Franchise to be open for purposes of this Item 20 after its Business Launch Date.

Table No. 1
System-wide Outlet Summary
For years 2021, 2022, and 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	172	192	+20
	2022	192	218	+26
	2023	218	245	+27
Company-Owned	2021	1	1	0
	2022	1	1	0
	2023	1	0	-1
Total Outlets	2021	173	193	+20
	2022	193	219	+26
	2023	219	245	+26

Table No. 2
Transfers of Outlets from Area Developers to New Owners (other than the Franchisor)
For years 2021, 2022 and 2023

State	Year	Number of Transfers
Arizona	2021	1
	2022	1
	2023	1
California	2021	0
	2022	2
	2023	0
Colorado	2021	0
	2022	3
	2023	2
Delaware	2021	0
	2022	0
	2023	0
Florida	2021	3
	2022	1
	2023	5
Georgia	2021	0
	2022	1
	2023	1
Illinois	2021	0
	2022	0
	2023	2
Kansas	2021	0
	2022	0
	2023	0

State	Year	Number of Transfers
Kentucky	2021	1
	2022	1
	2023	0
Maryland	2021	2
	2022	0
	2023	0
Michigan	2021	0
	2022	0
	2023	2
New Jersey	2021	0
	2022	0
	2023	1
North Carolina	2021	0
	2022	1
	2023	0
Ohio	2021	0
	2022	0
	2023	2
Pennsylvania	2021	0
	2022	2
	2023	1
South Carolina	2021	0
	2022	0
	2023	1
Tennessee	2021	0
	2022	1
	2023	0
Texas	2021	2
	2022	1
	2023	4
Virginia	2021	0
	2022	0
	2023	0
Washington	2021	0
	2022	1
	2023	1
Total	2021	9
	2022	15
	2023	23

**Table No. 3
Status of Franchised Outlets
2021, 2022 & 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Alabama	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arkansas	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arizona	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
California	2021	11	2	0	0	0	0	13
	2022	13	8	0	0	0	0	21
	2023	21	10	0	0	0	0	31
Colorado	2021	9	0	0	0	0	0	9
	2022	9	1	0	0	0	0	10
	2023	10	0	0	0	0	0	10
Delaware	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
District of Columbia (6)	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Florida	2021	28	2	0	0	0	0	30
	2022	30	1	0	0	0	0	31
	2023	31	4	0	0	0	0	35
Georgia	2021	11	0	0	0	0	0	11
	2022	11	0	0	0	0	0	11
	2023	11	0	0	0	0	0	11
Hawaii	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Idaho	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Illinois	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
Indiana (2)	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Iowa	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kansas (1)	2021	1	1	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Kentucky (2), (5)	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Maryland	2021	7	1	0	0	0	0	8
	2022	8	1	0	0	0	0	9
	2023	9	2	0	0	0	0	11
Massachusetts	2021	1	0	1	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Michigan	2021	7	0	0	0	0	0	7
	2022	7	1	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Minnesota	2021	0	2	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Mississippi	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Missouri (1)	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
Nevada	2021	1	1	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
New Jersey (4)	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
New Mexico	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New York (4)	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
North Carolina (3)	2021	8	2	0	0	0	0	10
	2022	10	1	0	0	0	0	11
	2023	11	0	0	0	0	0	11
Ohio (5)	2021	7	1	0	0	0	0	8
	2022	8	1	0	0	0	0	9
	2023	9	0	0	0	0	0	9

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Oklahoma	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Oregon	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
Pennsylvania	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	1	0	0	0	0	5
South Carolina (3)	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Tennessee	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	1	0	0	0	0	6
Texas	2021	26	1	0	0	0	0	27
	2022	27	5	0	0	0	0	32
	2023	32	1	0	0	0	0	33
Utah	2021	1	2	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
Virginia (6)	2021	6	1	0	0	0	0	7
	2022	7	1	0	0	0	0	8
	2023	8	1	0	0	0	0	9
Washington	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	3	0	0	0	0	8
Wisconsin	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Total	2021	172	21	1	0	0	0	192
	2022	192	26	0	0	0	0	218
	2023	218	27	0	0	0	0	245

NOTES:

1. The Network Area for two Area Developers listed in Kansas includes portions of Missouri.
2. The Network Area for one Area Developer listed in Kentucky includes portions of Indiana.
3. The Network Area for one Area Developer listed in North Carolina includes portions of South Carolina.
4. The Network Area for one Area Developer listed in New York includes portions of New Jersey.
5. The Network Area for one Area Developer listed in Ohio includes portions of Kentucky.
6. The Network Area for one Area Developer listed in Virginia includes portions of Washington, D.C.

Table No. 4
Status of Company-Owned Outlets
For years 2021, 2022 and 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Area Developer	Outlets Closed	Outlets Sold to Area Developer	Outlets at End of the Year
Florida	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	1	0
Total	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	1	0

Table No. 5
Projected Openings as of December 31, 2023
For Year Ending December 31, 2024

State	Area Developer Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	1	0
Florida	0	1	0
Illinois	0	1	0
Indiana	0	1	0
New Jersey	0	1	0
New York	0	1	0
North Carolina	1	1	0
Ohio	0	1	0
Oregon	0	1	0
Pennsylvania	0	1	0
South Carolina	0	1	0
Tennessee	0	1	0
Texas	0	1	0
Total	1	13	0

A list of the names of all Area Developers and the addresses and telephone numbers of their businesses will be provided in Exhibit “D” to this Disclosure Document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every Area Developer who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Area Developer Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit “E” to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have had one or more Area Developers sign confidentiality provisions that would restrict their ability to speak openly about certain aspects of their experience with the i9 Sports® system.

There are no trademark-specific organizations formed by our Area Developers that are associated with the i9 Sports System.

ITEM 21
FINANCIAL STATEMENTS

Our audited financial statements as of December 31, 2023, December 31, 2022 and December 31, 2021 are attached to this Disclosure Document as Exhibit “A.” Our fiscal year end is December 31.

ITEM 22
CONTRACTS

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

1. Exhibit B to FDD - i9 Sports® Form of Area Developer Agreement
 - Exhibit A – Personal Guaranty
 - Exhibit B – Owners’ Statement
 - Exhibit C – Authorization for Automatic Payments
 - Exhibit D – Assignment of Telephone Numbers
 - Exhibit E – 401(k) Addendum Template
 - Exhibit F – Form of Confidentiality Agreement
 - Exhibit G – Conditional Assignment of Venue Contracts
2. Exhibit G to FDD – State Specific Addenda (only for applicable registration states)
3. Exhibit H to FDD - Form of Area Developer Disclosure Acknowledgment Statement
4. Exhibit I to FDD - General Release Agreement

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document are attached as Exhibit “K” of this Disclosure Document. Please return one signed copy to us and retain the other for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

OF

i9 SPORTS, LLC

i9 Sports, LLC
(A Limited Liability Company)

Financial Report
December 31, 2023

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RSM US LLP

Independent Auditor's Report

Board of Directors
i9 Sports, LLC

Opinion

We have audited the financial statements of i9 Sports, LLC (the Company), which comprise the balance sheets as of December 31, 2023 and 2022, the related statements of income, member's deficit and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

RSM US LLP

Fort Lauderdale, Florida
March 29, 2024

i9 Sports, LLC
(A Limited Liability Company)

Balance Sheets
December 31, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 1,519,168	\$ 1,568,240
Accounts receivable	68,175	68,817
Prepaid expenses and other current assets	634,690	695,103
Contract assets	117,612	95,017
Total current assets	2,339,645	2,427,177
Property and equipment, net	756,440	629,857
Contract assets, net of current portion	445,435	346,961
Operating lease right-of-use assets	554,894	694,605
Other assets	13,984	13,984
Total assets	\$ 4,110,398	\$ 4,112,584
Liabilities and Member's Deficit		
Current liabilities:		
Accounts payable	\$ 898,113	\$ 822,746
Accrued expenses and other current liabilities	1,068,933	1,032,563
Deferred revenue	479,678	849,584
Operating lease liabilities, current	-	147,991
Total current liabilities	2,446,724	2,852,884
Deferred revenue, net of current portion	2,112,483	1,530,057
Operating lease liabilities, non-current	571,371	572,256
Total liabilities	5,130,578	4,955,197
Commitments and contingencies (Note 4)		
Member's deficit	(1,020,180)	(842,613)
Total member's deficit	(1,020,180)	(842,613)
Total liabilities and member's deficit	\$ 4,110,398	\$ 4,112,584

See notes to financial statements.

i9 Sports, LLC
(A Limited Liability Company)

Statements of Income
Years Ended December 31, 2023 and 2022

	2023	2022
Revenue	\$ 29,045,897	\$ 26,617,710
Cost of revenue	11,893,417	11,039,351
Total revenue	17,152,480	15,578,359
Selling, general and administrative expenses	7,489,210	8,242,396
Income from operations	9,663,270	7,335,963
Interest income	9,163	2,613
Net income	\$ 9,672,433	\$ 7,338,576

See notes to financial statements.

i9 Sports, LLC
(A Limited Liability Company)

Statements of Member's Deficit
Years Ended December 31, 2023 and 2022

	Total Member's Equity (Deficit)
Balance, December 31, 2021	\$ 1,618,898
Cumulative effect of adoption of ASU 2019-12	(660,677)
Distribution to parent	(9,139,410)
Net income	<u>7,338,576</u>
Balance, December 31, 2022	(842,613)
Distribution to parent	(9,850,000)
Net income	<u>9,672,433</u>
Balance, December 31, 2023	<u><u>\$ (1,020,180)</u></u>

See notes to financial statements.

i9 Sports, LLC
(A Limited Liability Company)

Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Net income	\$ 9,672,433	\$ 7,338,576
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	180,568	147,216
Amortization of intangible assets	-	1,907
Amortization of contract assets	107,305	111,025
Change in operating lease of right-of-use assets	139,711	167,084
Changes in operating assets and liabilities:		
Accounts receivable	642	(9,475)
Prepaid expenses and other current assets	60,413	(589,324)
Contract assets	(228,374)	(65,923)
Accounts payable	75,367	329,726
Accrued expenses and other current liabilities	36,370	(100,142)
Deferred revenue	212,520	324,203
Operating lease liability	(148,876)	(141,442)
Net cash provided by operating activities	10,108,079	7,513,431
Cash flows from investing activities:		
Purchase of property and equipment	(307,151)	(22,107)
Other assets	-	57,720
Net cash (used in) provided by investing activities	(307,151)	35,613
Cash flows from financing activities:		
Distributions	(9,850,000)	(9,139,410)
Net cash used in financing activities	(9,850,000)	(9,139,410)
Net decrease in cash	(49,072)	(1,590,366)
Cash:		
Beginning of year	1,568,240	3,158,606
End of year	\$ 1,519,168	\$ 1,568,240
Supplemental disclosures of noncash operating and financing activities		
Right-of-use asset and operating lease liability recorded on the adoption of ASC 842	\$ -	\$ (861,689)
Deferred tax asset written off on the adoption of ASU 2019-12	\$ -	\$ 660,677

See notes to financial statements.

**i9 Sports, LLC
(A Limited Liability Company)**

Notes to Financial Statements

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: i9 Sports, LLC (formerly i9 Sports Corporation) (the Company) was incorporated in Florida on July 29, 2002. On October 18, 2021, the Company sold 100% of its outstanding stock and converted into a limited liability company (LLC) incorporated in the state of Delaware and became a wholly owned subsidiary of i9 Holdings, LLC (a newly formed Delaware limited liability company) (i9 Holdings). i9 Holdings is a wholly owned subsidiary of YEB Blocked Parent, LLC, which is a wholly owned subsidiary of YEB Holdco, Inc., a Subchapter C corporation (the Member).

The Company, based in Tampa, Florida, is a youth sports franchisor. The Company offers franchise opportunities for individuals to own and operate, market, sell and provide local youth sports leagues, tournaments, camps, clinics, training and special events across multiple sports for children.

A summary of the Company's significant accounting policies as follows:

Basis of presentation: The financial statements have been prepared using the accrual method in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

These financial statements do not reflect the effects of the Company being acquired in 2021, as the Company has not elected pushdown accounting related to this acquisition.

Use of estimates: The preparation of financial statements, in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and reported amounts of revenue and expenses in the financial statements, and related disclosures. Accordingly, actual amounts could differ from those estimates.

Cash and concentration of credit risk: Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash. The Company maintains its cash deposits in a bank account, which exceeded the Federal Deposit Insurance Corporation's (FDIC) insurable limit at December 31, 2023 and 2022. The Company has not experienced any losses in such accounts.

Revenue recognition: The Company recognizes revenue under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers (Topic 606). The Company recognizes revenue in accordance with Topic 606 through the following steps:

- Identification of the contract, or contracts, with a customer.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

The Company's revenue is generated primarily from initial franchise fees, ongoing fees, merchandise sales to consumers and franchisees and a Company-owned business.

i9 Sports, LLC
(A Limited Liability Company)

Notes to Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The Company generates revenue from the sale of sports franchises. In general, the Company's franchise agreements provide for the payment of an initial franchise fee in connection with the right to own and operate a sports franchise. Franchisees bear all direct costs involved in the development and operation of their franchise. The Company provides franchisees with support for training, technology licensing, website customization, software configuration, set-up and installation. The current standard franchise agreement provides that the initial franchise fee is nonrefundable. The franchise agreements also generally require the franchisees to pay the Company a royalty based on a percentage of sales, with a minimum per month, customer service center fees based on minutes utilizing the service, with a minimum per month, and national brand fund contributions (fund contributions) of the greater of 1% of sales or a minimum dollar amount per month.

The Company also charges other fees associated with changes to continuing franchise agreements. These include transfer fees, additional territory fees and renewal fees. These are recognized over time based on the new or remaining term.

Deposits received for new franchises that have not opened have been recorded as deferred revenue on the balance sheets. Such amounts will be recognized over time based on the term of the franchise agreement, beginning on the date franchisees complete required training.

The Company recognizes fund contribution fees and customer service center fees under its franchise agreements as earned. The Company recognizes royalties at a point in time when each sale occurs. The Company recognizes merchandise sales revenue for items sold directly to customers and to franchisees, which are fulfilled by third-party vendors. Merchandise revenue is recognized at a point in time when the items are shipped from the vendor.

The Company recognizes revenue for registrations sold by the Company-owned location (league revenue). League revenue is recognized over time based on the period of the league, which is on average approximately seven weeks. Effective February 24, 2023, the Company no longer owns any Company-owned locations.

Effective February 24, 2023, the Company entered into two asset purchase and sale agreements and two area development agreements with a third-party to sell certain Company assets and grant the buyer the rights to operate two territories for cash consideration.

The Company's revenue is as follows for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Royalties and merchandise sales (point in time)	\$ 24,595,054	\$ 21,810,960
Customer service contract fees, fund contributions and other (point in time)	3,414,613	3,052,296
Franchise and league fees (over time)	1,036,230	1,754,454
	<u>\$ 29,045,897</u>	<u>\$ 26,617,710</u>

i9 Sports, LLC
(A Limited Liability Company)

Notes to Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Deferred revenue: Deferred revenue is a contract liability consisting of cash received for franchise fee revenue that is recognized over time, based on the term of the franchise agreement, as well as league revenue collected for games not held yet. The current portion of deferred revenue represents the unearned revenue collected in advance and to be earned within 12 months of the balance sheet date. Correspondingly, noncurrent deferred revenue represents the unearned revenue to be earned after 12 months from the balance sheet date.

Cost of revenue: Cost of revenue primarily includes cost of merchandise, league expenses and credit card fees.

Contract assets: Contract assets consist of sales commission and referral fees for franchise agreements. These costs are considered incremental and recoverable costs of obtaining a contract with a customer. These contract assets are deferred and amortized on a straight-line basis over an average contract term ranging from five to 10 years. Amortization expense is included in the selling, general and administrative expenses on the statements of income.

Property and equipment: Property and equipment is recorded at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally five to seven years. Leasehold improvements are amortized over the shorter of the asset's estimated useful life or the remaining lease term.

Capitalized website development costs: The Company accounts for website and software development costs in accordance with FASB ASC Topic 350-50, Website Development Costs. As such, the Company expenses all costs incurred relating to the planning and post-implementation phases of development, as well as costs incurred related to content training and maintenance. Costs incurred in the development phase are capitalized as website and software and amortized over an estimated useful life of five years.

Accounting for impairment of long-lived assets: The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of their carrying amount or fair value less cost to sell. The Company did not record an expense related to impairment of long-lived assets in 2023 and 2022.

Advertising and promotion costs: Under the terms of the Company's franchise agreements, the Company bills and collects from its franchisees monthly national brand fund contributions (fund contributions) of 1% of sales or a minimum of \$275 per month. These fees are used by the Company to supply the franchises with advertising services. The amounts billed and collected are restricted to pay for costs of preparing and producing various advertising and marketing materials for the franchised locations. Fund contributions and franchise advertising expense was \$1,348,261 and \$1,094,887 in 2023 and 2022, respectively, and is included in revenue and selling, general and administrative expenses in the statements of income. The Company's brand fund liability represents advertising fees billed to franchisees that have not yet been expended. At December 31, 2023 and 2022, the brand fund liability was \$77,873 and \$190,616, respectively. The brand fund liability is included in accrued expenses and other current liabilities on the balance sheets.

**i9 Sports, LLC
(A Limited Liability Company)**

Notes to Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The Company expenses the cost of non-franchise advertising as incurred. Advertising expense, excluding franchise advertising, was \$317,394 and \$286,740 in 2023 and 2022, respectively.

Income taxes: As a limited liability company, the Company's taxable income or loss is allocated to the Member. Therefore, no provision or liability for income taxes has been included in the financial statements.

U.S. GAAP requires management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Risks and uncertainties: The Company is subject to a number of risks associated with companies at a similar stage, including dependence on key individuals, competition from similar products and larger companies, volatility of the industry, ability to obtain adequate financing to support growth and general economic conditions.

Leases: The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company recognizes most leases on its balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the income statement.

The Company made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022 for existing leases upon the adoption of ASC Topic 842, Leases). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Company made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

i9 Sports, LLC
(A Limited Liability Company)

Notes to Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The Company has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The nonlease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Income taxes: In December 2019, the FASB issued Accounting Standards Update (ASU) 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which is intended to simplify various areas related to the accounting for income taxes and improve consistent application of Topic 740. The new standard clarifies that companies are permitted, but not required, to allocate income tax expense to legal entities that are not subject to tax. The Company has adopted this standard as of January 1, 2022, and is not electing to allocate income tax expense to these financial statements. The Company has historically allocated tax expense to this entity and, as part of the adoption of ASU 2019-12, is electing to not allocate expense to this entity. As a result, the Company recorded a cumulative effect adjustment through retained earnings of \$660,677 and the financial statements no longer reflect an allocation of income tax expense.

Recent accounting pronouncement adopted: In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements due to the short duration of customers' trade receivables. The Company does not have any available-for-sale debt securities.

Subsequent events: Management has evaluated subsequent events through March 29, 2024, which is the date the financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

Note 2. Property and Equipment

Property and equipment consist of the following at December 31, 2023 and 2022:

	2023	2022
Furniture and fixtures	\$ 202,375	\$ 183,201
Computer equipment	53,161	46,175
Website and software	1,308,137	1,054,945
Leasehold improvements	55,011	36,316
	<u>1,618,684</u>	<u>1,320,637</u>
Less accumulated depreciation and amortization	(862,244)	(690,780)
	<u>\$ 756,440</u>	<u>\$ 629,857</u>

i9 Sports, LLC
(A Limited Liability Company)

Notes to Financial Statements

Note 3. Leases

The Company leases an office facility in Riverview, Florida under a non-cancelable operating lease agreement, which expires in June 2027. Operating lease cost is recognized on a straight-line basis over the lease term. Under terms of the lease, the Company is responsible for certain insurance, property taxes and maintenance expenses. The components of lease expense are as follows for the years ended December 31, 2023 and 2022:

	2023	2022
Operating lease cost	\$ 139,711	\$ 167,084
Short-term lease cost	-	-
Variable lease cost	64,567	43,452
Total lease cost	\$ 204,278	\$ 210,536

Total rent expense for operating leases was \$204,278 and \$210,536 for the years ended December 31, 2023 and 2022, and is included in selling, general and administrative expenses on the statements of income.

Future undiscounted cash flows for each of the next five years and thereafter, and a reconciliation to the lease liabilities recognized on the balance sheets, are as follows as of December 31, 2023:

2024	\$ 161,463
2025	166,307
2026	171,296
2027	86,914
2028	-
Total lease payments	585,980
Less imputed interest	(14,609)
Total present value of lease liabilities	\$ 571,371

Supplemental balance sheet information related to leases is as follows as of December 31, 2023 and 2022:

	2023	2022
Operating leases:		
Operating lease right-of-use assets	\$ 554,894	\$ 694,605
Operating lease liabilities, current	\$ -	\$ 147,991
Operating lease liabilities, non-current	571,371	572,256
Total operating lease liabilities	\$ 571,371	\$ 720,247
Weighted-average remaining lease term—operating leases	3.5 years	4.5 years
Weighted-average discount rate—operating leases	1.37%	1.37%

**i9 Sports, LLC
(A Limited Liability Company)**

Notes to Financial Statements

Note 4. Commitments and Contingencies

Legal matters: The Company may become a party to various litigation matters and disputes in the ordinary course of the business. The Company is not aware of any existing legal claims at December 31, 2023 and 2022. As a result, no liability for potential legal claims has been recorded through December 31, 2023 and 2022.

Note 5. Related-Party Transactions

Guarantor of Parent debt: The Company has guaranteed long-term debt of YEB Intermediate Holdings, LLC (Intermediate), an upstream Affiliate of the Company. In the event of a default by Intermediate, the Company and certain Affiliates could be obligated to repay the full amount outstanding on this debt. As of December 31, 2023 and 2022, the maximum potential future obligation under this guarantee totaled approximately \$245,000,000 and \$144,000,000, respectively, and is payable through October 2027. In the event the Company is required to make payments under this guarantee, the Company could seek to recover those amounts from Intermediate. Additionally, the Company's assets and franchise license agreements are pledged as collateral under the long-term debt. As of December 31, 2023 and 2022, the Company is unaware of any circumstances that would require performance under this guarantee.

Note 6. Employee Benefit Plan

The Company has adopted a multiple employer qualified 401(k) plan (the 401(k) Plan) which covers substantially all employees meeting certain eligibility requirements. Participants may contribute a portion of their compensation to the 401(k) Plan, up to the maximum amount permitted under Section 401(k) of the Internal Revenue Code. The Company matches employee contributions equal to 4% of eligible wages. Additionally, the Company may make a discretionary profit-sharing contribution. In 2023 and 2022, the Company made contributions to the 401(k) Plan of \$109,999 and \$78,934, respectively.



i9 Sports, LLC
Financial Statements
December 31, 2021 and 2020

To the Member of
i9 Sports, LLC
Riverview, Florida

INDEPENDENT AUDITORS' REPORT



Certified
Public
Accountants

Opinion

We have audited the accompanying financial statements of i9 Sports, LLC (formerly i9 Sports Corporation) (the Company), which comprise the balance sheet as of December 31, 2021, and the related statements of operations, member's equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Prior Period Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2020 were audited by other auditors whose report dated March 15, 2021, expressed an unmodified opinion on those financial statements.

Frank, Rimerman & Co. LLP

San Francisco, California
March 17, 2022

i9 Sports, LLC
Balance Sheets

	December 31,	
	2021	2020
ASSETS		
Current Assets		
Cash	\$ 3,158,606	\$ 1,406,071
Accounts receivable	59,342	31,821
Prepaid expenses and other current assets	105,779	37,509
Contract assets	96,033	80,629
Total current assets	<u>3,419,760</u>	<u>1,556,030</u>
Property and Equipment, net	66,231	16,802
Intangible Assets, net	690,642	826,114
Contract Assets, net of current portion	391,047	318,760
Other Assets	71,704	88,771
Deferred Income Tax Asset, net	660,677	820,295
Total assets	<u>\$ 5,300,061</u>	<u>\$ 3,626,772</u>
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	\$ 493,020	\$ 501,193
Accrued expenses and other current liabilities	1,132,705	120,656
Deferred revenue	525,381	349,790
Total current liabilities	<u>2,151,106</u>	<u>971,639</u>
Deferred Revenue, net of current portion	1,530,057	1,454,475
Long-Term Debt	-	12,820,181
Commitments and Contingencies (Note 5)		
Member's Equity (Deficit)		
Member's equity	21,969,921	-
Common stock	-	-
Additional paid-in-capital	-	13,589,383
Accumulated deficit	(20,351,023)	(25,208,906)
Total member's equity (deficit)	<u>1,618,898</u>	<u>(11,619,523)</u>
Total liabilities and member's equity (deficit)	<u>\$ 5,300,061</u>	<u>\$ 3,626,772</u>

See Independent Auditors' Report and Notes to Financial Statements

i9 Sports, LLC
Statements of Operations

	Years Ended December 31,	
	2021	2020
Revenue	\$ 21,345,603	\$ 9,021,506
Cost of Revenue	9,107,683	2,968,947
	12,237,920	6,052,559
Selling, General and Administrative Expenses	6,192,947	4,712,420
Income from operations	6,044,973	1,340,139
Other Income, net	263,518	193,626
Interest Expense	(1,290,990)	(1,622,518)
Income (Loss) before Income Tax Benefit	5,017,501	(88,753)
Income Tax Benefit (Expense)	(159,618)	247,638
Net Income	\$ 4,857,883	\$ 158,885

See Independent Auditors' Report and Notes to Financial Statements

i9 Sports, LLC
Statement of Member's Equity (Deficit)
Years Ended December 31, 2021 and 2020

	Member's Equity	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Member's Equity (Deficit)
		Shares	Amount			
Balances, December 31, 2019	\$ -	10,501	\$ -	\$ 13,463,260	\$ (23,544,063)	\$ (10,080,803)
Distributions	-	-	-	-	(1,823,728)	(1,823,728)
Stock-based compensation	-	-	-	126,123	-	126,123
Net income	-	-	-	-	158,885	158,885
Balances, December 31, 2020	-	10,501	-	13,589,383	(25,208,906)	(11,619,523)
Stock-based compensation	-	-	-	113,321	-	113,321
Conversion of shares of common stock to member's equity and exercise of all outstanding stock options upon change of ownership and conversion to a limited liability company	13,702,704	(10,501)	-	(13,702,704)	-	-
Issuance of member's equity in connection with repayment of long-term debt	8,267,217	-	-	-	-	8,267,217
Net income	-	-	-	-	4,857,883	4,857,883
Balances, December 31, 2021	<u>\$ 21,969,921</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,351,023)</u>	<u>\$ 1,618,898</u>

See Independent Auditors' Report and Notes to Financial Statements

i9 Sports, LLC
Statements of Cash Flows

	Years Ended December 31,	
	2021	2020
Cash Flows from Operating Activities		
Net income	\$ 4,857,883	\$ 158,885
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Stock-based compensation	113,321	126,123
Depreciation and amortization	15,958	46,329
Amortization of intangible assets	135,472	129,629
Amortization of contract assets	78,665	55,083
Non-cash interest expense for amortization of debt discounts	124,535	74,565
Gain on disposal of property and equipment	(56,115)	-
Forgiveness of promissory notes payable	(356,228)	(361,000)
Changes in operating assets and liabilities:		
Accounts receivable	(27,521)	5,695
Inventory	-	2,408
Prepaid expenses and other current assets	(68,270)	(6,347)
Contract assets	(166,356)	(127,415)
Deferred income taxes, net	159,618	(247,638)
Accounts payable	(8,173)	(109,573)
Accrued expenses and other current liabilities	1,012,049	218,395
Deferred revenue	251,173	(74,858)
Net cash provided by (used in) operating activities	6,066,011	(109,719)
Cash Flows from Investing Activities		
Purchase of property and equipment	(9,272)	(35,928)
Purchase of intangible assets	-	(34,151)
Change in other assets	17,067	33,745
Net cash provided by (used in) investing activities	7,795	(36,334)
Cash Flows from Financing Activities		
Repayment of long-term debt	(4,677,499)	-
Proceeds from promissory notes payable	356,228	361,000
Distributions	-	(1,823,728)
Proceeds from long-term debt	-	500,000
Payment of debt issuance costs	-	(10,000)
Net cash used in financing activities	(4,321,271)	(972,728)
Net Increase (Decrease) in Cash	1,752,535	(1,118,781)
Cash, beginning of year	1,406,071	2,524,852
Cash, end of year	\$ 3,158,606	\$ 1,406,071

(continued)

i9 Sports, LLC
Statements of Cash Flows (continued)

	Years Ended December 31,	
	2021	2020
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	<u>\$ 1,166,455</u>	<u>\$ 1,103,237</u>
Supplemental Schedule of Non-Cash Financing Activities		
Issuance of member's equity in connection with the repayment of long-term debt	<u>\$ 8,267,217</u>	<u>\$ -</u>
Interest expense capitalized to long-term debt principal balance	<u>\$ -</u>	<u>\$ 444,716</u>

See Independent Auditors' Report and Notes to Financial Statements

i9 Sports, LLC

Notes to Financial Statements

1. Nature of Business

i9 Sports, LLC (formerly i9 Sports Corporation) (the Company) was incorporated in Florida on July 29, 2002. On October 18, 2021, the Company sold 100% of its outstanding stock and converted into a limited liability company (LLC) incorporated in the state of Delaware and became a wholly-owned subsidiary of i9 Holdings, LLC (a newly formed Delaware limited liability company) (i9 Holdings). i9 Holdings is a wholly-owned subsidiary of YEB Holdco, Inc., a Subchapter C corporation (the Member).

The Company, based in Tampa, Florida, is a youth sports franchisor. The Company offers franchise opportunities for individuals to own and operate, market, sell and provide local youth sports leagues, tournaments, camps, clinics, training and special events across multiple sports for children.

2. Significant Accounting Policies

Basis of Presentation:

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

The financial statements are presented based on historical values of assets and liabilities acquired by the Member. The cost of the acquisition and the fair value of the net assets acquired are not reflected in these financial statements.

Use of Estimates:

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of revenue and expenses in the financial statements and related disclosures. Accordingly, actual amounts could differ from those estimates.

i9 Sports, LLC

Notes to Financial Statements

2. Significant Accounting Policies (continued)

Revenue Recognition:

The Company recognizes revenue under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* (Topic 606). The Company recognizes revenue in accordance with Topic 606 through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

The Company's revenue is generated primarily from initial franchise fees, ongoing fees, merchandise sales to consumers and franchisees, and a Company-owned business.

The Company generates revenue from the sale of sports franchises. In general, the Company's franchise agreements provide for the payment of an initial franchise fee in connection with the right to own and operate a sports franchise. Franchisees bear all direct costs involved in the development and operation of their franchise. The Company provides franchisees with support for training, technology licensing, website customization, software configuration, set-up and installation. The current standard franchise agreement provides that the initial franchise fee is nonrefundable. The franchise agreements also generally require the franchisees to pay the Company a royalty based on a percentage of sales, with a minimum per month, customer service center fees based on minutes utilizing the service, with a minimum per month, and national brand fund contributions (fund contributions) of the greater of 1% of sales or a minimum dollar amount per month.

The Company also charges other fees associated with changes to continuing franchise agreements. These include transfer fees, additional territory fees and renewal fees. These are recognized over time based on the new or remaining term.

Deposits received for new franchises that have not opened have been recorded as deferred revenue on the balance sheets. Such amounts will be recognized over time based on the term of the franchise agreement, beginning on the date franchisees complete required training.

i9 Sports, LLC
Notes to Financial Statements

2. Significant Accounting Policies (continued)

Revenue Recognition: (continued)

The Company recognizes fund contributions fees and customer service center fees under its franchise agreements as earned. The Company recognizes royalties at a point in time when each sale occurs. The Company recognizes merchandise sales revenue for items sold directly to customers and to franchisees, which are fulfilled by third party vendors. Merchandise revenue is recognized at a point in time when the items are shipped from the vendor.

The Company recognizes revenue for registrations sold by the Company-owned location (league revenue). League revenue is recognized over time based on the period of the league.

In 2021, the Company's franchisees opened 21 new locations, resold nine franchises, and closed one location, with a total of 192 locations open and operating at December 31, 2021, one of which is owned by the Company.

In 2020, the Company's franchisees opened 14 new locations, resold six franchises, and closed no locations, with a total of 173 locations open and operating at December 31, 2020, one of which was owned by the Company.

The Company has allocated revenue across its categories as follows for the years ended December:

	<u>2021</u>	<u>2020</u>
Royalties and merchandise sales	\$ 17,670,352	\$ 6,716,111
Customer service center fees, franchise fees, fund contributions and other	<u>3,675,251</u>	<u>2,305,395</u>
	<u>\$ 21,345,603</u>	<u>\$ 9,021,506</u>

Deferred Revenue:

Deferred revenue is a contract liability consisting of cash received for franchise fee revenue that is recognized over time based on the term of the franchise agreement, as well as league revenue collected for games not held yet. The current portion of deferred revenue represents the unearned revenue collected in advance and to be earned within twelve months of the balance sheet date. Correspondingly, noncurrent deferred revenue represents the unearned revenue to be earned after twelve months from the balance sheet date.

i9 Sports, LLC

Notes to Financial Statements

2. Significant Accounting Policies (continued)

Cost of Revenue:

Cost of revenue primarily includes cost of merchandise, league expenses and credit card fees.

Contract Assets:

Contract assets consist of sales commission and referral fees for franchise agreements. These costs are considered incremental and recoverable costs of obtaining a contract with a customer. These contract assets are deferred and amortized on a straight-line basis over an average contract term of nine years. Amortization expense is included in the selling, general and administrative expenses on the statements of operations.

Concentration of Credit Risk:

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash. The Company maintains its cash deposits in a bank account, which exceeded the Federal Deposit Insurance Corporation's insurable limit at December 31, 2021 and 2020.

Property and Equipment:

Property and equipment is recorded at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally five to seven years. Leasehold improvements are amortized over the shorter of the asset's estimated useful life or the remaining lease term.

Capitalized Website Development Costs:

The Company accounts for website and software development costs in accordance with FASB ASC Topic 350-50, *Website Development Costs*. As such, the Company expenses all costs incurred relating to the planning and post-implementation phases of development, as well as costs incurred related to content training and maintenance. Costs incurred in the development phase are capitalized as intangible assets and amortized over an estimated useful life of five years.

Intangible Assets:

Intangible assets, consisting of a software licensing contract, website development costs and reacquired franchise rights, are carried at cost, less accumulated amortization. Amortization is computed over the estimated useful lives of the assets, generally eight to 15 years.

i9 Sports, LLC

Notes to Financial Statements

2. Significant Accounting Policies (continued)

Accounting for Impairment of Long-Lived Assets:

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of their carrying amount or fair value less cost to sell. The Company did not record an expense related to impairment of long-lived assets in 2021 or 2020.

Advertising and Promotion Costs:

Under the terms of the Company's franchise agreements, the Company bills and collects from its franchisees monthly national brand fund contributions (fund contributions) of 1% of sales or a minimum of \$275 per month. These fees are used by the Company to supply the franchises with advertising services. The amounts billed and collected are restricted to pay for costs of preparing and producing various advertising and marketing materials for the franchised locations. Fund contributions and franchise advertising expense was \$625,858 in 2021 (\$616,061 in 2020) and is included in revenue and selling, general and administrative expenses in the statements of operations. The Company's brand fund liability represents advertising fees billed to franchisees that have not yet been expended. At December 31, 2021, the brand fund liability was \$176,121 (\$6,289 at December 31, 2020). The brand fund liability is included in accrued expenses and other current liabilities on the balance sheets.

The Company expenses the cost of non-franchise advertising as incurred. Advertising expense, excluding franchise advertising, was \$247,160 in 2021 (\$181,852 in 2020).

Stock-Based Compensation:

The Company generally granted stock options for a fixed number of shares with an exercise price equal to or greater than the fair value of the shares at date of grant. All stock option grants were accounted for using the fair value method and stock-based compensation was recognized as the underlying options vested.

i9 Sports, LLC

Notes to Financial Statements

2. Significant Accounting Policies (continued)

Income Taxes:

The Company is a single member LLC and income taxes on the Company's results of operations are the responsibility of the Member. Because the Member is a Subchapter C Corporation, a provision for income taxes is included in the financial statements. Member's equity reflected in the financial statements does not necessarily represent the member's income tax basis of its interest.

The Company recognizes the income tax benefits of uncertain income tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. The Company has analyzed its income tax positions and has concluded no liability for unrecognized income tax benefits should be recorded related to uncertain income tax positions taken or expected to be taken in the Member's income tax returns. The Company does not anticipate any significant increases or decreases of unrecognized income tax benefits during the next twelve months.

The Company recognizes interest and, if applicable, penalties for any uncertain income tax positions. Interest and penalty expense will be recorded as a component of income tax expense. No interest or penalties were recorded or accrued for at December 31, 2021.

Risks and Uncertainties:

The Company is subject to a number of risks associated with companies at a similar stage, including dependence on key individuals, competition from similar products and larger companies, volatility of the industry, ability to obtain adequate financing to support growth, the ability to attract and retain additional qualified personnel to manage the anticipated growth of the Company, and general economic conditions.

The global impact of the novel coronavirus (COVID-19) continues to be an evolving situation. The virus has disrupted much of society, impacted global travel and supply chains, and adversely impacted global commercial activity in most industries. The continued rapid development of this situation and uncertainty regarding potential economic recovery precludes any prediction as to the ultimate adverse impact of COVID-19 on financial markets and economic conditions. The estimates and assumptions underlying these financial statements are based on the information available, including judgments about the financial markets and economic conditions which may change over time.

i9 Sports, LLC
Notes to Financial Statements

2. Significant Accounting Policies (continued)

Recent Accounting Pronouncement Not Yet Effective:

In February 2016, the FASB issued ASC 842, *Leases*. This standard requires all entities that lease assets under leases with terms of more than 12 months to capitalize the assets and related lease liabilities in the balance sheet.

The standard is effective for the Company as of January 1, 2022 and requires the use of a modified retrospective transition approach for its adoption. The Company is currently evaluating the effect Topic 842 will have in its financial statements and related disclosures. Management expects assets leased under operating leases, similar to the facility lease disclosed in Note 5, will be capitalized together with the related lease obligations on the balance sheet upon the adoption of Topic 842.

3. Balance Sheet Details

Property and Equipment:

Property and equipment consists of the following at December 31:

	<u>2021</u>	<u>2020</u>
Furniture and fixtures	\$ 178,213	\$ 263,923
Computer equipment	35,856	127,961
Leasehold improvements	<u>36,316</u>	<u>36,316</u>
	250,385	428,200
Less accumulated depreciation and amortization	<u>(184,154)</u>	<u>(411,398)</u>
	<u>\$ 66,231</u>	<u>\$ 16,802</u>

i9 Sports, LLC
Notes to Financial Statements

3. Balance Sheet Details (continued)

Intangible Assets:

Intangible assets consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Software licensing contract	\$ 600,000	\$ 600,000
Website development costs	448,145	448,145
Reacquired franchise rights	<u>156,077</u>	<u>156,077</u>
	1,204,222	1,204,222
Less accumulated amortization	<u>(513,580)</u>	<u>(378,108)</u>
	<u>\$ 690,642</u>	<u>\$ 826,114</u>

The estimated future amortization expense is based on the estimated useful lives of the intangible assets as follows:

Years ending December 31:

2022	\$ 132,000
2023	130,000
2024	123,000
2025	43,000
2026	40,000
Thereafter	<u>223,000</u>
	<u>\$ 691,000</u>

i9 Sports, LLC

Notes to Financial Statements

4. Commitments and Contingencies

Facility Lease:

The Company leases an office facility in Riverview, Florida under a non-cancelable operating lease agreement, which expires in June 2027. The Company recognizes rent on a straight-line basis over the term of the lease. The difference between cash payments required and rent expense has been recorded as deferred rent. Under terms of the lease, the Company is responsible for certain insurance, property taxes and maintenance expenses. Rent expense was \$176,104 in 2021 (\$197,183 in 2020). Future minimum lease payments under the lease agreement are as follows:

Years ending December 31:

2022	\$ 152,000
2023	157,000
2024	161,000
2025	166,000
2026	171,000
Thereafter	<u>87,000</u>
	<u>\$ 894,000</u>

Profits Interest Plan:

An indirect parent (the Parent) of the Company's Member maintains a profits interest incentive plan (the PII Plan) to provide an incentive to employees, directors or consultants of its subsidiaries, including the Company. The PII Plan provides for the granting of units of the Parent. These units will be granted at the discretion of a committee or board appointed by the Parent. The vesting schedule of the performance units is discretionary and based on the approval of the committee or board. Certain Company employees were granted units under the PII Plan, which are subject to service vesting and performance vesting. All of the units remain outstanding and none of the units were vested at December 31, 2021. The employees are entitled to a payout based on the number of units owned at the time of a change in control of the Parent, as defined in the PII Plan.

The change in control is considered to be a performance condition and the accounting for the related incentive compensation is based on an assessment of the probability of such an event. There is little practical guidance on interpreting the probability of such performance conditions. However, practice has evolved whereby such events are often not considered probable until such transactions are consummated, as that approach is consistent with the approach taken for other types of employee benefits that are contingent on business combinations and other future events.

i9 Sports, LLC
Notes to Financial Statements

4. Commitments and Contingencies (continued)

Legal Matters:

The Company may become a party to various litigation matters and disputes in the ordinary course of the business. The Company is not aware of any existing legal claims at December 31, 2021. As a result, no liability for potential legal claims has been recorded through December 31, 2021.

Guarantor of Parent Debt:

The Company is a guarantor for a term loan facility of an indirect parent. Should the indirect parent default on the term loan facility, the Company could be held liable for repayment of the obligation.

5. Borrowings

Long-term Debt:

In February 2016, the Company entered into a promissory note with the Company's previous majority owner. The promissory note was amended in 2017 and included another one of the Company's previous owners as a lender, and again in September 2020 (the 2020 Amendment). The amounts borrowed (the Term Loan Facilities) bore interest at a rate of 12% per annum if paid in cash. The Company also had the option of capitalizing interest expense to principal, which would be calculated at the rate of 13% per annum.

The Term Loan Facilities required debt issuance costs totaling \$430,000, \$10,000 of which related to the 2020 Amendment. The debt issuance costs were recorded as a debt discount on the balance sheet. The debt discount was being amortized to interest expense over the term of the Term Loan Facilities using the effective interest method. In 2021, the Company amortized the remaining amount of \$124,535 as interest expense related to the debt issuance costs (\$74,565 in 2020).

The aggregate outstanding balance of the Term Loan Facilities was \$12,944,716 at December 31, 2020. The Company made repayments totaling \$4,677,499 in 2021 and the remaining balance of \$8,267,217 was repaid in connection with the change of ownership in exchange for member's equity.

i9 Sports, LLC
Notes to Financial Statements

5. Borrowings (continued)

Promissory Notes Payable:

In April 2020, the Company entered into a promissory note payable under the Paycheck Protection Act (PPP) (the 2020 Note). The 2020 Note evidenced an unsecured loan in the amount of \$361,000. In February 2021, the Company entered into a promissory note payable under the PPP (the 2021 Note). The 2021 Note evidenced an unsecured loan in the amount of \$356,228. The PPP was established under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and is administered by the U.S. Small Business Administration (the SBA). The notes were made through a financial institution. Subject to the terms of the notes, the notes bore interest at a fixed rate of one percent (1%) per annum, with the first 15 months of interest deferred.

The 2020 Note was forgiven in November 2020 and the 2021 Note was forgiven in August 2021. In connection with the note forgiveness, the SBA reserves the right to challenge its decisions reached, and the resolution of such matters could result in the Company being required to repay all or a portion of the amounts forgiven, along with possible interest and penalties. In the opinion of management, the Company used reasonable judgment in requesting the notes to be forgiven and in its determination the requirements for forgiveness were met will be sustained upon further SBA examination.

6. Income Taxes

The provision for income taxes consists of the following for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Current		
Federal	\$ -	\$ -
State	<u>-</u>	<u>-</u>
	-	-
Deferred		
Federal	119,469	(212,072)
State	<u>40,149</u>	<u>(35,566)</u>
	<u>159,618</u>	<u>(247,638)</u>
	<u>\$ 159,618</u>	<u>\$ (247,638)</u>

i9 Sports, LLC
Notes to Financial Statements

6. Income Taxes (continued)

The Company's deferred income tax assets relate to the following at December 31:

	<u>2021</u>	<u>2020</u>
Federal and state net operating loss carry forwards	\$ 700,697	\$ 641,261
Depreciation and amortization	(54,375)	(90,453)
Accruals and reserves	<u>14,355</u>	<u>269,487</u>
	<u>\$ 660,677</u>	<u>\$ 820,295</u>

The following reconciles the Company's effective tax rate on income (loss) before income tax benefit (expense) and the statutory federal income tax rate for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Statutory federal income tax rate	21.0%	21.0%
State and local income taxes, net of federal tax benefit	2.8%	17.8%
Nondeductible items (debt forgiveness less non-deductible expenses)	(1.5%)	84.9%
Benefit of previous owners' acquisition costs paid	(15.7%)	-
Federal true-up	-	155.3%
Other	<u>(3.4%)</u>	<u>-</u>
	<u>3.2%</u>	<u>279.0%</u>

7. Employee Benefit Plan

The Company has adopted a multiple-employer qualified 401(k) plan (the 401(k) Plan) which covers substantially all employees meeting certain eligibility requirements. Participants may contribute a portion of their compensation to the 401(k) Plan, up to the maximum amount permitted under Section 401(k) of the Internal Revenue Code. The Company matches employee contributions equal to 4% of eligible wages. Additionally, the Company may make a discretionary profit-sharing contribution. In 2021, the Company made contributions to the 401(k) Plan of \$50,938 (\$36,145 in 2020).

i9 Sports, LLC

Notes to Financial Statements

8. Stock Incentive Plan

In July 2017, the Company adopted the i9 Sports Corporation 2017 Stock Incentive Plan (the Plan). Under the Plan, the Company could grant incentive stock options (ISOs) and non-statutory options (NSOs).

ISOs could be granted only to Company employees and could only be granted with an exercise price not less than 100% of fair value. NSOs could be granted to Company employees, directors and consultants, and could be granted with an exercise price not less than 100% of fair value. If an individual, who at the time of the grant, owned stock representing more than 10% of the voting power of all classes of stock, the exercise price of options granted would be no less than 110% of the fair value when the grant was issued. The Board of Directors of the previous owner determined the fair value of common stock. On October 18, 2021 (the Plan Termination Date), the Plan ceased to exist and all outstanding options became fully vested and were exercised as part of the change of control.

The fair value of each award granted in 2021 under the Plan was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions: expected life of 6.25 years; risk-free interest rate of 0.59%; expected volatility of 35%; and no dividends during the expected life. Expected volatility is based on historical volatilities of public companies operating in the Company's industry. The expected life represents the period of time options are expected to be outstanding and is estimated considering vesting terms and employees' historical exercise and post-vesting employment termination behavior. The risk-free interest rate is based on the U.S. treasury yield curve in effect at the time of grant.

From January 1, 2021 through the Plan Termination Date, the Company recognized \$113,321 of stock-based compensation (\$126,123 in 2020). No income tax benefits have been recognized in the statements of operations for stock-based compensation arrangements and no stock-based compensation costs have been capitalized as part of property and equipment through the Plan Termination Date.

i9 Sports, LLC
Notes to Financial Statements

8. Stock Incentive Plan (continued)

Stock option activity under the Plan is as follows:

	<u>Options Outstanding</u>	
	<u>Number of Shares</u>	<u>Weighted- Average Exercise Price</u>
Balances, December 31, 2019 and 2020	1,015	\$ 1,389
Granted	180	2,650
Exercised in connection with change of ownership	<u>(1,195)</u>	<u>1,579</u>
Balances, December, 2021	<u><u>-</u></u>	<u><u>\$ -</u></u>

The weighted-average grant date fair value of options granted under the Plan was \$929 in 2021.

9. Subsequent Events

Subsequent events have been evaluated through March 17, 2022, which is the date the financial statements were approved by the Company and available to be issued.

EXHIBIT B TO THE DISCLOSURE DOCUMENT

i9 SPORTS, LLC

FORM OF

AREA DEVELOPER AGREEMENT



AREA DEVELOPER AGREEMENT

AGREEMENT DATE: _____

**i9 SPORTS, LLC
9410 CAMDEN FIELD PARKWAY
RIVERVIEW, FLORIDA 33578**

NETWORK AREA: _____

POPULATION/TERRITORY SIZE (KIDS 0 TO 14 YEARS OLD): _____

AUTHORIZED SPORTS: FLAG FOOTBALL, BASKETBALL, SOCCER, BASEBALL,
VOLLEYBALL, AND TENNIS

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EXHIBITS:

- A - Personal Guaranty
- B - Owners' Statement
- C - Authorization for Automatic Payments
- D - Assignment of Telephone Numbers
- E - 401(k) Addendum Template
- F - Form of Confidentiality Agreement
- G - Conditional Assignment of Venue Contracts
- H - 5 Year Area Developer Agreement Addendum

i9 SPORTS, LLC
AREA DEVELOPER AGREEMENT
DATA SHEET

Area Developer: _____

Guarantors: _____

Effective Date: _____

Business Address: _____

Network Area: _____
Check box if map or additional description is attached.

Telephone Number: _____

Facsimile Number: _____

Term of ADA: Check box: 5 Year Agreement 10 Year Agreement

Franchise Fee: \$ _____
(10 Year ADA)

Territory Fee: \$ _____

***The terms of this Data Sheet are incorporated into the attached
Area Developer Agreement as if fully set for therein.***

AREA DEVELOPER AGREEMENT

THIS AREA DEVELOPER AGREEMENT (this “**Agreement**”) is effective as of _____, 20__ (the “**Agreement Date**”), between **i9 SPORTS, LLC** (“**we**,” “**us**” or “**our**”), whose principal place of business is located at 9410 Camden Field Parkway, Riverview, FL 33578, and _____ (“**you**” or “**your**”), whose address is _____ (collectively, you and we are referred to as the “**parties**” and individually sometimes referred to as a “**party**”).

1. INTRODUCTION

1.1 The i9 Sports® System

We, our principals and affiliates have expended a considerable amount of time, effort, and money to develop a unique system for establishing and operating business providing youth amateur sports leagues, camps, tournaments, sport clinics, child development, after-school programs, social activities, products and related services (each a “**i9 Sports® Franchise**” or collectively, “**i9 Sports® Franchises**”). We are in the business of granting franchises to operate i9 Sports® Franchises. i9 Sports® Franchises sell, render, perform or provide youth amateur sports leagues, camps, tournaments, umpire/referee training, clinics, child development, after-school programs, social activities, sport related training programs, and related services that we designate or approve (as applicable, the “**Services**”) and market and sell to youths, as we designate, related products that we designate or approve, like uniforms, jerseys, t-shirts, jackets, shorts, trophies, medals/pins, awards, hats, caps, sporting equipment, and supplies, apparel, beverages and food, and other products we designate or approve from time to time (the “**Products**”). i9 Sports® Franchises use our distinctive business format and set of specifications and operating procedures (collectively, the “**System**”). The distinguishing characteristics of the System include our guidelines, methods, policies, procedures, league systems, standards, requirements, and specifications that we establish (collectively, the “**System Standards**”); confidential operations manual and various other confidential manuals and writings prepared by us for your use in operating an i9 Sports® Franchise (collectively, the “**Manual**”); confidential information; e-commerce systems; methods for affiliation with public and private sector organizations; the computer system and software that are required for use in connection with an i9 Sports® Franchise (the “**Computer System**” and “**Software**,” respectively); Billing System (as defined below); automated registration program; training programs; and business relationships. We may register, change, cancel, alter, amend, further improve, discontinue, develop or otherwise modify elements of the System from time to time.

We own, use, promote and license, or may own use, license or promote certain trade names, trademarks, service marks, including, without limitation, the trademark “i9 Sports®,” “Helping Kids Succeed in Life Through Sports®”, “The Way Youth Sports Should Be®”, and logos, designs, and artwork in connection with the System (collectively, the “**Marks**”). i9 Sports® Franchises also utilize, in a manner we designate or approve, certain materials and other ideas and information presented or reduced in or to tangible form that we designate, approve, or provide (e.g., software, writings, sound, compositions, pictures, drawings, calendars, league rules, codes, sporting and event calendars, posters, artwork, websites, designs and the like), which we have sought or may seek copyright protection in or to (the “**Copyrights**”). We may in the future, at any time, register, develop, change, cancel, alter, amend, further improve, discontinue, enhance or modify certain aspects of the System, the Marks or Copyrights, and we may create, use and license additional copyrights, trademarks, service marks, logos, designs, artwork, e-names and other commercial symbols in conjunction with the operation of i9 Sports® Franchises, which we may deem to be included as part of the Marks or the Copyrights.

You want to acquire the right to operate an i9 Sports® Franchise, using the System, the Copyrights and the Marks, and act as our independent representative, to market, sell or distribute the Products and to market, sell, provide, render or perform the Services for participants, purchasers, and others we identify and target from time to time (collectively, “**Customers**”) primarily in connection with events or activities of the type, or relating to amateur youth sports leagues, camps, tournaments, sports clinics, child development, after-school programs, social activities, umpire/referee training, games, training or conditioning programs and, other recreational leagues, sporting or social events, camps, clinics, child development, tournaments and the like that we designate or approve in connection with the sale or distribution of the Products or the Services (collectively, “**Events**”). We limit the number and type of sports authorized for such Events (and the Products and Services associated with them), when a sport may be offered, and the type of Customers you may offer them to (i.e., youth only). We grant to persons or entities that meet our qualifications and are willing to undertake the investment and effort, the right to own and operate an i9 Sports® Franchise using the System, the Copyrights and the Marks. We refer to persons or entities that acquire an i9 Sports® Franchise as “**franchisees**” or “**area developers**.”

Individuals under the age of 18 are referred to as “**Youth Customers**” or “**Customers**” and 18 or older are referred to as “**Adult Customers**”. We offer the Services strictly for Youth Customers only. The Adult Customer may only purchase products or services on behalf of the Youth Customer (e.g., parent or guardian registers a child for an Event or purchases a related Product or Service). You may not offer any other Product or Service to Adult Customers, including but not limited to coaches and/or parent games.

The business you conduct as an i9 Sports® Franchise is referred to as the “**Franchised Business**” or your “**i9 Sports® Franchise**.” You recognize our legitimate business interest in preserving the Customer base for the Products and the Services and the associated Customer goodwill, as well as our relationships with other i9 Sports® Franchises, suppliers, Customer-affiliated organizations, designees or affiliates. This Agreement contains the terms and conditions of your performance as one of our i9 Sports® Franchises and our obligations to you.

1.2 Acknowledgments

This Agreement is being presented to you because you expressed the desire to own and operate an i9 Sports® Franchise. You understand that the terms of this Agreement are reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at all i9 Sports® Franchises, and to protect and preserve the goodwill of the Marks, the Copyrights and the System. In signing this Agreement, you acknowledge the importance of operating your Franchised Business in strict conformity with our standards.

1.3 Acknowledgements in Certain States

The following acknowledgements apply to all franchisees and i9 Sports® Franchises, except those that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin. In signing this Agreement, you acknowledge:

- (a) that you have conducted an independent investigation of your i9 Sports® Franchise and recognize that, like any other businesses, its nature may evolve and change over time;
- (b) that an investment in an i9 Sports® Franchise involves business risks;
- (c) that the success of this business venture is primarily dependent on your business abilities and efforts;

- (d) any information you acquire from other i9 Sports® Franchises relating to their sales, profits or cash flows does not constitute information obtained from us, nor do we make any representation as to the accuracy of such information; and
- (e) we have advised you to have this Agreement and our Disclosure Document reviewed and explained to you by an attorney and your business advisors.

2. GRANT, TERM AND LOCATION

2.1 Grant and Acceptance

We hereby grant to you, upon the express terms and conditions contained in this Agreement, and you hereby accept, during the Term (as defined in Section 2.3), a franchise for the right to:

- (a) Own and operate one i9 Sports® Franchise using the System, the Marks, and the Copyrights in accordance with our System Standards, to market, sell and distribute the Products and to market, sell, perform, render or provide the Services for the type of Customers, and for the type of sports we designate located where the Services will be rendered, provided or performed within or where the Products will be delivered in the marketing areas identified in the data sheet to this Agreement (the “**Network Area**”). In the event the composition of one or more zip codes comprising the Network Area is modified by the United States Postal Service or similar agency, we will modify the description of your Network Area to the extent necessary to ensure that the original delineation of the boundaries of your Network Area remain unchanged. You acknowledge and agree that if the zip code is modified such that the new zip code contains geography that was part of your original Network Area and part beyond your original Network Area, that we may re-define your Network Area such that it retains its original geographic boundaries.
- (b) Offer or sell Products or to provide, produce, perform, or render Services for Youth Customers only for the following sports (collectively, the “**Authorized Sports**”) as determined by our System Standards:

AUTHORIZED SPORTS	CUSTOMER
FLAG FOOTBALL	YOUTH
BASKETBALL	YOUTH
SOCCER	YOUTH
BASEBALL	YOUTH
VOLLEYBALL	YOUTH
TENNIS	YOUTH

2.2 Location

You must locate the offices of your Franchised Business within your Network Area unless otherwise approved by us and you must not sell, provide, render or distribute the Products or provide the Services outside of your Network Area without our prior written consent.

2.3 Term

Your grant to own and operate as an i9 Sports® Franchise begins on the Agreement Date and ends on the 10th anniversary of the Agreement Date (the “**Term**”), unless sooner terminated pursuant to this Agreement. The word “**Term**” means the initial time period and any renewal or extension of that time period, unless the context is otherwise.

2.4 **Renewal**

You have the right to renew this Agreement for one additional 10-year period, provided you have met the following conditions:

- (a) You have notified us of your intention to renew this Agreement in writing at least 180 days prior to expiration of the current term;
- (b) You have completed, to our satisfaction, prior to the expiration of the then-current term, all maintenance or upgrading of required hardware and software, necessary to bring the Franchised Business and all equipment into full compliance with our then-current System Standards and specifications;
- (c) You are not in breach of any provision of this Agreement, or any other agreement between you and us, our affiliates, our approved/designated suppliers and vendors, and you have substantially complied with all such agreements during their respective terms;
- (d) You have satisfied all monetary obligations you owe us, our affiliates, approved/designated suppliers and vendors;
- (e) You execute our then-current form of area developer agreement, the terms of which may vary substantially from the terms of this Agreement and may include, without limitation, increased royalty fees and advertising obligations;
- (f) You satisfy our then-current training requirements and then-current financial qualifications for renewing area developers at your sole expense, including paying the then-current training fee for any required training, as of the date of such renewal, if any;
- (g) You and your owners sign a general release within 60 days after their delivery to you, in the form we prescribe in favor of us and our affiliates, shareholders, officers, directors, employees, agents, successors and assigns, for all claims arising out of or related to this Agreement or any related agreements with us or our affiliates. The release will not be inconsistent with any applicable state statute regulating franchises; and
- (h) You pay a renewal fee equal of \$5,000 no later than 30 days prior to the expiration date of this Agreement. In addition, we have the right to charge you for services we render to you and expenses we incur in conjunction with the grant of a renewal. Payment of those charges is due upon your receipt of our invoice.

2.5 **Full Term Performance**

You agree to perform your obligations under this Agreement faithfully and honestly, and to continuously exert your best efforts to promote and enhance your Franchised Business and the System, for the full term of this Agreement. Furthermore, you agree not to engage in any other business or activity that may conflict with your obligations under this Agreement. You must not offer any other line of business, services or products without our prior written consent. You may use the Marks, the Copyrights and the System only for purposes of operating as an i9 Sports® Franchise for the marketing and sale of, and to perform, render, provide or distribute, the Products and the Services in accordance with this Agreement and our System Standards.

2.6 **Commencing Business**

We refer to the date that you successfully complete Phase I Training (as defined in Section 5.1) as the “**Business Launch Date.**” We refer to the date that you begin conducting Events and providing

the Services to Customers as the “**Service Start Date.**” You may not market, offer, or sell the Products and the Services prior to the Business Launch Date. After the Business Launch Date, you must designate your intended Service Start Date and must begin actively soliciting and selling registrations for Events. You must achieve a minimum of 100 registrations at least four weeks prior to your Service Start Date. Your Required Trainees also must successfully complete the Post-Phase I Online Training and the Phase II Training (as each of those terms are defined in Section 5.2) prior to the Service Start Date. If you fail to obtain the required registrations or complete the required training, in order to ensure a quality customer experience, we may require you to delay the Service Start Date and may restrict you from beginning to conduct the Events and providing the Services. The actual Service Start Date must take place within six months from the Business Launch Date or we will have the right, in our sole discretion, to terminate this Agreement.

2.7 **Operating Principal and Key Manager**

- (a) **Operating Principal.** You must appoint an individual owner with at least a 10% ownership interest in your Franchised Business or Business Entity as your “**Operating Principal.**” A “**Business Entity**” is a corporation, limited liability company, partnership, or other entity or organization. If you are the only individual signing this Agreement or the sole owner of your Business Entity, you will serve as the Operating Principal. If there are multiple individuals signing this Agreement or multiple owners of your Business Entity, you must select one of them to serve as the Operating Principal. You must obtain our written approval of your Operating Principal, which we may withhold in our sole discretion. Your Operating Principal must have authority over all business decisions related to your Franchised Business and must have the power to bind you in all dealings with us. We may rely solely on the decisions and representations of your Operating Principal. Your Operating Principal must satisfy any standards that we require for their position, including successfully completing any training programs we require. Your Operating Principal must be listed on the Owners’ Statement in Exhibit “B”
- (b) **Key Manager.** In addition, you must designate an individual to actively manage the day-to-day operations of your Franchised Business on a full-time basis (the “**Key Manager**”). Your Operating Principal or one of your employees (who does not need to have an ownership interest in your Franchised Business or Business Entity) may serve as your Key Manager, provided that you must obtain our written approval of your Key Manager, which we may withhold in our sole discretion. Your Key Manager may not serve in such role for more than one i9 Sports® Franchise. Your Key Manager must satisfy any standards that we require for their position, including successfully completing any training programs we require.
- (c) **Appointment and Changes.** You may not appoint an Operating Principal or Key Manager without our prior written approval, which we may withhold in our sole discretion. You must provide us with written notice of your proposed initial Operating Principal and Key Manager at least 30 days prior to opening. You must notify us immediately of the death, disability, termination, removal, or departure of your Operating Principal or Key Manager and must obtain our approval of a successor Operating Principal within 30 days after such event and of a successor Key Manager within 60 days after such event. We may withdraw our approval for such an appointment at any time, in which case you must propose a new appointment and obtain our approval of such successor within 30 days after such event.

3. TERRITORIAL RIGHTS AND RESTRICTIONS

3.1 Exclusivity / Restrictions

During the Term of this Agreement, we will not own or operate, or license a third party the right to own or operate, another i9 Sports® Franchise offering any of the Authorized Sports you are authorized to offer, within your Network Area. We will not provide, or license a third party the right to provide, any Authorized Sports at any location within your Network Area. You agree and acknowledge that any Customers residing or otherwise located within your Network Area may elect to participate in any Authorized Sports or Events at any location, whether inside or outside of your Network Area. Unless you obtain our prior written consent, you must not sell, distribute, perform, render or provide the Products or the Services: (i) to Customers for whom you are not authorized; (ii) in connection with any Authorized Sports, Events, venues, leagues or other business that are located outside of your Network Area; (iii) in connection with any sports other than your Authorized Sports defined in Section 1.1(b). You may not market the Products or Services outside of your Network Area except in the event that a person from outside your Network Area elects to become a Customer of yours by participating in Events within your Network Area, in which case you may employ Customer-specific direct marketing communication. Should you market any Products or Services or conduct any activity related to the Authorized Sports or Events outside of your Network Area, not only will such actions constitute a default under this Agreement, but you must also disgorge all monies paid to you on account of carrying out such activities to the National Brand Fund (as described in Section 12 of this Agreement).

3.2 Rights We Reserve

We and our affiliates reserve the right to: (i) own and operate i9 Sports® Franchises, or license third parties the right to own and operate i9 Sports® Franchises, utilizing the Marks and System at any location outside of your Network Area; (ii) own and operate, and license third parties the right to own and operate, i9 Sports® Franchises that offer sports other than the Authorized Sports at any location; (iii) own and operate businesses, or license third parties the right to own and operate businesses, under marks that are different than the Marks at any location(s) inside or outside of your Network Area; (iv) send out marketing materials, and otherwise promote the i9 Sports® brand, Marks and System and various Events and Authorized Sports offered, at any location utilizing the Marks (including sending emails and other materials to Customers with links to our Website (as defined in Section 9.11) so such Customers can determine what Events, venues and leagues are being conducted near the zip code they input); (v) utilize the Marks and System in connection with services and products, promotional and marketing efforts, or related items, or in alternative channels of distribution, including products and services authorized for i9 Sports® Franchises and related merchandise under the Marks or other marks (“**Proprietary Products**”) through wholesale and retail outlets, via the Internet, and through mail order catalog, without regard to location; (v) retain some or all of the profits derived from the sale of retail Products online and, in our sole discretion, distribute to i9 Sports® area developers some or all of those monies on a periodic basis and according to the rules we establish; and (vi) use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in this Agreement. In addition, if you fail or refuse to offer an Authorized Sport at any time in your Network Area, then we, or a third party we designate (including another area developer) may offer such sport in your Network Area, and you will not be entitled to any compensation in connection with such activity.

3.3 Territorial Rights

You agree that we have the right to solicit Customers located in your Network Area, whether or not you currently sell, distribute, render, perform or provide the Products, the Services or other products or services to them. We may do so without violating any of your territorial rights as described in this Agreement.

3.4 **Other Channels of Distribution**

You acknowledge and agree that certain of our and our affiliates' products and services, whether now existing or developed in the future, may be distributed in your Network Area by us, our affiliates, or our area developers, licensees, or designees, in such manner and through such channels of distribution as we, in our sole discretion, will determine. Such alternate channels of distribution include, but are not limited to, the sale of Proprietary Products and other youth sports related products through wholesale and retail stores, via the Internet, telemarketing or other direct marketing sales, and through mail order catalog, without regard to location using the Marks or any other marks. You understand that this Agreement grants you no rights: (i) to distribute products or services as described in this Section 3.4; or (ii) to share in any of the proceeds received by any such party therefrom.

3.5 **Minimum Performance Standard**

Beginning one year from the Business Launch Date, you must meet a minimum performance standard in connection with the operation of your Franchised Business (the "**Minimum Performance Standard**"), which we may change from time to time in our sole discretion. Currently, the Minimum Performance Standard is that you must: (i) meet or exceed a minimum annual player registration revenue of \$60,000; (ii) not fall within the bottom 25% of all area developers (who have been in the system at least one year) on the network scorecard that we currently publish monthly (the "**Network Scorecard**"); and (iii) not fall within the bottom 25% of all area developers (who have been in the system at least one year) in customer satisfaction (as currently measured by Net Promoter Score as determined by in-season surveys submitted by the customers of your Franchised Business on a rolling 12-month basis).

The Network Scorecard is currently published monthly and is a rating system used by i9 Sports to rank the overall performance of our area developers on a relative basis. If you do not meet the Minimum Performance Standard, we may require you to attend our then-current remedial training program (at the location we designate). If you refuse to attend this remedial training, or if you do not improve your customer satisfaction (as currently measured by the Network Scorecard or net promoter score (as applicable)), we may either: (a) terminate your exclusive rights to the Network Area and sell the Products and Services directly or through others; (b) reduce the scope of the geographic area comprising the Network Area in which you will have exclusive marketing rights; (c) reduce the number of Authorized Sports or authorized Customers; or (d) terminate this Agreement upon notice.

3.6 **Additional Territory**

If your Network Area under this Agreement contains less than 79,999 children, we may grant you the right to increase the size of your Network Area so that it contains up to a maximum of 79,999 children by purchasing additional territory during the term of this Agreement, provided you: (i) pay our then-current Territory Fee (as described in Section 4.2) that corresponds to the children population of the additional territory you wish to purchase; (ii) enter into our prescribed form of addendum to this Agreement (the "**Addendum**"), under which we will grant you the additional territory; and (iii) meet our then-current prerequisites for the right to purchase additional territory, as set forth in our Manual, which are subject to change.

4. FEES AND PAYMENT

4.1 Franchise Fee

In consideration of the franchise granted to you by us, you must pay us an initial franchise fee of Twenty-Four Thousand Nine Hundred Dollars (\$24,900) (the “**Franchise Fee**”) upon execution of this Agreement.

4.2 Territory Fee

In addition to the Franchise Fee, you must pay to us a territory fee in the amount of \$15,000 for up to 79,999 children (ages 14 and under) in your Network Area (the “**Territory Fee**”) The Territory Fee is due in lump sum when you sign this Agreement. The Territory Fee for additional territory is \$5,000 for each additional 5,000 children in population. The Territory Fee is fully earned upon receipt, and is non-refundable under all circumstances.

4.3 Discount on Initial Fees

In certain circumstances, we will discount the initial fees due. The discounts available are as follows: (a) if you are a U.S. military veteran and you qualify under the International Franchise Association’s VetFran Discount Program, we will discount the Franchise Fee by \$2,490; or (b) if you are an existing i9 Sports franchisee and are approved to purchase an additional i9 Sports franchise, you must sign our then-current area developer agreement and we will give you a discount of 10% off the then-current Franchise Fee.

4.4 No Financing by Us

We do not offer financing in connection with your Franchised Business.

4.5 Payment Terms

The Franchise Fee and Territory Fee are due in full upon execution of this Agreement, are non-refundable, and are deemed fully earned upon payment in consideration of administrative and other expenses we incur in granting the franchise and for our lost or deferred opportunity to franchise others.

4.6 Royalty Fees

You must pay to us a royalty fee (the “**Royalty Fee**”), which is billed on a daily basis with the minimum being applied at the end of the month if the minimum is not exceeded. The Royalty Fee for new franchisees and existing franchisees with a Territory with fewer than 80,000 children (ages 14 and under) is the greater of: (a) 7.5% of the Network Revenues for the immediately preceding period; or (b) a minimum of \$425 per month. The Royalty Fee for new franchisees and existing franchisees with a Territory of equal to or more than 80,000 children (ages 14 and under) is the greater of: (a) 7.5% of the Network Revenues for the immediately preceding period; or (b) a minimum of \$450 per month. The Royalty Fee for transfers from existing franchisees whose Territory contains more than 80,000 children (ages 14 and under) is the current Royalty Fee as set forth in such prior Area Developer Agreement.

The minimum does not take effect until 60 days after the Business Launch Date. The Royalty Fee is currently payable via Electronic Funds Transfer. We may change the payment day or interval and/or manner of payment as we deem appropriate in our discretion.

4.7 National Brand Fund Contributions

You must pay us a contribution to the National Brand Fund that we establish, which is billed on a daily basis with the minimum being applied at the end of the month if the minimum is not exceeded, that amounts to the greater of: (i) 1% of Network Revenues for the immediately preceding period;

or (ii) a minimum monthly amount of \$275 (the “**National Brand Fund Contribution**”). The minimum described in this Section does not take effect until 60 days after the Business Launch Date. The National Brand Fund Contribution is currently payable via Electronic Funds Transfer. We may, in our sole discretion, change the National Brand Fund Contribution (the percentage of Net Revenues and/or the minimum monthly amount), the payment day or interval, and/or manner of payment upon written notice to you.

4.8 **Customer Service Center Fee**

You must pay to us a customer service center fee, which is billed on a daily basis with the minimum being applied at the end of the month if the minimum is not exceeded, that amounts to the greater of: (i) a minimum monthly amount of \$322 or (ii) \$0.92 per minute per month (collectively, the “**Customer Service Center Fee**”). The minimum Customer Service Center Fee described in this Section does not take effect until 60 days after the Business Launch Date. The Customer Service Center Fee is currently payable via Electronic Funds Transfer. We reserve the right to modify the amount and/or manner of payment of the Customer Service Center Fee upon 60 days written notice to you. We may change the payment day or interval and/or manner of payment as we deem appropriate in our discretion. The Customer Service Center Fee shall be payable by you for as long as we operate a Customer Service Center. We reserve the right to terminate and/or modify the Customer Service Center and this Agreement by providing 60 days advance written notice to you of such termination. If we choose to terminate the Customer Service Center, you will no longer have to pay the Customer Service Center Fee. Your full participation in the Customer Service Center is mandatory, and you are required to strictly comply with all policies and procedures relate to the Customer Service Center as set forth in our Manual.

4.9 **Technology Fee**

We may require you to pay to us, or a third party that we designate, directly or indirectly, the then-current technology fee that we specify from time to time (the “**Technology Fee**”). The Technology Fee may be a fixed fee, a Customer processing or registration fee, a usage fee, or a percentage of Network Revenues. We may collect the Technology Fee directly from you or indirectly from your Customers through an additional fee on their invoice. We may modify the Technology Fee, method of payment, and payment frequency from time to time. We will use the Technology Fee to defray our costs of developing, implementing, upgrading, operating, maintaining, supporting, or providing any technology-related products, services, programs, systems, or platforms that we, in our sole discretion, deem appropriate. We may add, delete, or otherwise modify the products, services, programs, systems, and platforms that are funded by the Technology Fee from time to time.

4.10 **Network Revenues**

The term “**Network Revenues**” means all revenue derived from operating your Franchised Business, including, but not limited to, all amounts you or we receive in connection with your Franchised Business at or away from the Franchised Business from: the sale, distribution, rendering, performing or provision of the Products or the Services and any other products, services or activities whatsoever including any that are in any way associated with the System, Marks or Copyrights; or the use, leasing, barter or sale of any Products or Services, and whether from cash, check, barter, credit or debit card or credit transactions, including the redemption value of gift certificates redeemed by you regardless of whether such gift certificates are issued by you or someone else; but excluding: (a) all federal, state or municipal sales, use or service taxes collected from Customers and paid to the appropriate taxing authority; (b) Customer refunds, adjustments, credits and allowances actually made by the Franchised Business, if approved by us; (c) complimentary Products or Services actually provided to Customers or others, if approved by us; (d) the value of gift certificates and the amounts paid for them; (e) the amount of over-rings, allowances, discounts to Customers, tips to employees, if approved by us (including discounts attributable to coupon sales,

provided they have been included in Network Revenues); (f) isolated sales of non-inventory items or the bulk sales of the business itself; and (g) any amounts we receive from third parties indirectly related to your Franchised Business which we designate in the Manual as payments to us (like certain fees from Approved Suppliers under Approved Supplier Agreements (as both terms are defined in Section 8.3)).

4.11 **Network Revenue Reports**

In the event that we are not able to independently and remotely access your Computer System and/or Software as necessary to obtain the Network Revenues and/or any other financial information or Customer data related to the operation of your i9 Sports® Franchise at any time during the term of this Agreement, then you will be required to submit a signed Network Revenue report (the “**Network Revenue Report**”) setting forth (a) Network Revenues generated during the immediately preceding calendar month (or other period that we prescribe in writing), (b) your calculation of the Royalty and Advertising Fee (as described below), (c) a list of the Franchised Business’s present and prospective clients, (d) jobs completed and in progress, and (e) any other information we may reasonably request. We may change the form and content, as well as the reporting interval, associated with the Network Revenue Report periodically.

4.12 **Manner of Payment**

The Royalty Fee, National Brand Fund Contribution, and Customer Service Center Fee, if applicable, must currently be paid: (a) on a daily basis (unless we designate a different payment interval in writing), with the minimum being applied at the end of the month if the minimum is not exceeded; and (b) via an electronic funds transfer program (the “**EFT Program**”), under which we automatically deduct all payments owed to us under this Agreement, or any other agreement between you and us, from your bank account. We may, with written notice, designate another method of payment, payment day or payment interval. You must deposit all revenues from operating the Franchised Business into one bank account within one day of receipt, including cash, checks, and credit card receipts. Before the Business Launch Date, you must provide us with your bank’s name, address and account number, a voided check from such bank account, and sign and give to us and your bank, all documents, including Exhibit “C” to this Agreement, necessary to effectuate the electronic funds transfer (“**EFT**”) program and our ability to withdraw funds from such bank account via electronic funds transfer. You must immediately notify us of any change in your banking relationship, including changes in account numbers. We reserve the right to require you to pay any fees due under this agreement by such other means as we may specify from time to time. If we have required that you submit a Network Revenue Report (as described under Section 4.11) and this report has not been received within the time period required by this Agreement, then we may process an EFT for the subject week based on the most recent Network Revenue Report provided by you to us, provided, that if a Network Revenue Report for the subject period is subsequently received and reflects (i) that the actual amount of the fee due was more than the amount of the EFT, then we will be entitled to withdraw additional funds through EFT from your designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then we will credit the excess amount to the payment of your future obligations.

4.13 **Insufficient Funds Fee**

We shall have the right to charge you an insufficient funds fee of Twenty-Five Dollars (\$25.00) per occurrence for insufficient EFT funds. Three or more charges of insufficient funds fee within any 12-month period will be a default under this Agreement.

4.14 **Interest on Late Payments**

If any fee or other payment due to us or our affiliates under this Agreement is not paid on or before its due date, you agree to pay us, in addition to the overdue amount, interest on any overdue payment

at the rate of 18% per year or the highest contract rate allowable by law, whichever is less. Interest on any overdue amount shall accrue from the original due date until payment in full is received. Interest as enumerated in this Section 4.14 shall also apply to any understated amounts as revealed by an audit of your financial records. You acknowledge that this Section 4.14 is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Franchised Business. You further acknowledge that your failure to pay all amounts that you owe us when due constitutes grounds for our terminating this Agreement under Section 19 of this Agreement, notwithstanding this Section.

4.15 **Late Charges and Non-Compliance Fees**

- (a) **Late Charges.** In addition to applicable interest on any overdue payment, you also agree to pay to us a late charge equal to 5% of the overdue amount.
- (b) **Non-Compliance Fees.** If you fail to comply with any of the System Standards or any provision of this Agreement, in addition to any other remedies we may be entitled to, we reserve the right to charge you one or more non-compliance fees upon written notice to you. The non-compliance fees (i) shall be specified in the Manual or otherwise in writing and may be changed from time to time, provided that the fee per violation shall not exceed \$1,000, (ii) may be charged repeatedly (as frequently as daily) if the non-compliance is ongoing, and (iii) may vary based on the severity of the defaults, the number of the defaults, and whether the defaults have been repeated. If you fail you to make a payment when due, we will not charge a non-compliance fee, other than the interest and late charge described above, for such non-compliance.
- (c) **Collection of Late Fees and Non-Compliance Fees.** All fees detailed in this Section 4.14 are due immediately upon demand. We may automatically debit these fees from your account via EFT.

4.16 **Billing System**

We may, to the extent we designate from time to time, be responsible for and provide administrative, customer account coordination, and commission payment services, and Product or Service ordering, billing and distribution systems as we designate from time to time in our Manuals or intranet (collectively, the “**Billing System**”). We may, at our option, operate the Billing System through such e-commerce methods as we designate from time to time. Accordingly, during the term of this Agreement, through the Billing System, we may handle in accordance with System Standards certain of the billing and invoicing for the Products and the Services you sell or provide through the Franchised Business as we may designate from time to time. Any of the Products or the Services which we designate for sale directly to the Customers must be reported to us in accordance with our Systems Standards. With respect to those Network Revenues, we designate for our collection through the Billing System, we will exercise all reasonable efforts as we consider appropriate to collect amounts due for the Products or the Services you sell, render, provide or perform in conducting the Franchised Business. We may utilize our experience and policies developed for i9 Sports® Franchises, and we may compromise, settle, discount, factor, write-off, and assign to collection agencies or pursue through legal action all amounts due for services provided by you. You understand that in fulfilling this obligation, at our expense, we may use other firms or designees and supervise their performance. In general, you will enter into an agreement with each Customer under which you will agree to provide the Products and the Services, and such other services as you and the Customer mutually agree. You and the Customer or its designee will mutually agree on the fees paid to you for the sale or distribution of the Products and Services you’re performing, rendering or providing. In all instances where third parties make payments directly to you, all monies due to

us relating to such Network Revenues paid to you, or which you receive in connection with the Franchised Business, must be paid to us via EFT.

We reserve the right to require Customers to pay us directly for the sale or distribution of the Products and Services. If we elect to require Customers to pay us directly as described in this Section, we or our designee will: (i) invoice Customers for all Products and Services provided through your i9 Sports Franchise since the date invoices were last issued; and (ii) remit to you (once a month the date we designate) your Network Revenues that were actually collected during the immediately preceding month via EFT net of (a) Royalty Fee, (b) National Brand Fund Contribution, (c) Customer Service Center Fee, (d) credit card processing fees, (e) Mandatory Insurance Program Fees, and (f) any other amounts due and owing to us for services rendered to you within the Network Area during the immediately preceding month. We will compile and provide you with data regarding Customer orders and histories once a month. If we opt to have Customers pay us directly, you will not be required to maintain merchant account and gateway services.

5. TRAINING & FIELD VISIT

5.1 Training Program

All owners directly or indirectly holding 25% or more of the ownership interests in your Franchised Business or your Business Entity (if you are a Business Entity), your Operating Principal, and your Key Manager (the “**Required Trainees**”) must attend, and complete to our satisfaction, our initial training program (the “**Training Program**”), which is described in Section 5.2. We do not charge a fee for your first two trainees to attend the Training Program, provided both individuals attend the Training Program prior to the Service Start Date. We reserve the right to charge you a reasonable training fee if (i) you elect to bring additional trainees, other than the Required Trainees, to the Training Program, (ii) any of your Required Trainees fail to successfully complete the Training Program and re-enroll in the program or are replaced with new trainees that enroll in the program, or (iii) we provide the Training Program to any subsequent trainees. You must pay all expenses you and your trainees incur for any training programs, including your/their travel, food, lodging, compensation, and benefit expenses. The actual dates of any phase of the Training Program are subject to change at any time and we assume no responsibility for any costs incurred by you or your trainees as a result of such changes.

5.2 Training Program Phases

Our Training Program consists of the following phases:

- (a) **Phase I (Classroom) Training**. Prior to the Business Launch Date, your Required Trainees must attend and successfully complete our phase I classroom training (the “**Phase I Training**”). As part of our Phase I Training, we will provide: training concerning brand culture, the pre-opening procedures, financial management, scaling for success, sports program formats/rules, choosing/hiring officials and staff, marketing of Events, the sale of the Products and the Services and the procedures and techniques for the advertisement, marketing or sale of the Products and the Services, use of our website and software training, training concerning the Services and the procedures and techniques for the delivery of the Products, planning, development and operation of Events, contracting of officials, league officials, coaches, and other Event Personnel (as defined in Section 6.1), venue permit management tools, operation of the Billing System, and programs for awards and distribution of other benefits to customers. We provide the Phase I Training at a location we designate for up to four days.
- (b) **Post-Phase I Online Training**. Prior to the Service Start Date, your Required Trainees must attend and successfully complete an initial series of training/instructional webinars and/or

online learning modules scheduled as part of your on-the-job training (“**Post-Phase I Online Training**”).

- (c) **Phase II Training.** Within one to three months after the Business Launch Date and prior to the Service Start Date, your Required Trainees must attend and successfully complete grand opening day training at an operating location (the “**Phase II Training**”).
- (d) **Phase III Training.** Within two to three months after the Service Start Date, your Required Trainees must attend and successfully complete a second series of training webinars that we designate (“**Phase III Training**”).
- (e) **Phase IV Training.** Within 10 to 12 months after the Service Start Date, your Required Trainees must attend and successfully complete a third series of training webinars and/or strategic planning sessions that we designate (“**Phase IV Training**”).

5.3 **Additional or Periodic Training**

We may require you and your Operating Principal, Key Manager, other managers and owners, Event Personnel, or other staff to attend additional, periodic or refresher training courses at locations we designate from time to time (“**Additional Training**”). We will charge you, and you must pay to us upon our invoice to you, our then-current Additional Training fees and you are responsible for all of your and your trainees’ wages, travel, living and miscellaneous expenses incurred in connection with such Additional Training. You must also pay all expenses incurred by the trainer in connection with providing this Additional Training, including but not limited to travel, lodging, meals, and local transportation. We may limit certain aspects of the training to your Operating Principal, Key Manager, or other people that we designate and other aspects of training may be provided to all of your trainees.

5.4 **Additional Assistance**

To the extent we deem appropriate, if we provide you additional assistance of the type we designate in the Manual as subject to additional assistance fees, at any location we designate or approve in your Network Area, you will pay to us our then-current per diem fee for each person we train or provide in connection with such additional advice or assistance, plus you must pay for travel, meals and lodging for them. If we provide Additional Training at any location in your Network Area, you will pay to us the fees as we designate from time to time for Additional Training per day (per trainer), plus any travel, meals and lodging expenses incurred by the trainer(s). If we require you or your personnel to travel to a location outside of your Network Area, or if the trainer is training other i9 Sports® Franchises at the same time as your Franchised Business, you must pay to us our then-current Additional Training fees for training outside of your Network Area or joint training. These fees are fully earned and non-refundable when paid.

5.5 **Annual Conference**

- (a) **Conference.** We may, in our discretion, hold an annual i9 Sports® conference (“**Annual Conference**”) at a location to be selected by us. We shall determine the topics and agenda for the conference to serve the purpose among other things, of updating area developers on new developments affecting area developers, exchanging information between area developers and our personnel regarding i9 Sports® Franchise operations and programs, and recognizing area developers for their achievements. We may use contributions from the National Brand Fund for purposes related to the Annual Conference, including costs related to productions, programs, and materials.

(b) Attendance and Fees. If you, your owners, and your affiliates own only one i9 Sports Franchise, your Operating Principal must attend the Annual Conference, and you must pay the then-current registration fee for them, even if they fail to attend. If you, your owners, and your affiliates own multiple i9 Sports Franchises, your Operating Principal and Key Manager (for each i9 Sports Franchise) must attend the Annual Conference, and you must pay the then-current registration fee for each of them, even if any or all of them fail to attend. We permit your other owners, your Key Manager (if they are not already required to attend), and any other individuals we specify to attend the Annual Conference. You must pay our then-current registration fee for each of your representatives that attends the Annual Conference. All expenses, including your representatives' transportation to and from the Annual Conference, and lodging, meals, and salaries during the Annual Conference, are your sole responsibility. We reserve the right to modify in the Manual from time to time the individuals who are required or permitted to attend the Annual Conference, as well as the applicable registration fee and related attendance policies.

6. EVENT PERSONNEL

6.1 Personnel Development

You must, in accordance with our System Standards and to the extent we designate from time to time, recruit, train and develop, as employees or independent contractors, the Event coordinators, umpires, referees, coaches, league officials, operations staff, and any other personnel as may be needed to distribute the Products or render, provide or perform the Services (the “**Event Personnel**”).

6.2 Employment Decisions and Policies

You must employ sufficient number of qualified, competent personnel to offer prompt, courteous and efficient service to the public in accordance with our System Standards. You are solely responsible for all labor and employment-related matters and decisions related to your Franchised Business, including hiring, firing, promoting, demoting, and compensating (including through wages, bonuses, or benefits) your employees and contractors. You must ensure that your employees and contractors (a) are qualified to perform their duties in accordance with our System Standards, (b) successfully pass an appropriate screening and background check, (c) do not pose a threat to any individuals, and (d) are not reasonably likely to have an adverse effect on you, the reputation of you or your owners, our franchise system, our concept, your Franchised Business, the Marks, and any associated goodwill (an “**Adverse Effect**”). We do not require you to implement any employment-related policies or procedures that we (at our option) may make available to you in the Manual or otherwise for your optional use other than policies and procedures related to background checks and risk management that are fundamental components of our System Standards. You shall determine if and to what extent any optional policies and procedures may be applicable to your operations at the Franchised Business.

6.3 Confidentiality Agreements

Your owners and any of your employees or managers we designate (including your Operating Principal, Key Manager, sales personnel, and Event Personnel) must sign a Confidentiality Agreement (“**Confidentiality Agreement**”), a form of which is attached hereto as Exhibit “F.” We have created the Confidentiality Agreement to assist you in complying with your obligation to obtain signed agreements from your personnel and others to protect our Confidential Information (as defined in Section 18.1). However, it is your obligation to have the form reviewed by your local attorney and otherwise to ensure it is valid and enforceable under applicable law. We make no promises or guarantees concerning the Confidentiality Agreement; that is your responsibility.

6.4 **Other Training**

You will, in addition to the training we provide you under Section 5 of this Agreement, (a) train your Event Personnel in the manner we designate with respect to the Products and the Services and business generally, and (b) furnish support and marketing services and materials to your sales staff and Event Personnel. You must follow our System Standards for and implement, at your expense, the training programs we designate from time to time for the training of Customers (or their parents or guardians) who will assist you and the Events by serving as coaches, team helpers, umpires, referees, league officials and others who will assist you with the operation or organization of Events; work cooperatively with your Event Personnel to obtain field or activity permits, and other approvals necessary for the Events, communicate with field or facility owners, parks and recreation departments of municipalities, school districts and sporting associations, and otherwise assist you with facilitating and promoting the Events (“**Customer Liaisons**”).

6.5 **Indemnification**

You will indemnify us, hold us harmless from, and defend us against any and all liabilities, losses, expenses, and obligations that we may incur related to any of your Event Personnel, other employees or contractors, or any Customer Liaisons (your “**Representatives**”) arising out of any claim, cause of action, complaint, proceeding (in litigation, arbitration, mediation or administrative) relating to any aspect of your relationship with your Representatives, including, without limitation, your obligations to pay them any compensation or provide them with any benefits, your compliance with any employment or labor laws or regulations, or your implementation of, or compliance with, any of your employment practices or policies. You and we understand and acknowledge that we are under no obligation or liability to any of your Representatives for any remuneration, compensation, commission, employment, or any other duty, responsibility, liability or obligation. Your indemnification obligations: (i) include reimbursement to us of any and all of our attorneys' fees and costs in defending any such claim from or related to your Representatives, and (ii) survive expiration or termination of this Agreement.

6.6 **Other Agreements**

(a) **Routine Maintenance and Upgrades.** You are required to maintain and upgrade at your expense all equipment related to the operation of the Franchised Business on an as-needed basis. All maintenance deficiencies identified by us shall be addressed immediately. Failure to do so will be a default under this Agreement.

(b) **Customer Complaints.** You must answer all customer complaints within 24 hours of receipt and otherwise follow our standards and specifications set forth in the Manual regarding customer complaints. You must forward a copy of the customer complaint and your answer to us.

(c) **Complaint Notification.** You must contact us immediately (as soon as possible but no later than six hours after you become aware of such complaint or issue) if a customer complaint or other issue has resulted in an inquiry or report by the media or government, and you will work with us to prepare a response.

7. **BUSINESS EXPENSES**

You must pay all of your own business expenses in connection with the operation of your Franchised Business, the operation or development of Events, the marketing, sale and distribution of the Products and the marketing, sale, performance, provision and rendering of the Services pursuant to this Agreement. You are responsible for paying for any supplies or any other Business Materials or Services (as defined in Section 8.3) that you need or that we designate for use by i9 Sports® Franchises, and we are not responsible for reimbursing you for any of such items. These expenses include internet access, internet connection,

merchant account service fees, background check account service fees, a business telephone number (which may be your cell phone number), the required customer telephone number that is serviced by the Customer Service Center, together with any related call forwarding charges, and a separate telephone number with voicemail to be used as your “Weather Hotline” where Customers can find out if your Events are cancelled due to weather related conditions.

8. MANUALS AND GUIDANCE

8.1 Manual

During the Term, we will provide you with access to our Manual via our intranet portal or other digital format. At our option, we may make the Manual (or parts of it) accessible to you via electronic format or otherwise via the Intranet/Internet. The Manual will contain, among others: suggested prices for the Products and Services; pricing for marketing and delivery of certain marketing materials; mandatory and suggested specifications, standards; billing practices; insurance requirements; rules governing the use of operation of the Franchised Business, including the Billing System, Computer System, e-commerce, marketing, sale, distribution and performance, rendering or provision of the Products and the Services; and System Standards, as well as information about other obligations you have in the operation of an i9 Sports® Franchise. The Manual may be modified by us from time to time to reflect changes in the System Standards. Our revisions to the Manual will be effective on delivery to you (including via electronic format), unless we specify a later effective date for a particular revision. You must keep your copy of the Manual current by (if printed) immediately inserting all new and modified pages we furnish to you (or by periodically monitoring changes to any electronic format version). If a dispute develops with respect to the contents of the Manual, the master copy we maintain at our principal office (or the electronic version of the Manual we designate) will be controlling. You must keep the Manual in a secure location. You must not:

- (a) permit any part of the Manual to be copied, transmitted, “posted” or downloaded;
- (b) disclose it or any of its contents to anyone not having a need to know its contents for purposes of operating your Franchised Business; and/or
- (c) remove it from your business office without our permission.

8.2 Guidance and Assistance

During the Term of this Agreement, we will from time to time furnish you guidance and assistance with respect to the System Standards. This guidance and assistance will be furnished in the form of the Manual, bulletins, written reports and recommendations, other written or electronic materials, telephone consultations, electronic mail, training programs, meetings, conferences and/or personal consultations at our offices, your offices or at a mutually convenient place. As we determine necessary from time to time, our guidance and assistance may relate to:

- (a) the marketing of the services offered by i9 Sports® Franchises and the use of System Standards;
- (b) coordinating the activities of all i9 Sports® Franchises, and individual or related Events;
- (c) establishing and conducting employee and Customer Liaison training programs;
- (d) development and implementation of local advertising and promotional programs;

- (e) furnishing information dealing with trends and developments in the laws and regulations affecting the amateur, youth sports and recreation, leagues, camps, tournaments, child development, after-school programs, sports clinics and other sports and parks and recreation-related industries;
- (f) types, supplies and methods of our approval process for Business Materials or Services;
- (g) operation of and coordination with parks and recreation management programs;
- (h) awards distribution and achievement programs for Customers;
- (i) rules and regulations for Events and methods for automated division alignment, scheduling and the management and reporting of league, tournament, sporting clinics and other Event-related statistics and standings; and/or
- (j) changes in any of the above that may occur from time to time.

8.3 **Approved Equipment and Supplies**

We may designate or require our approval of the types, models, formats, providers, performers or suppliers of any Products or Services, and any of the equipment, uniforms, jerseys, t-shirts, awards, trophies, insurance carriers, background check services, supplies, bookkeeping, financial benchmarking, and other financial services, employee benefit plans, merchant accounts and gateway services, and other services, assets, products, or materials utilized by you to operate your Franchised Business, which we may change, alter, or amend from time to time (collectively, “**Business Materials or Services**”). Currently, you are required to order through us certain apparel and other business materials as we may specify from time to time, which will be drop shipped directly to you from our designated supplier. We reserve the right to derive revenue from your required purchases ordered through us. We may designate or require our approval of suppliers of Business Materials or Services. We may require that you, at your expense, enter into agreements (“**Approved Supplier Agreements**”) with approved or designated suppliers of Business Materials or Services (“**Approved Suppliers**”) under which we receive remuneration from the Approved Suppliers based on purchases from them. We will notify you within 120 days if we reject or approve the proposed Approved Supplier. If we do not notify you of our decision within 120 days, we are deemed to have rejected the proposed Approved Supplier.

8.4 **Approved Supplier Program(s)**

We have the right to negotiate programs with certain Approved Suppliers so that i9 Sports® Franchises may receive preferred pricing, delivery, credit or other terms that we deem are favorable (each, an “**Approved Supplier Program**”). You are required to participate in any Approved Supplier Program(s) we designate, and you must (a) comply with the rules and policies of such Approved Supplier Program(s) (the “**Program Rules**”), and (b) sign all Approved Supplier Agreements we or the Approved Suppliers require in connection with such program(s). We may terminate your participation in the Approved Supplier Program without terminating this or any other area developer agreement if you breach any agreement with us or an Approved Supplier or otherwise fail to comply with the Program Rules.

8.5 **Suggested Retail Prices**

We may, from time to time, provide you with assistance in establishing prices for the Products and Services offered through your Franchised Business.

9. SYSTEM TECHNOLOGIES

9.1 Computer System; Mobile Phone

You must, in the manner we designate, acquire, license and use, in developing and operating your Franchised Business a laptop computer with wireless internet access and communications system, as well as the other computer services, components, equipment, computer hardware, telecommunications equipment, and software designated or approved by us from time to time, that we designate as part of your Computer System. You must bring such Computer System components with you to Phase I Training.

- (a) The Software designated by us in connection with and as part of the Computer System will include software we designate for the operation of the Billing System and other billing, administrative, business management, e-commerce, Product purchase and distribution, customer registration field and facility management tools, and sports statistics and standings tracking functions, or services we designate or approve.
- (b) We may require you to obtain as part of the Computer System specified computer and communications hardware, equipment, components or Software and services (like high-speed internet: DSL, Frac, T-1, Cable or ISP) and may reasonably modify our specifications for and components of the Computer System from time to time. Our modifications and specifications for components, equipment, services, operating or communications and Software of the Computer System may require you to incur cost to purchase, lease or license new or modified Software or computer or communications hardware, equipment, components or software and to obtain service and support for the Computer System during the Term of this Agreement. As part of or as otherwise in connection with your Computer System, we require you to utilize a merchant account and gateway services provided by an Approved Supplier. You agree to incur such costs in connection with obtaining the computer or communications hardware, equipment, components, services and Software comprising the Computer System (or additions or modifications) operating it in accordance with our System Standards and ensuring that it is compatible with, and capable of participating in and performing the functions we designate for the Billing System, operating and engaging in any form of e-commerce we designate or approve, as long as the Computer System we specify for use is the same Computer System that we or our affiliates then currently use in i9 Sports® Franchises that we or they own and operate. Within 60 days after you receive notice from us, you must obtain the components of the Computer System that we designate and require. The Computer System must be capable of connecting with our Computer System, performing the functions we designate for the Billing System, permitting us to review the results of your Franchised Business's operations, and engaging in any e-commerce activities that we designate or approve. We also have the right to charge you reasonable systems fees for modifications of and enhancements made to any proprietary software that we license to you and other maintenance and support services that we or our affiliates furnish to you related to the Computer System.
- (c) You will also be required to obtain a mobile smart phone and maintain a contract with a service provider (*e.g.*, Verizon, AT&T) for that smart mobile phone throughout the term of this Agreement, all of which meet our System Standards and specifications as set forth in the Manual or otherwise in writing. This mobile phone must be used solely in connection with your Franchised Business and dedicated for that purpose only.

9.2 Software License

Subject to the terms and conditions of this Agreement, we grant to you a non-exclusive, non-transferable and non-sub licensable license to use the Software during the Term as follows:

- (a) You may use the Software during the Term solely within the scope of your operation of your Franchised Business under this Agreement for your internal operations and business purposes in accordance with this Agreement. The Software may be installed or used only on your owned or controlled computers which are part of the Computer System and only in accordance with System Standards. Software may be installed and used only to enable you and your employees to use the Software in accordance with this Agreement.
- (b) The Software may be used only up to the capacity for which you have been authorized to use it under this Agreement and as may be more fully described in the Manual from time to time. You are responsible for all use of the Software and for compliance with this Agreement; any breach by you or any user or third party whom you authorize to use the Software or provide access to it will be deemed to have been incurred by you.
- (c) We may permit you to make a reasonable number of copies of the Software if you follow all of our System Standards for doing so for backup purposes. However, you must notify us of your intent to do so and obtain our prior written permission before doing so. Portions of the Software may not be used independently of the Computer System and your operation of your Franchised Business.

9.3 No Reverse Engineering

You must not decompile or reverse engineer any executable code we provide (*e.g.*, to reveal the corresponding source code), except to the minimum extent permitted by law. You will not avoid, circumvent, or disable any security device, procedure, protocol, or mechanism that we may include, require or establish with respect to the Software. You will not delete, alter, cover, or distort any copyright, trademark or other proprietary rights notice placed by us on or in the Software, and will ensure that all such notices are reproduced on all copies of the Software.

9.4 Reservation of Rights

The Software may not be used except as expressly authorized in this Agreement. We reserve all rights not expressly granted.

9.5 Ownership

The Software (and all copies and derivatives) is, and at all times will remain, our (and our licensors') sole and exclusive property, including all copyrights and other intellectual property rights in or to such Software. Except as otherwise expressly provided, you agree that neither you nor any third party will obtain any express or implied rights in or to any part of the Software. We deem the Software to be part of the Copyrights.

9.6 Protection from Unauthorized Use

You will take all reasonable steps to protect the Software from any use, reproduction, publication, disclosure or distribution that is not specifically authorized by this Agreement. You will ensure that you and your agents or employees not disclose their user IDs and passwords to any person or entity other than on a need-to-know basis. You will be responsible for the security of all user IDs and passwords assigned to or created by you for yourself or your agents or employees and will immediately notify us of any suspected or actual theft, loss or fraudulent use of them.

9.7 Computer System Updates and Support Services

During the Term of this Agreement, we will provide limited Software support services to the extent we deem practicable in the manner we designate from time to time in the Manual. All updates, patches, bug fixes, modifications, enhancements and new versions of the Software and all other

deliverables and work product we develop for such Software and i9 Sports® Franchises provided to you will be subject to the terms and conditions of this Agreement, unless otherwise expressly agreed in writing by us. Our Software support services for such Software, if any, extend only to the Software free of any additions or modifications that have not been made by us or our agents, or approved by us in writing. Further, such support services extend only to the most current version of the Software as used on or in the hardware, platforms and operating environment(s) designated by us for use with the Software. Our software and support services also do not include the following and we have no responsibility or liability for:

- (a) Addressing errors, defects, or damage in or to the Software resulting from causes other than those arising in the ordinary permitted use of the Software, or from the use of third-party software, firmware or data, or from the use of hardware not meeting our minimum recommended configuration;
- (b) Providing hardware-related services;
- (c) Providing training to your personnel except as described in this Agreement; or
- (d) Developing or otherwise providing you with additional features, functionality, or customizations to the Software.

9.8 **Your Responsibility**

You agree to fully cooperate with us in the performance of our Software support services, including by providing us with such timely, accurate and complete information and reasonable access to your personnel and facilities as we may require or request. To the extent you delay or fail to satisfy your obligations to us, we will be relieved of our obligations under this Agreement.

9.9 **Discontinuation of Use**

We will have no responsibility for: (a) any use of the Software after we have notified you to discontinue use; (b) the combination or use of the Software with content, assets, technology or other materials not supplied by us; or (c) alteration of the Software or use of a version of the Software that has been superseded by a newer version.

9.10 **Warranty Limitations**

WE, AND OUR AFFILIATES, IF ANY, DISCLAIM ANY WARRANTIES OF ANY NATURE WHATSOEVER, WHETHER EXPRESS, WRITTEN, ORAL, IMPLIED OR STATUTORY, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT, OR ANY WARRANTIES ARISING UNDER THE UNIFORM COMPUTER INFORMATION TRANSACTIONS ACT, HOWEVER ENACTED IN ANY STATE OR JURISDICTION AND ANY WARRANTIES UNDER ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE (AS APPLIED IN FLORIDA OR ANY STATE) WITH RESPECT TO THE COMPUTER SYSTEM (INCLUDING ITS SOFTWARE), OR ANY OTHER PRODUCTS, EQUIPMENT OR SUPPLIES YOU OBTAIN FROM US OR OTHERS AND THE SERVICES AND FUNCTIONS THEY PERFORM AND THEIR DESIGN. NEITHER WE NOR OUR AFFILIATES ARE LIABLE UNDER ANY CIRCUMSTANCES TO YOU FOR ANY CONSEQUENTIAL, SPECIAL, EXEMPLARY, INDIRECT, INCIDENTAL OR COLLATERAL DAMAGES OF ANY NATURE WHATSOEVER IN CONNECTION WITH THE COMPUTER SYSTEM (INCLUDING ITS SOFTWARE) OR ANY OTHER PRODUCTS, EQUIPMENT OR SUPPLIES YOU OBTAIN FROM US OR OTHERS AND THEIR DESIGN (INCLUDING YOUR RIGHT TO USE, DELIVERY, INSTALLATION

AND YOUR USE OF THEM), THE SERVICE AND FUNCTIONS THEY PERFORM (OR FAIL TO PERFORM), THEIR DESIGN AND THIS AGREEMENT, WHETHER BY REASON OF IMPERFECTION OR DEFECT IN THEM OR IN THEIR PERFORMANCE, OUR (OR ANY OF OUR AFFILIATES') BREACH OR OTHERWISE, EVEN IF WE (OR OUR AFFILIATE) ARE ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, REGARDLESS OF WHETHER THEY ARE BASED IN TORT OR IN CONTRACT. IF WE (OR OUR AFFILIATES) DO NOT CAUSE THE COMPUTER SYSTEM (INCLUDING ITS SOFTWARE) OR ANY OTHER EQUIPMENT OR SUPPLIES YOU RECEIVE FROM US OR ANY OF OUR AFFILIATES TO PERFORM IN ACCORDANCE WITH THE SPECIFICATIONS, THEN YOUR SOLE RECOURSE AND REMEDY WILL BE FOR US (OR OUR AFFILIATES), AT OUR (OR THEIR) ELECTION, TO REPLACE THE COMPUTER SYSTEM (INCLUDING ITS SOFTWARE), ANY OTHER PRODUCTS, EQUIPMENT OR SUPPLIES YOU RECEIVE FROM US OR OUR AFFILIATES WITH ANOTHER ONE WHICH PERFORMS IN ACCORDANCE WITH SPECIFICATIONS. IN NO CASE WILL OUR LIABILITY EXCEED THE COST OF THE COMPUTER SYSTEM (INCLUDING ITS SOFTWARE) OR ANY OTHER PRODUCTS, EQUIPMENT OR SUPPLIES WHICH YOU RECEIVE FROM US OR OUR AFFILIATES ON WHICH A CLAIM FOR DAMAGES IS BASED. HOWEVER, WE WILL ASSIGN TO YOU ANY WARRANTIES FROM THE MANUFACTURERS OF ANY OF THE COMPONENTS OF THE COMPUTER SYSTEM (INCLUDING ITS SOFTWARE), OR ANY OTHER PRODUCTS, EQUIPMENT OR SUPPLIES YOU RECEIVE FROM US OR OUR AFFILIATES. THESE WARRANTIES MAY BE VOIDED BY MISUSE, ACCIDENT, MODIFICATION AND FAILURES FOR WHICH WE ARE NOT DIRECTLY RESPONSIBLE.

9.11 Websites and E-Commerce

- (a) Except as approved in advance in writing by us, you may not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with your Franchised Business, on any social media site (such as Facebook, X, LinkedIn, Pinterest, Instagram, Snapchat, Google My Business, Yelp, YouTube or any other networking site). Any such Internet website or presence is considered "advertising" and must be approved by us prior to use, as described in Section 12.1 of this Agreement. If we permit you to establish one or more of the above online presences on the Internet, you must: (i) establish and operate the website in accordance with System Standards and any other policies regarding social media and/or Internet usage generally that we designate in the Manual or otherwise in writing from time to time; (ii) utilize any templates that we provide to you to create and/or modify such site(s); and (iii) remove any content that is posted or otherwise displayed (whether by you or a third party) on such website, social media page or other Internet presence that does not comply with our System Standards or then-current policies within two days of the date you receive our removal request in writing.
- (b) We have the right to establish and maintain a website, that may, without limitation, promote the Marks and/or the System (the "**Website**"), including the contact information of your Franchised Business. We have sole control over all aspects of the Website, including without limitation its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We also have the right to discontinue operation of the Website at any time without notice to you. We have the right to modify our policies regarding your use of social media and Internet websites in connection with your Franchised Business as we deem necessary or appropriate in the best interest of the System. We are the sole registrant of the Internet domain name www.i9sports.com and www.i9sportsfranchise.com, as well as any

other Internet domain names that we or our affiliates register in the future. You must not register any Internet domain name that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words, unless we provide our prior written consent.

- (c) You must, at your expense, participate in the Billing System and otherwise operate certain aspects of the i9 Sports® Franchise that we designate from time to time through the e-commerce methods and channels that we designate, and in the manner we designate from time to time. You may not (i) accept any payments or funds from any Customer of your Franchised Business, (ii) engage in the sale of any Products or Services, or (iii) otherwise participate in any e-commerce in connection with your Franchised Business, through any website/channel other than the specific website/channels that we specify or approve in writing. We may require that you provide Customers of your Franchised Business access to certain e-commerce activities that we designate from time to time and that your Customers purchase the Products and the Services directly from us through a website or portal designated by us. If we do so, we will allocate Network Revenues to you or other i9 Sports® Franchises from such purchases to you in the manner we designate from time to time in our System Standards, subject to our System Standards. You must follow all of our policies and procedures for the use and regulation of e-commerce.
- (d) You may not use any other email address in connection with your Franchised Business other than those we provide to you, unless we provide our prior written consent. In addition to all other fees set forth in this Agreement, you specifically authorize us to deduct our then-current monthly service fee for each e-mail address we provide to you that contains any of our Marks (in either the local or domain part of the address).
- (e) We may require that you provide graphical, photographic, written or other forms of artistic or literary content to us for use in e-commerce activities associated with the Marks, the Copyrights or the System which we may designate.
- (f) You recognize and agree that between you and us, we own all rights to all interest in and to any data collected via e-commerce related to the System, the Copyrights and the Marks, including any Customer data, click-stream data, cookies, user data, hits and related information. This information is deemed by us to be and constitutes our Confidential Information.

10. MARKS AND COPYRIGHTS

10.1 Ownership and Goodwill

You also recognize that various materials we give you are subject to copyrights we own or license from others. Your right to use the Marks and Copyrights is derived solely from this Agreement and is limited to the operation of your Franchised Business pursuant to and in compliance with this Agreement and all applicable standards and operating procedures we prescribe during the Term of this Agreement. If you make any unauthorized use of any of the Marks or Copyrights, it will constitute a breach of this Agreement and an infringement of our rights in and to the Marks or Copyrights. Your use of the Marks or Copyrights and any goodwill established by your use, will inure to our benefit exclusively. This Agreement does not confer any goodwill or other interests in the Marks or Copyrights on you (other than the right to operate your Franchised Business in compliance with this Agreement).

10.2 **Additional Marks**

All provisions of this Agreement which apply to the Marks or the Copyrights will apply to any additional trademarks, service marks, commercial symbols, designs, artwork, trade dress, logos and other copyrights we may authorize and license you to use during the Term of this Agreement.

10.3 **Limitations on Use**

Your limited license extends only to use of the Marks in accordance with (i) all applicable standards, operating procedures, policies and guidelines that we prescribe—and from time to time amend—during the duration of this Agreement, including, without limitation, those set forth in the Manual and other publications, if any, dedicated to proper use of the Marks; and (ii) all applicable laws and regulations pertaining to advertising and marketing, including, without limitation, federal and state laws pertaining to telemarketing (including the Telephone Consumer Protection Act (“TCPA”)), false advertising, unfair competition, and unfair practices. You must use the Marks we designate as the sole trade identification of your Franchised Business; except that you must also identify yourself as an independent owner in the form we prescribe. You must not: (a) use any Mark or Copyright as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form; (b) use any Mark or Copyright or any commercial symbol similar to any Mark or the Copyrights in connection with the performance or sale of any unauthorized services or products, or in any other manner we have not expressly authorized in writing; (c) employ any of the Marks or the Copyrights in any manner that we have determined may result in our liability for any indebtedness or obligation of yours. You will display the Marks or Copyrights in the manner we prescribe at your Franchised Business and in connection with advertising and marketing materials, along with any notices of copyright, trademark and service mark ownership registrations that we specify. You will also be required to obtain any fictitious name, assumed name or “doing business as” registrations that may be required under applicable law.

10.4 **Infringements and Claims**

You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Mark or Copyright or claim by any person of any rights in any Mark or Copyright or similar copyright, trade name, trademark or service mark of which you become aware. You must not communicate with anyone except us and our attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take whatever action we deem appropriate. We have the sole right to control exclusively any U.S. Patent and Trademark Office, U.S. Copyright Office, litigation or other proceeding or any other litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark or Copyright. You must sign any documents, give any assistance, and do any acts that our attorneys believe are necessary or advisable in order to protect and maintain our interests in any litigation or proceeding related to the Marks or Copyrights or otherwise to protect and maintain our interests in the Marks or Copyrights. You may not, at any time, contest the validity or ownership of any of the Marks or Copyrights, or assist any other person in contesting the validity or ownership of any of the Marks or Copyrights.

10.5 **Discontinuance of Use**

If it becomes advisable at any time in our sole judgment for your Franchised Business to modify or discontinue the use of any of the Marks or Copyrights or for your Franchised Business to use one or more additional or substitute trademarks or service marks, you agree at your expense to comply with our directions to modify or otherwise discontinue the use of such Mark or Copyright, or use one or more additional or substitute trademarks or service marks, within a reasonable time after our notice to you.

10.6 **Consent**

You acknowledge and agree that we may grant franchises to others to operate i9 Sports® Franchises using the Marks or Copyrights, in accordance with this Agreement. You agree that, whenever we may request from time to time, you will give your written consent to such use of the Marks and Copyrights by such i9 Sports® Franchises.

11. **DUTIES AND RESPONSIBILITIES**

11.1 **Solicitation**

No sale of any Products or Services which we may designate from time to time is final until we accept it in writing or by such other method, we designate in connection with the Billing System. Although you solicit Customers for us and market the Services, the sales of certain of the Services and the Products we designate from time to time in the Manual are made only by us. With respect to them, you do not have authority to bind us in any way and we may refuse any Customer or prospect. You agree to follow all of our policies and procedures we may develop from time to time in the Manual for the consummation of sales of the Products or the Services.

11.2 **Sales Methods**

You must follow our System Standards when marketing and selling the Products or the Services. You must not make any misrepresentations to prospective purchasers regarding the qualities of the Products or the Services or concerning us or our business. Moreover, you must not alter, modify, change or misrepresent the Products or the Services or their marketing materials in any manner whatsoever. Accordingly, in marketing, promoting, selling distributing, providing, rendering or performing the Products or the Services, you will not disseminate any information, or represent to prospective Customers or others, any information that conflicts with any of the materials we provide you to assist in the sale of the Services.

11.3 **Record Keeping**

In order for us to monitor your performance, you must keep and maintain full and accurate records of (i) your meetings with referral sources, Customers, venue/field/facility owners and prospects; and (ii) all Products sold or provided or Services sold or rendered. We may keep certain of these records for you via the Billing System. However, you remain responsible for them. The records must include whatever information we consider necessary from time to time (and will include information relating to meetings, follow-up calls, etc.). We may require you to complete and transmit to us weekly and monthly reports detailing your activities. You must supply us with monthly reports due by the 5th day of each month following the end of the immediately preceding calendar month.

11.4 **Access to Facilities**

Notwithstanding the fact that you will be operating from your home, you must nevertheless give us access to the Franchised Business for meetings with referral sources, venue/field/facility owners, and Customers, for meetings with us, or for us to meet with your staff. We may schedule mandatory meetings for you and/or your Event Personnel or other staff at reasonable times after reasonable coordination efforts. You must follow the policies and procedures we periodically establish for operating procedures, record keeping and reporting and other matters.

11.5 **Marketing Support**

We will provide you with certain marketing materials including literature concerning the Products and the Services, descriptive literature, manuals, brochures and related information that we have designed or otherwise acquired to assist you in the market, sale and promotion of the Products and the Services. You must not use any other marketing materials unless we have approved them prior to your use, in writing.

11.6 Delegation

Although you may delegate some of your duties under this Agreement to your Key Manager, other managers, Event Personnel, Customer Liaisons, or other personnel, you remain fully responsible for your and their performance. You must use your best efforts to ensure that your employees and representatives do not cause a breach of this Agreement and meet the standards of customer service and support.

11.7 Collections

You must assist us in the collection of amounts owed to us by Customers for the Products or the Services sold by you.

11.8 Insurance

(a) Mandatory Insurance Program. We have established a mandatory insurance coverage program, as amended from time to time in our sole discretion (the “**Mandatory Insurance Program**”), in which we have arranged for an insurance carrier that we designate (the “**Designated Insurer**”) to provide certain insurance coverage to franchisees. You must participate in the Mandatory Insurance Program, which will provide some, but not all, of the insurance coverage that we require you to maintain. You must submit any applications or sign any participation agreements required by the Designated Insurer to participate in the Mandatory Insurance Program and pay all associated fees and premiums (“**Mandatory Insurance Program Fees**”). We may (i) require you to pay the Mandatory Insurance Program Fees directly to the Designated Insurer or (ii) collect the Mandatory Insurance Program Fees from you (either as a separate fee or a deduction from Network Revenues that we collect) and pay such fees to the Designated Carrier on your behalf. We may at any time change, in our sole discretion, (a) the Designated Insurer, (b) the amount, method of payment, or timing of payment of the Mandatory Insurance Program Fee, and/or (c) the coverage that is included in the Mandatory Insurance Program. We may, in our sole discretion, discontinue the Mandatory Insurance Program at any time upon 60 days’ written notice to you, in which case you will be responsible for procuring insurance that meets our minimum requirements.

(b) Required Insurance. Unless such coverage is included in the Mandatory Insurance Program, you must, at your expense, procure and maintain in force from an Approved Supplier or insurance carrier acceptable to us insurance policies that (A) contain such types and minimum amounts of coverage, exclusions, and maximum deductibles as we prescribe from time to time in the Manual or otherwise in writing from time to time; (B) name us and our affiliates as additional insureds; (C) provide for 30 days’ prior written notice to us of any, cancellation, renewal, material modification, or expiration of such policy; and (D) include such other provisions as we may require from time to time. We may change the required insurance requirements, upon reasonable notice to you, to conform to reasonable business practices. Currently, we require you to maintain, in accordance with minimum coverage amounts specified in the Manual, (i) comprehensive general liability insurance, (ii) property damage liability insurance, (iii) liability and abuse and molestation coverage, (iv) commercial automobile liability insurance, (v) professional negligence insurance, (vi) errors and omissions media liability insurance, (vii) employer’s liability insurance, (viii) employment practices liability insurance, including coverage for claims of discrimination and sexual harassment, (ix) comprehensive casualty, fire and theft insurance, (x) any other insurance required by law (such as workers’ compensation insurance and stop gap insurance), and (xi) any other insurance we may reasonably require. The cost of these policies will vary depending on the insurance carrier charges, terms of payment, and your history.

- (c) Our Right to Acquire. Upon our request, you must submit a certification of insurance to us which demonstrates compliance with this Section 11.8. If you fail to obtain the required insurance coverage, we may, at our option and in addition to our other rights and remedies, obtain such insurance coverage on your behalf. If we do so, you must fully cooperate with us in our effort to obtain such insurance policies and pay us any costs and premiums we incur.
- (d) Additional Coverage. Our standards and specifications for insurance coverage, as specified in the Manual, are intended as “minimum” standards. Therefore, you are responsible for reviewing your insurance coverage and policies with your insurance agent/broker to determine if additional coverage is necessary, appropriate, or desired by you.

11.9 **Compliance with Laws and Good Business Practices**

- (a) Compliance with Laws. You will secure and maintain in force in your name all required licenses, permits, approval and certificates relating to the operation of the Franchised Business and each Event you operate, organize or develop the Products or the Services you market, sell, distribute, perform, render or provide. You will operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including, without limitation, all government regulations relating to occupational hazards and health, parks and recreational activities, sporting and social activities, safety, privacy, worker's compensation insurance, unemployment insurance, event permitting, workplace safety, and withholding and payment of federal and state income taxes, social security taxes and sales taxes. It is your sole and absolute obligation to research all applicable federal, state and local laws and regulations governing the operation of your business and to ensure that such operation does not violate any federal, state or local law or regulation. For example, there are various federal laws that could affect your business and that you must comply with such as the American with Disabilities Act, the CAN-SPAM Act, the TCPA, the Telemarketing Sales Rule, and other federal and state anti-solicitation laws regulating marketing phone calls; and federal and state laws that regulate data security and privacy (including, but not limited to, the use, storage, transmission, and disposal of data regardless of media type). You should investigate these laws to understand your potential legal obligations.
- (b) Good Business Practices. You will, in all dealings with Customers, suppliers, us and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the System, the Marks and other i9 Sports® Franchises.

11.10 **Required Telephone Numbers**

You must have a general phone number (which may be your cell phone number) dedicated to your Franchised Business. You will be provided with a customer phone number by our third-party Customer Service Center and, at your own cost, you will pay the line service fee for this phone number. You must also have a “Weather Hotline”, which will automatically provide callers with your pre-recorded message regarding the cancellation or postponement of any games. You must have these phone numbers and the Weather Hotline at all times during the Term of this Agreement. If you have been a part of the i9 Sports® system prior to January 1, 2017, and have not already ported the customer phone number associated with your i9 Sports Franchise to the third-party Customer Service Center, you agree to do so as of the effective date of your Area Developer Agreement Renewal. You must participate in our Customer Service Center program, which will provide you with customer support services, process Customer registrations for your programs, answer participation inquiries, and forward other calls to you, including sales inquiries. We reserve the right to modify the amount and/or manner of payment for the Customer Service Center fee. We also

reserve the right to terminate our Customer Service Center at any time upon 60 days' written notice to you. You will pay for all phone charges, including applicable call forwarding fees.

11.11 **Authorized Products and Services**

You shall offer for sale all products and services which we designate for the System, including any additional Authorized Sports, Services, or Products we may now or in the future specify and any other ancillary products and services which we prescribe. You further agree to only sell those goods and services which we prescribe or otherwise authorize. You may not offer any other products for sale, rent or lease without having received our prior written authorization. You shall at all times maintain sufficient levels of inventory as specified in the Manual, to adequately satisfy consumer demand. You must offer and sell all private label products which we may now or in the future designate for sale by System area developers.

11.12 **Operations**

You must:

- (a) operate your Franchised Business for at least those months, hours and days that we specify in the Manual;
- (b) operate the Franchised Business in compliance with the System so as to preserve, maintain and enhance the reputation and goodwill of the System;
- (c) perform appropriate screening and background checks on Event Personnel (i.e., volunteer coaches, coordinators, referees, etc.) and other employees as and when directed by us, using vendors approved by us and screening standards that are consistent with our System Standards, and make such information available to us;
- (d) implement and enforce risk management policies (policies related to preventing, identifying, and reporting any instances of physical, emotional, or sexual abuse involving Customers, Event Personnel, or other individuals) that meet or exceed our System Standards and regularly train all Event Personnel to comply with such risk management policies;
- (e) sell and honor coupons in accordance with our standards and specifications;
- (f) when entering into contracts to offer any Events, Authorized Sports, Products and/or Services at a facility/field/venue (each, a "**Venue**"), you must enter into a contract with the owner of that Venue that complies with the terms set forth in the Conditional Assignment of Venue Contracts attached hereto as Exhibit "G"; and
- (g) authorize us, at any time, to perform a criminal background check on you, your Operating Principal, and Key Manager.

11.13 **Duty to Notify**

You must notify us in writing within three days after the commencement of any action, suit or proceeding, or of the issuance of any inquiry, subpoena, order, writ, injunction, award, charge, warrant, or decree of any court, agency, or other governmental instrumentality, related to (i) the operation or financial condition of your Franchised Business or your entity (including claims asserted by you against any person or entity or asserted by any person or entity against you, your owners, or your employees) or (ii) a felony, a crime involving moral turpitude or consumer fraud, or any other crime or offense that involves you or any of your owners or employees that is reasonably likely to have an Adverse Effect. You must also forward to us, within three days after your receipt of such

notice, copies of all inspection reports, warnings, certificates, orders, and ratings issued by any governmental authority during the Term in connection with the operation of your Franchised Business, which indicate your failure to meet or maintain the highest governmental standards or less than full compliance by you with any applicable laws.

12. ADVERTISING AND PROMOTION

12.1 Generally

All your advertising must conform to all provisions of this Agreement. All advertising, promotion and marketing must be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the standards and specifications described in the Manual or otherwise in writing by us. You may not market or advertise in violation of federal laws regulating advertising, such as the CAN-SPAM Act and the TCPA, and state advertising laws applicable to your Franchised Business. In no event will your advertising contain any statement or material which may be considered: (a) in bad taste or offensive to any group or person; (b) defamatory on any person or an attack on a competitor; (c) inconsistent with our public image; or (d) not in accord with System Standards. Samples of all advertising, promotional and marketing materials which we have not prepared or previously approved must be submitted to us for approval before you use them. If you do not receive our written disapproval or approval within 30 days after our receipt of such materials, we will be deemed not to have given the required approval. You may not use any advertising or promotional materials that we have disapproved or have not approved in writing.

12.2 Local Advertising and Promotion

You are required to spend a minimum of 3% of Network Revenues monthly on local advertising and promotion in accordance with an annual plan approved by us and our standards and specifications (the “**Local Advertising Requirement**”). You must spend the local advertisement requirement as we prescribe in the Manual or otherwise in writing, which may include, without limitation, requirements for placing a certain number and/or type(s) of media advertisements or for participating in any local marketing programs we may implement, including local events, partnership activities, paid search, social media advertising or other digital or grassroots marketing campaigns. The Local Advertising Requirement must be expended within your Network Area. You acknowledge and agree that your local advertising obligation must be expended regardless of the amount(s) spent by other System area developers on local advertising. You may spend any additional sums you wish on local advertising. You must submit samples of all local advertising and promotional materials, not prepared or previously approved by us, for approval at least 14 days prior to their use. You will submit to us an annual plan for your expenditure of your local marketing budget. You must send us proof of these expenditures on a monthly basis or in any other manner as we may specify. If you fail to spend the Local Advertisement Requirement in any month, in addition to other remedies, we may require you to contribute the amount of the deficiency to the National Brand Fund within 30 days of your receipt of our invoice.

12.3 Grand Opening Advertising

Prior to the Service Start Date, you must spend a minimum of Six Thousand Dollars (\$6,000) for grand opening advertising, which must be conducted in accordance with any standards and requirements that we may specify. You must send us proof of these expenditures on a monthly basis in a manner that we specify or in any other manner as we may specify.

12.4 National Brand Fund

Recognizing the value of advertising and marketing to the goodwill and public image of i9 Sports® Franchises, we have established a system-wide national brand fund (the “**National Brand Fund**” or “**Brand Fund**”) for such advertising, marketing and public relations programs and materials we

deem necessary or appropriate. We reserve the right to defer or reduce National Brand Fund Contributions of an i9 Sports® Franchise and, upon 30 days' prior written notice to you, to reduce or suspend contributions to and operations of the Brand Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Brand Fund. If the Brand Fund is terminated, all unspent monies on the date of termination will be distributed to our Area Developers in proportion to their respective contributions to the Brand Fund during the preceding 12-month period. We and our affiliates will contribute to the Brand Fund on the same basis as franchise owners for any i9 Sports® Franchise we or they own and operate.

12.5 **Use of the Funds**

We or our designee will direct all programs financed by the Brand Fund, including the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. You agree that the Brand Fund may be used to pay the costs of (i) developing, preparing and producing video, audio, printed and digital advertising materials; (ii) developing and servicing corporate accounts; (iii) evaluating new Event development, operation or marketing techniques, services or products; (iv) administering regional and multi-regional advertising programs, including, without limitation, purchasing e-commerce rights, services, and other media advertising and employing advertising, promotion and marketing agencies; (v) supporting public relations; (vi) conducting market research; (vii) establishing, developing, maintaining, servicing or hosting Websites or other e-commerce programs; and (viii) other advertising, promotion and marketing activities. The Brand Fund periodically will furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of such materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges.

12.6 **Accounting for the Fund**

The Brand Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for reasonable administrative costs and overhead we incur in activities reasonably related to managing, developing, and implementing advertising, marketing, and Brand Fund-supported programs (including the salaries of our marketing personnel and retainers and fees for outside agencies). We may spend on behalf of the Brand Fund, in any fiscal year an amount greater or less than the aggregate contribution of all i9 Sports® Franchises to the Brand Fund in that year, and the Brand Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Brand Fund will be used to pay advertising costs before other assets of the Brand Fund are expended. We will prepare a periodic statement of monies collected and costs incurred by the Brand Fund and furnish the statement to you upon written request. We have the right to cause the Brand Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified in this Agreement.

12.7 **Brand Fund Limitations**

You acknowledge that the Brand Fund is intended to maximize recognition of the Marks, Copyrights and patronage of i9 Sports® Franchises. Although we will endeavor to utilize the Brand Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all i9 Sports® Franchises, we undertake no obligation to ensure that expenditures by the Brand Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Fund by i9 Sports® Franchises operating in that geographic area or that any i9 Sports® Franchise will benefit directly or in proportion to its contribution to the Brand Fund from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to the Brand Fund.

12.8 **Telephone Directory Advertisements**

At your expense, we will obtain your customer telephone number from the approved Customer Service Center company and you must list and advertise your Franchised Business as we specify, utilizing our standard forms of listing and classified directory advertisements. You must sign and deliver to us our Conditional Assignment of Telephone Numbers and Listings in the form attached as Exhibit “D” to this Agreement.

12.9 **Sponsorship Programs**

From time to time, we may enter into a sponsorship or licensing arrangement (a “**Sponsorship Program**”) with third parties (“**Sponsors**”) in which the Sponsor agrees to sponsor certain programs nationwide or in certain markets in exchange for us, our affiliates, and/or our franchisees licensing and displaying the Sponsor’s logo on uniforms, signage, marketing materials, and other items or providing the opportunity for the Sponsor to offer or promote products or services to Customers. You are required to participate in, and comply with any standards or requirements of, any Sponsorship Programs that we specify. For some Sponsorship Programs, we may require you to enter into a participation or licensing agreement directly with us or the Sponsor. You acknowledge that your participation in a Sponsorship Program may preclude you from obtaining certain local sponsorships. In some cases, we may enter into a Sponsorship Program, solely because we believe it will be beneficial to associate the Marks and System with the Sponsor’s brand.

13. **CUSTOMER SERVICE.** You are responsible for providing customer service to Customers who purchase the Products or the Services and to all referral sources. In that connection, you will act as our intermediary with Customers to timely respond to any of their concerns and questions. You agree to provide the highest standard of Customer service in connection with the provision or sale of the Services to ensure complete Customer satisfaction. You must also cooperate with us to honor any refund policies that we develop from time to time. We may, in our sole discretion, refund Customers or issue Customer credits on your behalf. In that connection, to the extent we (a) refund any fees we have received from Customers in the Network Area, (b) refund any Customer credits issued to Customers in the Network Area, or (c) issue any Customer credits to Customers in the Network Area, you must reimburse us for such refunds or credits (which may be exercised by setoff or by debiting the refunded amounts from your account via EFT).

14. **RELATIONSHIP OF THE PARTIES**

14.1 **Independent Contractors**

We do not have a fiduciary relationship with you. You and we are independent contractors. Neither you nor we are general or special agents, representatives, joint venturers, partners or employees of the other for any purpose whatsoever. Since you are an independent contractor, you will not be entitled to workers' compensation, unemployment compensation, or any other statutory or regulatory benefit or right predicated on an employer-employee relationship. We have no obligation to carry workers' compensation coverage or pay unemployment compensation taxes or withhold any amounts from payment to you for federal income taxes or for federal social security taxes, unless otherwise required by applicable laws and regulations. You will file all federal income tax forms required of an independent contractor. We have no obligation to provide you with any employment and fringe benefits that we may provide to employees, such as health insurance, for example. The foregoing also applies to any relationship we have with your sales associates, Event Personnel, agents or other employees.

14.2 **Safety**

You recognize and agree that although we may provide you training, general advice or guidance regarding the manner in which you, your Event Personnel and other personnel are to conduct themselves in connection with the operation of your Franchised Business, we do not establish, designate or approve, and you are solely responsible for training your personnel with respect to procedures and policies for the safe operation of your Franchised Business and the provision or rendering, performance or distribution of the Products or the Services. You, not us, are solely responsible for training your personnel to conduct sporting and other activities in a manner that does not expose us, you, your personnel or others to risk of danger or prosecution. Any guidance, training or assistance we provide to you is not construed to be a designation or approval of safety techniques.

14.3 **Taxes**

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, payroll, property or other taxes, whether levied upon you or your Franchised Business, in connection with the business you conduct (except any taxes we are required by law to collect from you with respect to purchases from us). Payment of all such taxes is your responsibility.

15. **INDEMNIFICATION**

15.1 **By You**

From and after the Agreement Date, you and your owners, jointly and severally, shall indemnify us and our affiliates and our and their respective officers, directors, stockholders, members, managers, partners, employees, agents, attorneys, contractors, legal predecessors, legal successors, and assigns of each of the forgoing entities/individuals (in their corporate and individual capacities) (collectively, all such individuals and entities are referred to herein as the “**Franchisor Indemnitees**”) and hold Franchisor Indemnitees harmless to the fullest extent permitted by applicable laws, from any and all Losses and Expenses incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party in connection with the selection, development, ownership, operation or closing of the Franchised Business, including your failure to perform any covenant or agreement under this Agreement or any of your activities on or after the Agreement Date, or any claims by any of your employees arising out of or relating to his or her employment with you, and regardless of whether it resulted from any strict or vicarious liability imposed by law on the Franchisor Indemnitees; provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by any of the Franchisor Indemnitees or the gross negligence or willful acts of any of the Franchisor Indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to you). “**Losses and Expenses**” means losses, liabilities, claims, penalties, damages (compensatory, exemplary, and punitive), fines, payments, attorneys’ fees, experts’ fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, assessments, compromises, compensation for damages to Franchisor’s reputation and goodwill, and all other costs associated with any of the foregoing losses and expenses.

Promptly after the receipt by any Franchisor Indemnitee of notice of the commencement of any action against such Franchisor Indemnitee by a third party (such action, a “**Third-Party Claim**”), the Franchisor Indemnitee will, if a claim with respect thereto is to be made for indemnification pursuant to this Section 15.1 give a claim notice to you with respect to such Third-Party Claim. No delay or failure on the part of the Franchisor Indemnitee in so notifying you will limit any liability or obligation for indemnification pursuant to this Section 15.1, except to the extent of any material

prejudice to you with respect to such claim caused by or arising out of such delay or failure. We will have the right to assume control of the defense of such Third-Party Claim, and you and your owners will be responsible for the costs incurred in connection with the defense of such Third-Party Claim. You and your owners will furnish us with such information as you may have with respect to such Third-Party Claim (including copies of any summons, complaint or other pleading which may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and will otherwise cooperate with and assist us in the defense of such Third-Party Claim. The fees and expenses of counsel incurred by us will be considered Losses and Expenses for purposes of this Agreement. We may as we deem necessary and appropriate take such actions to take remedial or corrective action with respect thereof as may be, in our reasonable discretion, necessary for the protection of the Franchisor Indemnitees or i9 Sports® franchises generally. We will not agree to any settlement of, or the entry of any judgment arising from, any Third-Party Claim without the prior written consent of you and your owners, which will not be unreasonably withheld, conditioned or delayed. Any settlement or compromise of any Third-Party Claim must include a written release from liability of such claim for all Franchisor Indemnitees.

This Section 15.1 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

15.2 Contribution

Without limiting any rights or obligations to indemnify and defend, if for any reason the parties are found by a court of competent jurisdiction to be liable or otherwise responsible and that indemnification will not be permitted, you will pay to us an amount equal to 95% of that amount (and we will pay only 5% of that amount). We may pay such apportionment without any waiver of our right to challenge or otherwise appeal any award against us.

15.3 Survival

All indemnification obligations described in this Agreement will continue in full force and effect after the expiration or termination of this Agreement.

15.4 Defense Costs

All indemnification obligations include the reimbursement of attorneys' fees and associated costs of defending against the claims.

16. REPORTS, FINANCIAL STATEMENTS, INSPECTIONS AND AUDITS

16.1 Our Right to Inspect the Franchised Business

To determine whether you are complying with this Agreement and all System Standards, we and our designated agents have the right at any time during your regular business hours, and upon 72 hour prior notice to you, without disrupting your business, to:

- (a) inspect the Franchised Business and any Events it develops, markets or operates;
- (b) observe, photograph and videotape the operations of the Franchised Business and any Events it develops, markets or operates for such consecutive or intermittent periods as we deem necessary;
- (c) remove or otherwise receive or obtain samples of any products, services, materials or supplies for testing, evaluation or analysis;
- (d) interview personnel and Customers of the Franchised Business; and

- (e) inspect and copy any books, records and documents relating to your operation of the Franchised Business.

You agree to cooperate with us fully in connection with any such inspections, observations, photographing, videotaping, product removal, service testing and interviews. You agree to present to your Customers such evaluation forms that we periodically prescribe and to participate and/or request your Customers to participate in any surveys performed by us or on our behalf. You must immediately correct or repair any unsatisfactory conditions we specify.

16.2 **Our Right to Audit**

We have the right at any time during your business hours, and upon 72-hour prior notice to you, and without disrupting your business activities, to inspect and audit, or cause to be inspected and audited, your (if you are a Business Entity (as defined in Section 23)) and the Franchised Business's business, bookkeeping and accounting records, sales and income tax records and returns and other records. You agree to cooperate fully with our representatives and independent accountants we hire to conduct any such inspection or audit. If our inspection or audit is made necessary by your failure to furnish reports, supporting records or other information we require, or to furnish such items on a timely basis, or if the information is not accurate (i.e., your Network Revenues are understated by 2% or more or Royalty Fees or advertising requirements are underpaid by 3% or more), you agree to reimburse us for the cost of such inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees. You also must immediately pay us any shortfall in the amounts you owe us, including late fees and interest as described in Section 4. The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law.

16.3 **Books and Records**

You shall establish and maintain, at your expense, a bookkeeping, accounting, and record keeping system conforming to the requirements prescribed by us from time to time. You shall sign, verify, and furnish the following reports, financial statements, and returns to us in the form prescribed by us.

- (a) Within 30 days after the end of each quarter, a profit and loss statement.
- (b) You must participate in the financial benchmarking that we have implemented and within the timeframes that we stipulate, including submitting any related records upon our reasonable request.
- (c) Within 60 days after the end of the fiscal year a profit and loss statement, balance sheet, and cash flow statement for the immediately preceding fiscal year reflecting all year-end adjustments.

16.4 **Risk Management Investigations**

If we become aware of any risk management incidents relating to the operation of the Franchised Business (including any allegations of physical, emotional, or sexual abuse involving any Customers or Event Personnel), we shall have the right to investigate all such incidents and you agree to cooperate fully with us and any representatives we hire to conduct such investigations. You agree to reimburse us for the costs of such investigations, including without limitation, all travel expenses, room and board and compensation of our employees, as well as all costs of representatives hired to conduct such investigations. In addition, you agree to reimburse us for all expenses which we may incur to mitigate the results of our investigation, including the expenses incurred by public relations firms, attorneys or

any other third parties we retain which we deem necessary to protect the System and the i9 Sports® brand.

17. TRANSFER

17.1 By Us

This Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interests.

17.2 By You

You understand and acknowledge that the rights and duties created by this Agreement are personal to you (or, if you are a Business Entity, to your owners) and that we have granted the Franchised Business to you in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, neither this Agreement (nor any interest in it) nor any ownership or other interest in you or the Franchised Business may be transferred without our prior written approval. Any transfer without such approval constitutes a breach of this Agreement and is void and of no effect. As used in this Agreement, the term “**transfer**” includes your (or your owners') voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) this Agreement; (b) you; or (c) the Franchised Business.

An assignment, sale, gift or other disposition includes the following events:

- (a) transfer of ownership of 25% of the capital stock, membership interest or a partnership interest;
- (b) merger or consolidation or issuance of additional securities or interests representing an ownership interest in you;
- (c) any issuance or sale of your stock or any security convertible to your stock;
- (d) transfer of an interest in you, this Agreement or the Franchised Business in a divorce, insolvency or corporate or partnership dissolution proceeding or otherwise by operation of law;
- (e) transfer of an interest in you, this Agreement or the Franchised Business, in the event of your death or the death of one of your owners, by will, declaration of or transfer in trust or under the laws of intestate succession; or
- (f) pledge of this Agreement (to someone other than us) or of an ownership interest in you as security, foreclosure upon the Franchised Business or your transfer, surrender or loss of possession, control or management of the Franchised Business.

17.3 Conditions for Approval of Transfer

If you (and your owners) are in full compliance with this Agreement, then subject to the other provisions of this Section, we will approve a transfer that meets all the applicable requirements of this Section. The proposed transferee and its direct and indirect owners must be individuals of good character and otherwise meet our then applicable standards for i9 Sports® Franchise owners. A transfer of ownership, possession or control of the Franchised Business may be made only in conjunction with a transfer of this Agreement. If the transfer is of this Agreement or a controlling interest in you, or is one of a series of transfers which in the aggregate constitute the transfer of this Agreement or a controlling interest in you, all of the following conditions must be met prior to or concurrently with the effective date of the transfer:

- (a) you received written approval from us of all advertising and promotional materials in connection with the franchise for sale opportunity prior to your use of such materials, if not prepared or previously approved by us;
- (b) the transferee has sufficient business experience, aptitude and financial resources to operate the Franchised Business;
- (c) you have paid all amounts owed for purchases from us and all other amounts owed to us or to third-party creditors and have submitted all required reports and statements;
- (d) the transferee (or its owners) have agreed to complete our standard training program, at their expense;
- (e) the transferee has agreed to be bound by all of the terms and conditions of this Agreement;
- (f) the transferee has entered into our then-current form of area developer agreement for a new term as set forth in such area developer agreement and requiring no initial franchise fee;
- (g) the transferee agrees to upgrade the Franchised Business to conform to our then-current System Standards and other standards and specifications including, but not limited to, territory size and make-up;
- (h) prior to the date the parties close on the contemplated assignment/transfer at issue, you or the transferee pay us a transfer fee in the amount of the greater of: (a) 50% of the then-current Franchise fee; or (b) \$12,450 for each Franchised Business being transferred to defray expenses we incur in connection with the transfer, including the costs of technology licensing, software/website configuration, administrative costs, and training the transferee (or its owners) and other personnel. You and/or transferee must also pay any and all broker fees associated with the proposed assignment as a condition to our approval;
- (i) you (and your transferring owners) have signed a general release, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees and agents;
- (j) we have approved the material terms and conditions of such transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the Franchised Business;
- (k) if you or your owners finance any part of the sale price of the transferred interest, you and/or your owners have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests that you or your owners have reserved in the Franchised Business are subordinate to the transferee's obligation to pay Royalty Fees, National Brand Fund Contributions and other amounts due to us and otherwise to comply with this Agreement;
- (l) you and your transferring owners (and your and your owners' spouses) have signed a non-competition covenant in favor of us and the transferee agreeing to be bound, commencing on the effective date of the transfer, by the restrictions contained in this Agreement;
- (m) you and your transferring owners have agreed that you and they will not directly or indirectly at any time or in any manner (except with respect to other i9 Sports® Franchises you own and

operate) identify yourself or themselves or any business as a current or former licensee or area developer of ours, use any Mark, any colorable imitation of a Mark or Copyright, or other indicia of an i9 Sports® Franchise in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us; and

- (n) you and your transferring owners have agreed that you will provide guidance and support related to existing Customers, venues, officials, personnel, marketing, and compliance of System Standards at the discretion of the transferee for a period amounting to the longer of (i) 60 days from the date of the transfer, or (ii) the first three weeks of first season operated by transferee.

17.4 **Transfer to a Business Entity**

If you are in full compliance with this Agreement, you may transfer this Agreement to a Business Entity that conducts no business other than the i9 Sports® Franchise and, if applicable, other i9 Sports® Franchises so long as you own, control and have the right to vote 51% or more of the Business Entity's issued and outstanding ownership interests (like stock, membership interests or partnership interests) and you guarantee its performance under this Agreement. All other owners are subject to our approval. The organizational or governing documents of the Business Entity must recite that the issuance and transfer of any ownership interests in the Business Entity are restricted by the terms of this Agreement, are subject to our approval, and all certificates or other documents representing ownership interests in the Business Entity must bear a legend referring to the restrictions of this Agreement. As a condition of our approval of the issuance or transfer of ownership interests to any person other than you, we may require (in addition to the other requirements we have the right to impose) that the proposed owner sign an agreement, in a form provided or approved by us, agreeing to be bound jointly and severally by, to comply with, and to guarantee the performance of, all of your obligations under this Agreement. We will not charge you a transfer fee if you transfer your Franchised Business to an existing co-owner, spouse, or direct descendant.

17.5 **Transfer Upon Death or Disability**

Upon your death or disability or, if you are a Business Entity, the death or disability of the owner of a controlling interest in you, we may require you (or such owner's executor, administrator, conservator, guardian or other personal representative) to transfer your interest in this Agreement (or such owner's interest in you) to a third party. Such disposition (including, without limitation, transfer by bequest or inheritance) must be completed within the time we designate, not less than one month but not more than six (6) months from the date of death or disability. Such disposition will be subject to all of the terms and conditions applicable to transfers contained in this Section. A failure to transfer your interest in this Agreement or the ownership interest in you within this period of time constitutes a breach of this Agreement. For purposes of this Agreement, the term "**disability**" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an owner of a controlling interest in you from managing and operating the Franchised Business.

17.6 **Operation Upon Death or Disability**

If, upon your death or disability or the death or disability of the owner of a controlling interest in you, the Franchised Business is not being managed by a Key Manager, your or such owner's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed fifteen (15) days from the date of death or disability, appoint a manager to operate the Franchised Business. Such manager will be required to complete training at your expense. Pending the appointment of a manager as provided above or if, in our judgment, the Franchised Business is not being managed properly any time after your death or disability or after the death or disability of the owner of a controlling interest in you, we have the right, but not the obligation, to appoint a manager

for the Franchised Business. All funds from the operation of the Franchised Business during the management by our appointed manager will be kept in a separate account, and all expenses of the Franchised Business, including compensation, other costs and travel and living expenses of our manager, will be charged to this account. We also have the right to charge a reasonable management fee (in addition to the Royalty Fees, monies retained by us for online retail Product sales and National Brand Fund Contributions payable under this Agreement) during the period that our appointed manager manages the Franchised Business. Operation of the Franchised Business during any such period will be on your behalf, provided that we only have a duty to utilize our best efforts and will not be liable to you or your owners for any debts, losses or obligations incurred by the Franchised Business or to any of your creditors for any products, materials, supplies or services the Franchised Business purchases during any period it is managed by our appointed manager.

17.7 Effect of Consent to Transfer

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

17.8 Our Right of First Refusal

If you (or any of your owners) at any time determine to sell, assign or transfer for consideration an interest in this Agreement and the Franchised Business or an ownership interest in you, you (or such owner) agree to obtain a bona fide, executed written offer and earnest money deposit (in the amount of 5% or more of the offering price) from a responsible and fully disclosed offeror (including lists of the owners of record and all beneficial owners of any corporate or limited liability company offeror and all general and limited partners of any partnership offeror and, in the case of a publicly held corporation or limited partnership, copies of the most current annual and quarterly reports and Form 10K) and within five days of receipt submit to us a true and complete copy of such offer, which includes details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be denominated in a dollar amount. The offer must apply only to an interest in you or in this Agreement and the Franchised Business and may not include an offer to purchase any of your (or your owners') other property or rights. However, if the offeror proposes to buy any other property or rights from you (or your owners) under a separate, contemporaneous offer, such separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your owners) for the interest in you or in this Agreement and the Franchised Business must reflect the bona fide price offered and not reflect any value for any other property or rights.

We have the right, exercisable by written notice delivered to you or your selling owner(s) within 30 days from the date of the delivery to us of both an exact copy of such offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that:

- (a) we may substitute cash for any form of payment proposed in such offer (with a discounted amount if an interest rate will be charged on any deferred payments);
- (b) our credit will be deemed equal to the credit of any proposed purchaser;
- (c) we will have not less than 30 days after giving notice of our election to purchase to prepare for closing; and

- (d) we are entitled to receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to:
 - (i) ownership and condition of and title to stock or other forms of ownership interest and/or assets;
 - (ii) liens and encumbrances relating to the stock or other ownership interest and/or assets; and
 - (iii) validity of contracts and the liabilities, contingent or otherwise, of the corporation whose stock is being purchased.

If we exercise our right of first refusal, you and your selling owner(s) agree that, for a period of two years commencing on the date of the closing, you and they will be bound by the non-competition covenant contained this Agreement. You and your selling owner(s) further agree that you and they will, during this same time period, abide by the restrictions of this Agreement.

If we do not exercise our right of first refusal, you or your owners may complete the sale to such purchaser pursuant to and on the exact terms of such offer, subject to our approval of the transfer, provided that, if the sale to such purchaser is not completed within 120 days after delivery of such offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the 30-day period following either the expiration of such 120-day period or notice to us of the material change(s) in the terms of the sale, either on the terms originally offered or the modified terms, at our option. You also agree that, for a period of two years commencing on the date of the closing, you and your selling owner(s) will be bound by the non-competition covenant contained this Agreement. You and your selling owner(s) further agree that you and they will, during this same time period, abide by the restrictions of this Agreement.

18. RESTRICTIVE COVENANTS

18.1 Confidential Information

During the Term, we will give you, and you will have access to, a variety of information concerning us and our business including: the Manual; System Standards; Services; methods for operating, managing, developing or coordinating Events; Product or Service sales, marketing, distribution, performance, provision or rendering methods, techniques, equipment or supplies; Customer Liaison recruitment, training, coordination, recruiting, marketing or compensation methods; Event registration and sports statistics tracking and reporting methods, and techniques; Customer lists; referral sources; billing and collection methods; financial information; makeup and functions of the Software, Computer System or Billing System; other information about us and information about our Approved Suppliers; strategic partners, business plans, employees, and independent contractors (collectively, the “**Confidential Information**”). You acknowledge that we have expended and continue to expend great amounts of time, money and effort in devising and processing the Confidential Information. We consider the Confidential Information confidential and our trade secrets, where applicable.

18.2 Restrictions On Use

You will use your best efforts and diligence both during and after your engagement by us to protect the Confidential Information and our Customer goodwill. You will not, directly or indirectly, use

(for yourself or others) or disclose any of the Confidential Information for so long as it remains proprietary or protectable as confidential or trade secret information, except as may be necessary for the performance of your duties on our behalf.

18.3 **Notices**

If you or anyone to whom you transmit the Confidential Information becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoenas, civil investigative demands or similar process) to disclose any Confidential Information, you must immediately notify us in writing so that we may seek a protective order or other remedy. In any event, you will furnish only that portion of the Confidential Information which is legally required and exercise your best efforts to obtain reliable assurance that confidential treatment will be accorded to the Confidential Information.

18.4 **Return**

Upon termination, expiration or non-renewal, or any other time at our request, you must promptly deliver to us any and all documents or other materials (including information embodied in intangible form, e.g., in computer memory) in your possession or control relating, directly or indirectly, to any Confidential Information and all copies of it without retaining any copies, duplicates, extracts or portions of it.

18.5 **Competitive Activities**

You acknowledge our legitimate business interest in the Confidential Information, and customer goodwill associated with our Services. Accordingly, during the Term, and for a period of two years following its expiration or termination for any reason, unless we otherwise permit in writing, you and your guarantors must not, directly or indirectly (whether as owner, partner, associate, agent, consultant, employee, stockholder, officer or otherwise of another or on your own account), do any of the following:

(a) Participate in the development of, or engage in, or market, sell, distribute, render, provide, perform or sell the Products or the Services or similar products or services, or contribute your knowledge to any work or activity that relates to or involves any of the Confidential Information or is in any way engaged in the operation, licensing, franchising or consulting with any business offering, developing, marketing, organizing, providing, promoting, coordinating or selling amateur, youth or corporate sports leagues, tournaments, sporting related camps, umpire training, sporting clinics, sport related training programs, sport or social activities, or participation in them, and related services or products, like uniforms, T-shirts, jackets, shorts, hats, caps, visors, sporting equipment, trophies, beverages and food (a “**Competitive Business**”): (i) within the Network Area; (ii) within any geographic territory that we have assigned to any one of our or other i9 Sports® Franchises or in which we directly operate, market or sell; (iii) via the Internet or other form of e-commerce, wherever located; or (iv) within forty (40) miles of any Network Area in existence or under development during the Term or as of the date of termination of this Agreement.

(b) Interfere with our business relationships or with anyone or any entity with which we have a business relationship.

18.6 **Injunction**

Due to our interest in the Confidential Information and Customer goodwill, you agree that damages cannot fully compensate us if you breach this Agreement. Thus, if you breach this Agreement, we are entitled to an injunction restraining you from any further breach. We may obtain the injunction without bond and without notice. Your only remedy if such an injunction is issued is its dissolution,

if warranted, upon an appropriate hearing. You waive any claims for damages as a result of the obtaining of any such injunction.

18.7 Extension of Time Period

The time period during which you are to refrain from the activities described in this Section, will be extended by any length of time during which you are in breach of this Agreement. This Agreement will continue through the duration of the extended time periods.

18.8 Suspension of Compensation

We will not be required to pay you any commissions due you during any period of time in which you are in breach of this Section of this Agreement. Upon such a breach, you forfeit payment of all commissions then due as a setoff against our damages until the amount has been otherwise determined in judicial proceedings. This setoff does not constitute liquidated damages.

19. TERMINATION AND DEFAULT

19.1 Events of Default

Any one or more of the following constitutes an “**Event of Default**” under this Agreement:

- (a) you or any of your owners: (i) are convicted by a trial court of, plead no contest to, or enter into a consent decree in connection with any violation of the rules of the Securities and Exchange Commission or NASDAQ, franchise laws, state securities laws, or any felony or other crime or offense that we believe is likely to have an Adverse Effect; or (ii) engage in, or are alleged to have engaged in, any activities that, in our reasonable opinion, are reasonably likely to have an Adverse Effect (including, but not limited to, sexual misconduct, stalking, child abuse or other mistreatment, health or safety hazards, drug or alcohol problems, or allowing unlawful activities or unauthorized or illegal items to be used or distributed in connection with the Franchised Business).
- (b) you or any of your owners make any unauthorized or non-compliant direct or indirect assignment or transfer of this Agreement or an interest in the Franchised Business or your entity; or
- (c) you or any of your owners make any unauthorized use, duplication, or disclosure of any Confidential Information (including any portion of the Manual) or violate any nondisclosure or noncompete provisions; or
- (d) you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within 30 days; if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable; or if you, your affiliates, or

your owners default under any loan agreement, security interest, or otherwise with us, our affiliates, and/or any third party that is related to or may impact the Franchised Business; or

- (e) you or any of your owners (and/or any of your affiliate and/or any affiliate's owner) make any knowing misrepresentation or omission to us or any affiliate, including, but not limited to, any misrepresentation of gross revenue and/or any amounts due us and/or any affiliate and/or commits any other act or omission constituting fraud, misrepresentation or similar act or omission, whether with respect to us, any related entities and/or any third party (you agree that any fraud, misrepresentation or similar act or omission by you, etc. is by its nature incurable, since it would have an Adverse Effect and/or irrevocably damage the relationship between you and us); or
- (f) you fail to commence operations of the Franchised Business within the time prescribed in Section 2.6 of this Agreement; or
- (g) any of your Required Trainees fail to successfully complete the initial training program; or
- (h) you or any of your owners abandon or fail to operate the Franchised Business for five consecutive days during which you are required to operate the business under the terms of this Agreement, or any shorter period after which it is not unreasonable under the facts and circumstances for us to conclude that you do not intend to continue to operate the business (recognizing that your failure to conduct all scheduled events on any day of a season shall be deemed to be evidence of an immediate abandonment of the Franchised Business), unless such failure to operate is due to fire, flood, earthquake, weather events, or similar causes beyond your control; or
- (i) you fail to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business and do not cure such failure within 10 days after receipt of notification of such non-compliance from us or a third party, except there will not be an opportunity to cure if we determine, in our reasonable discretion, that a threat or danger to public health or safety results from the continued operation of the Franchised Business or from your breach or failure to comply with such applicable laws or regulations;
- (j) you or your owners fail to comply with all Anti-Terrorism Laws (defined below) or your or any of your owners' assets, property, or interests are blocked under any Anti-Terrorism Laws; or
- (k) there are five or more customer complaints with respect to your Franchised Business in any 12-month period, whether or not resolved; or
- (l) you have failed to retain (or otherwise failed to produce on request) any records required to be maintained by our record retention policy or otherwise are required for us to confirm your compliance with the provisions of this or any other agreement; or
- (m) you fail, in our sole discretion, to personally supervise day-to-day operation of the Franchised Business or fail to employ a sufficient number of qualified, competent personnel as required from time to time and do not cure the failure within 30 days after receiving notice from us; or
- (n) you or your owners make any unauthorized use of the Marks; or

- (o) you offer any unauthorized and unapproved products or services at or from the Franchised Business; or
- (p) you order or purchase supplies, signs, furnishings, fixtures, equipment or inventory from an unapproved supplier or which we have not approved; or
- (q) you misuse or make unauthorized use of our or our affiliate's proprietary or approved software, if any, or any app, web page, intranet, or extranet system provided for use in connection with the operation of the Franchised Business; or
- (r) you fail to maintain insurance or to repay us for insurance we pay on your behalf or otherwise fail to adhere to the requirements of Section 11.8; or
- (s) you fail to remain current in your obligations to taxing authorities, suppliers or others; or
- (t) you take for your own personal use any assets or property of the Franchised Business, including employee taxes, FICA, insurance or benefits; or
- (u) (i) within 10 days after receiving written notice of your nonpayment or 30 days after due date of the payment, whichever is the shorter period, you fail, refuse, or neglect to pay any monies owing to us, our affiliates, and/or any supplier/creditor of ours or fail to make sufficient funds available to us as provided in this Agreement; (ii) there are insufficient funds in your bank account to cover a check or EFT payment to us three or more times within any 12-month period or you fail to make a payment when due three or more times within any 12-month period; (iii) you fail to report accurately the Net Revenues of the Franchised Business by more than 2% two times or more within any 24-month period or by 5% or more in any period; (iv) you fail to submit, in fully accurate and complete form and when required, any report due under this Agreement and do not cure such default within 30 days after receiving notice of such failure; or
- (v) you fail to respond to our communication efforts (either a phone call, e-mail, or mailed correspondence) within 24 hours and, after we send you a notice of default related to such failure, you fail to communicate with us within 24 hours of our delivery of such notice; or
- (w) you fail to comply with the screening and background check provisions of Section 11.12(c) or fail to implement and enforce a risk management policy in accordance with Section 11.12(d); or
- (x) you, your owners, or your affiliates default under any other agreements between any of them, on one hand, and us, our affiliates, and/or our approved vendors, on the other hand, provided that the default would permit the other party to terminate such agreement, regardless of whether such other party terminates such agreement; or
- (y) you, your owners, or your affiliates fail to comply with any other provision of this Agreement, or any other agreement with us and/or any affiliate of ours, or any specification, standard or operating procedure or rule prescribed by us (including reporting requirements); and, in any such case, do not: (i) correct such failure within 30 calendar days after written notice of such failure to comply is sent to you; or (ii) if, in our reasonable judgment, such failure cannot reasonably be corrected within such 30-day period, undertake within 30 calendar days after such written notice is sent to you, and diligently continue until completion, efforts to bring the Franchised Business into full compliance and furnish, at our request, proof acceptable to us of

such efforts and the date full compliance will be achieved; provided that, in any event, such defaults must be fully cured within 90 calendar days after such written notice is sent to you; or

- (z) you or your owners have (i) defaulted, on two or more separate occasions within any period of 12 consecutive months, or on three or more separate occasions within any period of 24 consecutive months, in any obligation(s) (whether the same or different) under this Agreement, whether or not such defaults are timely corrected; or (ii) have committed any material default under this Agreement, which is, in our reasonable discretion, incurable.

19.2 **Remedies After an Event of Default**

- (a) **Right to Terminate.** If an Event of Default occurs, we may, at our sole election and without notice or demand of any kind, declare this Agreement and any and all other rights granted under this Agreement to be immediately terminated and, except as otherwise provided herein, of no further force or effect. Upon expiration or termination of this Agreement, you will not be relieved of any of your obligations, debts, or liabilities under this Agreement, including without limitation any debts, obligations, or liabilities that you accrued prior to such expiration or termination.
- (b) **Other Remedies.** If an Event of Default occurs, we may, at our sole election and upon delivery of written notice to you, take any or all of the following actions without terminating this Agreement:
 - (i) temporarily or permanently reduce the size of the Network Area, in which event the restrictions on us and our affiliates under Section 3.1 will not apply in the geographic area that was removed from the Network Area;
 - (ii) temporarily or permanently eliminate any exclusive territorial rights you may have in the Network Area, in which event the restrictions on us and our affiliates under Section 3.1 will not apply in the Network Area;
 - (iii) suspend your right to participate in one or more programs or benefits that we provide, including the registration system, access to the Software, the Billing System, or programs funded through the Brand Fund;
 - (iv) remove or de-elevate from our website or registration system the Services or Products that you intend to offer through your Franchised Business;
 - (v) temporarily suspend your right to offer the Services or Products for one or more seasons and refund, on your behalf, any monies collected from customers for such Services or Products or provide, at your expense, Customer credits for Services or Products. You must reimburse us upon demand for all refunds (including refunds of unused Customer credits) and Customer credits that we process;
 - (vi) direct customer calls to your or your owners' personal cell phone numbers or e-mail addresses;
 - (vii) suspend our or our affiliates' performance of, or compliance with, any of our or our affiliates' obligations to you under this Agreement or any other agreement;

- (viii) suspend or terminate any temporary or permanent fee reductions or rights of first refusal to which we might have agreed (whether as a policy, in an amendment to this Agreement, or otherwise);
 - (ix) undertake or perform on your behalf any obligation or duty that you are required to, but fail to, perform under this Agreement. You must reimburse us upon demand for all costs and expenses that we reasonably incur in performing any such obligation or duty; and/or
 - (x) exercise the step-in rights specified in Section 19.4.
- (c) Exercise of Other Remedies. Our exercise of our rights under Section 19.2(b) will not (i) be a defense for you to our enforcement of any other provision of this Agreement or waive or release you from any of your other obligations under this Agreement, (ii) constitute an actual or constructive termination of this Agreement, or (iii) be our sole or exclusive remedy for your default. You must continue to pay all fees and otherwise comply with all of your obligations under this Agreement following our exercise of any of these rights. If we exercise any of our rights under Section 19.2(b), we may thereafter terminate this Agreement without providing you with any additional corrective or cure period, unless the default giving rise to our right to terminate this Agreement has been cured to our reasonable satisfaction.

19.3 Cross Defaults

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any affiliate of ours) and you (or any of your affiliate).

19.4 Step-in Rights

If we determine in our sole judgment that the operation of your business is in jeopardy, or an Event of Default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the franchise system and thereby lessen its value, you authorize us to operate your business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your business; or we determine that operational problems require that we operate your business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the business and reduce the chances of an Adverse Effect.

We shall keep in a separate account all monies generated by the operation of your business, less the expenses of the business. We may charge you (in addition to the amounts due under this Agreement) a management fee equal \$500 per day during the period of management, plus any direct out-of-pocket costs and expenses that we incur (including the wages, travel and living expenses of our representatives). In the event of the exercise of these step-in rights by us, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of these step-in rights.

19.5 **Obligations Upon Termination**

Upon any expiration or termination of this Agreement for any reason, you must, at your cost and expense:

- (a) immediately cease to use any of the Confidential Information, the Copyrights and the Marks;
- (b) immediately return to us all of your copies of any materials containing any of the Confidential Information or any materials bearing the Copyrights or the Marks;
- (c) cooperate in assigning to us any and all vendor agreements or sales or service contracts for the Products or the Services with Customers of your Franchised Business, which will be automatic at our option as a result of the termination or expiration;
- (d) immediately cease all use of our Marks and Copyrights, including any of our marketing materials, brochures, and/or social media accounts, and stop holding yourself out to the public as associated with us in any way;
- (e) immediately terminate your access to the e-commerce activities we designate and assign to us all telephone numbers, e-name and directory listings associated in any way with the Franchised Business, our trade name, Marks or Copyrights, and/or any social media or social networking sites associated with your i9 Sports Franchise, and direct the appropriate service provider to transfer all such numbers and listings to us or our designee pursuant to the Assignment of Telephone Numbers and Listings attached hereto as Exhibit "D" or, if we direct, to disconnect the numbers;
- (f) immediately pay us all unpaid fees and pay us, our affiliates, and our approved and designated suppliers and vendors, all other monies owed, including, but not limited to, all applicable Customer refunds (including refunds of unused Customer credits) and issued Customer credits;
- (g) comply with the post-termination covenants set forth in Section 18 and otherwise in this Agreement, all of which will survive the transfer, termination or expiration of this Agreement; and
- (h) at our option, assign us any and all existing Venue contracts that we designate pursuant to the form of Conditional Assignment of Venue Contracts attached hereto as Exhibit "G", which you must sign contemporaneously with this Agreement.

19.6 **Liquidated Damages**

Upon early termination of this Agreement for any reason (including for cause or by mutual agreement) prior to the expiration of the then-current Term, you agree to pay to us within 15 days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly Royalty Fees you paid during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower.

The parties acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this

Agreement's remaining term. The parties hereto consider these liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

19.7 Survival

All obligations under this Agreement (whether yours or ours) which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect after and notwithstanding the expiration or termination of this Agreement until such provisions are satisfied in full or by their nature expire.

20. NOTICE

All written notices and reports permitted or required under this Agreement or by the Manual will be deemed delivered:

- (a) at the time delivered by hand; or
- (b) one business day after transmission by e-mail; or
- (c) upon attempted delivery when sent by registered or certified mail or overnight delivery service.

All such notices must be addressed to the parties as follows:

To: i9 Sports, LLC
Attn: Matt Kurowski, President
9410 Camden Field Parkway
Riverview, FL 33578
Tel.: (813) 324-2000
Email: matt.kurowski@i9sports.com

To: _____

Tel.: _____
Email: _____

Either you or we may change the address for delivery of all notices and reports and any such notice will be effective within 10 business days of any change in address. Any required payment or report not actually received by us during regular business hours on the date due (or postmarked by postal authorities at least two days prior to such date, or in which the receipt from the commercial courier service is not dated prior to two days prior to such date) will be deemed delinquent.

21. NO GUARANTIES

The following disclaimers and acknowledgements apply to all franchisees and i9 Sports® Franchises, except those that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

We disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, sales, profits or success of sports and recreational related businesses generally, the business venture contemplated by this Agreement or the extent to which we will continue to develop and expand the network of i9 Sports® Franchises. You acknowledge that:

- (a) any statements regarding the potential or probable revenues, sales or profits of the business venture are made solely in the Disclosure Document delivered to you prior to signing this Agreement;
- (b) any statement regarding the potential or probable revenues, sales or profits of the business venture or statistical information regarding any existing i9 Sports® Franchises that is not contained in our Disclosure Document is unauthorized, unwarranted and unreliable and should be reported to us immediately;
- (c) any information you obtained from our franchise associates relating to revenues, sales, profits or otherwise does not constitute information obtained from us and we do not warrant or guaranty the accuracy of any such information; and
- (d) you have not received or relied on any representations about the i9 Sports® Franchise made by us, or our officers, directors, employees or agents that are contrary to the statements made in our Disclosure Document or to the terms of this Agreement.

22. REPRESENTATIONS

To induce us to enter into this Agreement with you, you represent and warrant that:

- (a) in all of your dealings with us, our officers, directors, employees and agents act only in a representative capacity or agency capacity for an i9 Sports® Franchise and not in an individual capacity;
- (b) this Agreement, and all business dealings between you and such individuals as a result of this Agreement, are solely between you and us;
- (c) you have made no misrepresentations in obtaining the Franchised Business; and
- (d) you understand that we do not grant a Franchise to you and this Agreement is not effective until we sign this Agreement (and all associated agreements between you and us or our affiliates).

23. BUSINESS ORGANIZATION

If you are (at any time) a Business Entity, you agree and represent that:

- (a) You have the authority to execute, deliver and perform your obligations under this Agreement and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;
- (b) Your organizational or governing documents will recite that the issuance and transfer of any ownership interests in you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;
- (c) You will completely and accurately describe all of your owners and their interests in you in the Owners' Statement in Exhibit "B";
- (d) You and your owners agree to revise the Owners' Statement as may be necessary to reflect any ownership changes and to furnish such other information about your organization or formation as we may request;
- (e) Each of your owners that are active in the Franchised Business at any time during the Term of this Agreement, and their spouses, will sign and deliver to us our standard form of Personal Guaranty (a copy of which is attached to this Agreement as Exhibit "A"), undertaking to be bound jointly and severally by all provisions of this Agreement and any other agreements between you and us; and
- (f) At our request, you will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of your owners and your agents (like articles of incorporation or organization and partnership, operating or shareholder agreements).

24. DISPUTE RESOLUTION

24.1 Governing Law

Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 and the sections following it) or other federal law, this Agreement and the franchise are governed by Florida law, excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee associate, unless the jurisdictional requirements of such laws are met independently without reference to this Section.

24.2 Internal Dispute Resolution

You must first bring any claim or dispute between you and us to our President and/or Chief Executive Officer, after providing notice as set forth in Section 20 above. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

24.3 Mediation

At our option, all claims or disputes between you and us or our affiliates arising out of, or in any way relating to, this Agreement or any other agreement by and between you and us or our affiliates, or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure set forth in Section 24.2 above, must be submitted first to mediation, in Hillsborough County, Florida under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. We will have a period of 30 days following receipt of such notice

within which to notify you as to whether we or our affiliates elect to exercise its option to submit such claim or dispute to mediation. You may not commence any action against us or our affiliates with respect to any such claim or dispute in any court unless we fail to exercise our option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by us. Our rights to mediation, as set forth herein, may be specifically enforced by us. Each party will bear its own cost of mediation and we and you will share mediation costs equally. This agreement to mediate will survive any termination or expiration of this Agreement.

- (a) The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 24.3 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):
 - (i) Any federally protected intellectual property rights in the Marks, the System, or in any Confidential Information;
 - (ii) Any claims pertaining to or arising out of any warranty issue; or
 - (iii) Any of the restrictive covenants contained in this Agreement.

24.4 **Jurisdiction and Venue**

The parties hereby agree to the jurisdiction and venue of any court of competent jurisdiction in Hillsborough County, Florida and the jurisdiction and venue of the United States District Court for the Middle District of Florida. You acknowledge that this Agreement has been entered into in the State of Florida, and that you are to receive valuable and continuing services emanating from our headquarters in Hillsborough County, Florida, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, you hereby irrevocably consent to the personal jurisdiction of the state and federal courts of Florida as set forth above.

24.5 **Third-Party Beneficiaries**

Our officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of the provisions of this Agreement, including the mediation provision set forth in this Section 24, each having authority to specifically enforce the right to mediate/litigate claims asserted against such person(s) by you.

24.6 **Prior Notice of Claims**

As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, you must notify us within 30 days after the occurrence of the violation or breach, and failure to timely give such notice will preclude any claim for damages.

24.7 **No Right to Offset**

You will not withhold all or any part of any payment to us or any of our affiliates on the grounds of our alleged nonperformance or as an offset against any amount we or any of our affiliates allegedly may owe you under this Agreement or any related agreements.

24.8 **Cumulative Remedies**

The remedies available to any party if the other party breaches this Agreement are cumulative. The exercise of any remedy will not limit any other remedies that may be available. Both parties will also be entitled to any and all remedies available under applicable law.

24.9 **Limitation of Liability**

Neither of the parties will be liable for loss or damage or deemed to be in breach of this Agreement if failure to perform obligations results from:

- (a) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state or municipal government or any department or agency thereof;
- (b) acts of God;
- (c) acts or omissions of a similar event or cause; or
- (d) any such delay as may be reasonable.

However, such delays or events do not excuse payments of amounts owed at any time.

24.10 **Waiver of Punitive Damages**

WITHOUT LIMITING YOUR OBLIGATIONS TO INDEMNIFY US PURSUANT TO SECTIONS 4, 11, 12, 15 and 16 OF THIS AGREEMENT, YOU AND WE EACH WAIVE TO THE FULL EXTENT PERMITTED BY LAW ANY RIGHT TO, OR CLAIM FOR, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER. YOU AND WE ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

24.11 **Limitations of Claims**

ANY AND ALL CLAIMS ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP AMONG YOU AND US MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN 1 YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM (REGARDLESS OF WHEN IT BECOMES KNOWN); EXCEPT FOR CLAIMS ARISING FROM: (A) CLAIMS FOR INDEMNIFICATION; AND/OR (B) UNAUTHORIZED USE OF THE MARKS OR CONFIDENTIAL INFORMATION. HOWEVER, THIS PROVISION DOES NOT LIMIT THE RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

24.12 **Waiver of Jury Trial**

YOU AND WE EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER YOU OR US.

24.13 **Litigation Expenses**

In any action or dispute, at law or in equity, that may arise under or otherwise relate to the terms of this Agreement, the prevailing party will be entitled to full reimbursement of its litigation expenses from the other party. Litigation expenses include reasonable attorneys' fees, defense costs, witness fees and other related expenses including paralegal fees, travel and lodging expenses and court costs. Reimbursement is due within 30 days of written notice after prevailing.

25. MISCELLANEOUS

25.1 Approval and Consents

Whenever this Agreement requires our advance approval, agreement or consent, you agree to make a timely written request for it. Our approval or consent will not be valid unless it is in writing. Except where expressly stated otherwise in this Agreement, we have the absolute right to make decisions on our part with or without cause and to refuse any request by you or to withhold our approval of any action or omission by you. If we provide to you any waiver, approval, consent, or suggestion, or if we neglect or delay our response or deny any request for any of those, we will not be deemed to have made any warranties or guarantees which you may rely on, and will not assume any liability or obligation to you.

25.2 Severability

If any of the provisions of this Agreement are held invalid for any reason, the remainder will not be affected and will remain in full force and effect in accordance with its terms.

25.3 Waivers

Waiver of any provision of this Agreement will not be valid unless in writing and signed by the person against whom it is sought to be enforced. The failure by either party to insist upon strict performance of any provision will not be construed as a waiver or relinquishment of the right to insist upon strict performance of the same provision at any other time, or any other provision of this Agreement.

25.4 Entire Agreement

This Agreement, including any amendments, addenda, and the Disclosure Document compose the entire Agreement between the parties relating to its subject matter, and supersedes all prior agreements, proposals, representations and commitments, oral or otherwise; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. This Agreement may only be amended by an instrument signed by the authorized representatives of both parties.

25.5 Background Information

Both parties agree that the background information at the beginning of this Agreement is accurate.

25.6 Construction

The headings of sections are for convenience only and do not define, limit or construe the contents of such sections. In computing periods from a specified date to a later specified date, the words “**from**” and “**commencing on**” or “**beginning on**” (and the like) mean “**from and including**” and the words “**to**,” “**until**” and “**ending on**” (and the like) mean “**to but excluding**.” “**Including**” means “**including, but not limited to**.” “**A or B**” means A or B or both.

25.7 Continuing Obligations

All obligations of the parties which expressly or by their nature survive the expiration or termination of this Agreement continue in full force and effect subsequent to and regardless of the expiration or termination of this Agreement and until they are satisfied or by their nature expire.

25.8 Counterparts

The parties may sign this Agreement in counterparts. Each signed counterpart will be an original; and all of them constitute one and the same Agreement.

25.9 **Pronouns**

All words used in this Agreement, regardless of the number or gender in which they are used, will be construed to include any other number, singular or plural, in any other gender, masculine, feminine or neuter, as the context of this Agreement may require.

25.10 **Timing**

Time is of the essence of this Agreement. However, whenever the time for the performance of any action or condition contained in this Agreement falls on a Saturday, Sunday or legal holiday, such time will be extended to the next business date. Indications of time of day mean time at Tampa, Florida.

25.11 **Operation in the Event of Absence or Disability**

In order to prevent any interruption of the business operations which would cause harm to the business, thereby depreciating the value thereof, you authorize us, and we may, at our option, in the event that you are absent for any reason or is incapacitated by reason of illness and is unable, in our sole and reasonable judgment, to operate the business, operate the business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the business during such period of operation by us shall be kept in a separate account, and the expenses of the business, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

25.12 **Compliance with Anti-Terrorism Laws**

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. “**Anti-Terrorism Laws**” mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners’ assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

25.13 **No Recourse**

You acknowledge and agree that except as provided under an express statutory liability for such conduct, none of our past, present or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, affiliates, controlling parties, entities under common control, ownership or management, vendors, service providers, agents, attorneys or representatives will have any liability for (a) any of our obligations or liabilities relating to or arising from this Agreement, (b) any claim against us based on, in respect of, or by reason of, the relationship between you and us, or (c) any claim against us based on any of our alleged unlawful act or omission. For the avoidance of doubt, this provision constitutes an express waiver of any claims based on a theory of vicarious liability, unless such vicarious claims are authorized by a guarantee of performance or statutory obligation. It is not meant to bar any direct contractual, statutory or common law claim that would otherwise exist.

25.14 **No Waiver or Disclaimer of Reliance in Certain States**

The following provision applies only to franchisees and Franchises that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.

[Signature Page Follows]

Intending to be bound, the parties sign below:

“YOU”

By: _____

Name: _____

Title: _____

Date: _____

“WE”

i9 SPORTS, LLC

By: _____

Name: Matt Kurowski

Title: President

Date: _____

EXHIBIT "A"
PERSONAL GUARANTY

PERSONAL GUARANTY

This Personal Guaranty (this “**Guaranty**”) must be signed by the owners and spouses of such owners (referred to as “**you**” for purposes of this Guaranty only) of _____ (the “**Business Entity**”) under the _____ Agreement dated _____, 20__ (the “**Agreement**”) with **i9 SPORTS, LLC** with its principal place of business at 9410 Camden Field Parkway, Riverview, Florida 33578 (“**us,**” or “**our**” or “**we**”).

1. **Scope of Guaranty.** In consideration of and as an inducement to our signing and delivering the Agreement, each of you signing this Guaranty personally and unconditionally: (a) guarantee to us and our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities including, but not limited to, the non-competition, confidentiality, transfer, and arbitration requirements.
2. **Waivers.** Each of you waive: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.
3. **Consents and Agreements.** Each of you consent and agree that: (a) your direct and immediate liability under this Guaranty are joint and several; (b) you must render any payment or performance required under the Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Agreement and, if required by the Agreement, after its termination or expiration.
4. **Enforcement Costs.** If we are required to enforce this Guaranty in any judicial proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', mediators' and expert witness fees, costs of investigation and proof of facts, court costs, filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.
5. **Effectiveness.** Your obligations under this Guaranty are effective on the Agreement Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Agreement.
6. **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the State of Florida.
7. **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Area Developer Agreement or this Personal Guaranty to our Chief Executive Officer and/or President. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Agreement.

8. **Mediation.** At our option, all claims or disputes between you and us arising out of, or in any way relating to, this Personal Guaranty or the Area Developer Agreement or any other agreement by and between you and us, or any of the parties' respective rights and obligations arising from such agreements must be submitted first to mediation, in Hillsborough County, Florida, under the auspices of the American Arbitration Association (“AAA”), in accordance with AAA’s Commercial Mediation Rules then in effect. Before commencing any legal action against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. We will have a period of 30 days following receipt of such notice within which to notify you as to whether we or our affiliates elects to exercise its option to submit such claim or dispute to mediation. You may not commence any action against us or our affiliates with respect to any such claim or dispute in any court unless we fail to exercise our option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by us. Our rights to mediation, as set forth herein, may be specifically enforced by us. Each party shall bear its own cost of mediation and the parties shall share the cost of mediator. This agreement to mediate at our option shall survive the termination or expiration of the Area Developer Agreement.
- (a) The parties shall not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 8 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):
- (i) Any federally protected intellectual property rights in the Marks, the System, or in any Confidential Information;
 - (ii) Any claims arising out of or pertaining to any warranty issued; or
 - (iii) Any of the restrictive covenants contained in this agreement.
9. **Third Party Beneficiaries.** Our officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of the Area Developer Agreement and this Guaranty, and the mediation provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by you.
10. **Injunctive Relief.** Nothing contained in this Guaranty shall prevent us from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect our interest prior to the filing of any mediation proceeding or pending the trial or handing down of a decision or award pursuant to any mediation or judicial proceeding conducted hereunder.
11. **Jurisdiction and Venue.** With respect to any proceeding not subject to mediation, the parties expressly agree submit to the jurisdiction and venue of any court of general jurisdiction in Hillsborough County, Florida and the jurisdiction and venue of the United States District Court for the Middle District of Florida.
12. **Jury Trial Waiver.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS PERSONAL GUARANTY OR THE AREA DEVELOPER AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM US OF THE FRANCHISE, OPTION AND/OR ANY GOODS OR SERVICES.

13. **Waiver of Punitive Damages.** You waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, your recovery shall be limited to actual damages. If any other term of this Personal Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

14. **Limitation on Action.** You agree that no cause of action arising out of or under this Guaranty or the Area Developer Agreement may be maintained by you unless brought before the expiration of one year after the act, transaction or occurrence upon which such action is based or the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim against the us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

Each of you now sign and deliver this Guaranty effective as of the date of the Agreement regardless of the actual date of signature.

**PERCENTAGE OF OWNERSHIP
INTEREST IN BUSINESS ENTITY**

GUARANTOR(S)

PERCENTAGE: _____ %

NAME: _____

SIGNATURE: _____

DATE: _____

PERCENTAGE: _____ %

NAME: _____

SIGNATURE: _____

DATE: _____

SPOUSE GUARANTOR(S)

NAME: _____

SIGNATURE: _____

DATE: _____

NAME: _____

SIGNATURE: _____

DATE: _____

EXHIBIT "B"
OWNERS' STATEMENT

OWNERS' STATEMENT

This form must be completed by the Area Developer (“I,” “me,” or “my”) if I have multiple owners or if I, or my Franchised Business, is owned by a business organization (like a corporation, partnership or limited liability company). Franchisor is relying on the truth and accuracy of this form in awarding the Area Developer Agreement to me.

1. Form of Owner. I am a (check one):

- General Partnership
- Corporation
- Limited Partnership
- Limited Liability Company
- Limited Liability Partnership
- Other

Specify: _____

I was formed under the laws of the State of _____.

2. Business Entity

I was incorporated or formed on _____, _____, under the laws of the State of _____. I have not conducted business under any name other than my corporate, limited liability company or partnership name and _____. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

<u>Name of Person</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____

3. Partners/Owners/Members

The following list includes the full name and mailing address of each person who is one my partners/owners/members and fully describes the nature of each partner's, owner's or member's interest. Attach additional sheets if necessary.

<u>Partner's/Owner's/Member's Name and Address</u>	<u>Description of Interest</u>
_____	_____

4. Operating Principal

The owner that will serve as the Operating Principal, who has the authority over all business decisions related to the Franchised Business and has the power to bind the Area Developer in all dealings with Franchisor is: _____.

5. Governing Documents

Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.).

This Owners' Statement is current and complete as of _____ 20____.

OWNER

INDIVIDUALS:

[Signature]

[Print Name]

[Signature]

[Print Name]

**CORPORATION, LIMITED
LIABILITY COMPANY OR
PARTNERSHIP:**

[Name]

By: _____

Title: _____

EXHIBIT "C"

AUTHORIZATION FOR AUTOMATIC PAYMENTS

I authorize i9 Sports, LLC and the bank named below to initiate variable entries to my checking account. This authority will remain in effect until I notify you or the bank in writing to cancel it in such time as to afford the bank a reasonable opportunity to act on it. I can stop payment of any entry by notifying you or my bank 3 days before my account is charged. I can have the amount of an erroneous charge immediately credited to my account up to 15 days following issuance of my bank statement or 46 days after posting, whichever occurs first.

Business Name

Name of Financial Institution

Address of Financial Institution

Signature

Name (Please Print)

Address (Please Print)

Checking Account Number

Bank Routing Number (on the bottom left of your check)

Please submit completed form to: Charla Alma

i9 Sports, LLC
9410 Camden Field Parkway, Riverview, Florida 33578
Phone: (813) 324-2000 x7200 Fax: (813) 630-5810

EXHIBIT "D"

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS (this "Assignment") is effective as of _____, 20__, between **i9 SPORTS, LLC**, a Delaware limited liability company, with its principal place of business at 9410 Camden Field Parkway, Riverview, Florida 33578 ("we," "us" or "our") and _____, whose current place of business is _____ ("you" or "your"). You and we are sometimes referred to collectively as the "parties" or individually as a "party."

BACKGROUND INFORMATION

We grant franchises for the operation of i9 Sports® Franchises using the certain trademarks and service marks including, i9 Sports® Franchise ("**i9 Sports® Franchise**" or "**i9 Sports® Franchise(s)**").

On _____, you and us entered into an area developer agreement, pursuant to which you obtained the right and undertook the obligation to operate an i9 Sports® Franchise in the following Network Area: _____ (the "**Area Developer Agreement**").

In order to protect our interest in the System and the Marks, we will have the right to control the telephone numbers and listings of your i9 Sports® Franchise if your Area Developer Agreement is terminated.

OPERATIVE TERMS

You and we agree as follows:

Background Information: The background information is true and correct. This Assignment will be interpreted by reference to the background information. Terms not otherwise defined in this Assignment will have the meanings as defined in the Area Developer Agreement.

Conditional Assignment: You assign to us, all of your right, title and interest in and to those certain telephone/facsimile numbers and regular, classified or other telephone directory listings (collectively, the "**Numbers and Listings**") associated with the Marks and used from time to time in connection with the operation of i9 Sports® Franchise. We will have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless we notify the telephone company and/or the listing agencies with which you have placed telephone directory listings (collectively, the "**Telephone Company**") to effectuate the assignment of the Numbers and Listings to us. Upon termination or expiration of the Area Developer Agreement we will have the right and authority to ownership of the Numbers and Listings. In such event, you will have no further right, title or interest in the Numbers and Listings and will remain liable to the Telephone Company for all past due fees owing to the Telephone Company on or before the date on which the assignment is effective. As between us and you, upon termination or expiration of the Area Developer Agreement, we will have the sole right to and interest in the Numbers and Listings.

Power of Attorney: You irrevocably appoint us as your true and lawful attorney-in-fact to: (a) direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us; and (b) sign on your behalf such documents and take such actions as may be necessary to effectuate the assignment. Notwithstanding anything else in the Assignment, however, you will immediately notify and instruct the Telephone Company to effectuate the assignment described in this Assignment to us when, and only when: (i) the Area Developer Agreement is terminated or expires; and (ii) we instruct you to so notify the Telephone Company. If you fail to promptly direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us, we will direct the

Telephone Company to do so. The Telephone Company may accept our written direction, the Area Developer Agreement or this Assignment as conclusive proof of our exclusive rights in and to the Numbers and Listings upon such termination or expiration. The assignment will become immediately and automatically effective upon Telephone Company's receipt of such notice from you or us. If the Telephone Company requires that you and/or we sign the Telephone Company's assignment forms or other documentation at the time of termination or expiration of the Area Developer Agreement, our signature on such forms or documentation on your behalf will effectuate your consent and agreement to the assignment. At any time, you and we will perform such acts and sign and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Area Developer Agreement. The power of attorney conferred upon us pursuant to the provisions set forth in this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our consent.

Indemnification: You will indemnify and hold us and our affiliates, stockholders, directors, officers and representatives (collectively, the "Indemnified Parties") harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses that any of the Indemnified Parties incur as a result of any claim brought against any of the Indemnified Parties or any action which any of the Indemnified Parties are named as a party or which any of the Indemnified Parties may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of any agreement or contract or the nonpayment of any debt you have with the Telephone Company.

Binding Effect: This Assignment is binding upon and inures to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns.

Assignment to Control: This Assignment will govern and control over any conflicting provision in any agreement or contract which you may have with the Telephone Company.

Attorney's Fees, Etc.: In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment or the enforcement thereof, the prevailing party will be entitled to reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party. The term "attorneys' fees" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings.

Severability: If any of the provisions of this Assignment or any section or subsection of this Assignment are held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected, and will remain in full force and effect in accordance with its terms.

Governing Law and Forum: This Assignment is governed by Florida law. The parties will not institute any action against any of the other parties to this Assignment except in the state or federal courts of general jurisdiction in Hillsborough County, Florida, and they irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either the jurisdiction or venue of such court.

[Signatures on the following page.]

ASSIGNOR:

AREA DEVELOPER

By: _____

Name: _____

Title: _____

Date: _____

ASSIGNEE:

i9 SPORTS, LLC

By: _____

Name: Matt Kurowski

Title: President

Date: _____

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS is accepted and agreed to by:

(TELEPHONE COMPANY)

By: _____

Name: _____

Its: _____

Date: _____

EXHIBIT “E”

ADDENDUM TEMPLATE

401(k) non-guarantor language:

The Area Developer shall be a corporation owned in majority by that corporation’s 401(k) plan and in minority by **(CLIENT or CLIENTS)** in their individual legal capacities. The 401(k) plan shall not be a guarantor of franchise royalty payments or any other payment obligations under this agreement contained in, but not limited to Section **(GUARANTEE SECTIONS OF CONTRACT)** of the Area Developer Agreement. This does not relieve the corporation, officers, directors, or the **(CLIENT OR CLIENTS)** in their individual legal capacities from the obligations to personally guarantee performance of the agreement. This addendum supersedes any contradictory provisions in the main agreement or any other modifications to that agreement, and is incorporated into the main Area Developer Agreement in its entirety.

Transferability language:

The ownership of the Area Developer corporation shall initially be up to 95% owned by the corporation’s 401(k) plan, with at least 5% owned by **(CLIENT or CLIENTS)**. Section **(TRANSFERABILITY SECTION)** of the Area Developer Agreement restricts transfer of shares of stock of the corporation, and it further requires payment of transfer fees for such transfers. Under this addendum, stock redemptions by the Area Developer corporation that merely decrease the 401(k) plan’s ownership share and increase **(CLIENT or CLIENTS)**’s ownership share are hereby exempt from such restrictions and transfer fees. This addendum supersedes any contradictory language in the overall Area Developer Agreement including any other addenda to that agreement.

Removal of Prohibition against Trust as Shareholder language:

One of the significant shareholders of the Area Developer corporation shall be the corporation’s 401(k) plan, which is a qualified trust under the Internal Revenue Code. The current prohibition of a trust acting or serving as a shareholder in the Area Developer corporation contained in, but not limited to Section **(TRUST PROHIBITION SECTIONS OF CONTRACT)** of the Area Developer Agreement is waived with respect to the Area Developer corporation’s 401(k) plan. This addendum supersedes any contradictory provisions in the main agreement or any other modifications to the agreement, and is incorporated into the main Area Developer Agreement in its entirety.

AREA DEVELOPER:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

i9 SPORTS, LLC

By: _____

Name: Matt Kurowski

Title: President

Date: _____

EXHIBIT “F”

FORM OF CONFIDENTIALITY AGREEMENT

This form is being provided for your convenience. You are not required to use this template. Please consult with your independent counsel regarding the use of this form and applicable law.

CONFIDENTIALITY AGREEMENT

As a condition of performing services for, being employed by or otherwise associated with, _____ (the “**Franchisee**”), I acknowledge that as a franchisee of i9 Sports, LLC, a Delaware limited liability company having its principal place of business in Riverview, Florida (“**Franchisor**”), Franchisee is obligated to ensure that its officers, directors, employees, representatives and contractors protect the confidential information and trade secrets of Franchisor. Accordingly, I agree to accept the following conditions without limitations:

1. I will (i) not disclose, publish, or divulge to any other person, firm, or corporation, through any means, any of Franchisor’s Confidential Information (as defined below) either during or after my employment by or association with the Franchisee has ended, (ii) not use the Confidential Information for any purposes other than as related to my employment or association with Franchisee, and (iii) not make copies or translations of any documents, data, or compilations containing any or all of the Confidential Information, commingle any portion of the documents, data, or compilations, or otherwise use the documents, data, or compilations containing Confidential Information for my own purpose or benefit. I also agree to surrender any material containing any of Franchisor’s Confidential Information upon your request or upon termination of my employment or association with Franchisee. I acknowledge that Franchisee’s access to Franchisor’s Confidential Information is for a limited purpose, remains Franchisor’s property and may not be reproduced, in whole or in part, without Franchisee’s permission.

2. For purposes of this Agreement, “**Confidential Information**” means certain information, processes, methods, techniques, procedures, and knowledge, including know-how, manuals, and trade secrets (whether or not judicially recognized as a trade secret), developed or to be developed relating directly or indirectly to the development or operation of an i9 Sports Franchise. This includes all information not generally known or easily accessible and is important and useful in developing and operating an i9 Sports Franchise. Without limiting the foregoing, Confidential Information includes, but is not limited to:

- i. information in the i9 Sports Operations Manual and any and all System Standards;
- ii. methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, and knowledge and experience used in developing and operating i9 Sports Franchises;
- iii. methods for operating, managing or coordinating i9 Sports related events, leagues or sponsorships;
- iv. Customer liaison recruitment, training coordination, recruiting, marketing or compensation methods;
- v. Event registration and sports statistics tracking and reporting methods and techniques;
- vi. Customer lists, referral sources, billing and collection methods, financial information, makeup and functions of the Software, Computer System or Billing System associated with i9 Sports Franchises;
- vii. Other information about Franchisor, the i9 Sports franchise system and information about Franchisor’s approved suppliers, strategic partners, business plans, employees, and independent contractors; and

viii. any other information Franchisor reasonably designates as confidential or proprietary.

3. I understand that the Franchisor and its successors and assigns shall be third party beneficiaries of this Agreement, with full and independent right, in their sole discretion, to enforce this Agreement.

4. If there is a dispute or question arising out of the interpretation of this Agreement or any of its terms, the laws of the State of [] will govern. *[Insert franchisee's home state.]*

5. I acknowledge receipt of a copy of this Agreement and that I have read and understand this Agreement. This Agreement may not be modified except in writing with the prior approval of an officer of each of Franchisee.

“YOU”

ACCEPTED BY FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Date: _____

Title: _____

Address: _____

Date: _____

Phone: _____

Email: _____

Position with Franchisee: _____

EXHIBIT “G”

CONDITIONAL ASSIGNMENT OF VENUE CONTRACTS

THIS CONDITIONAL ASSIGNMENT OF VENUE CONTRACTS (this “**Agreement**”) is effective as of _____, 20__, between: (i) **i9 SPORTS, LLC**, a Delaware limited liability company with a principal place of business at 9410 Camden Field Parkway, Riverview, FL 33578 (“**Franchisor**,” “**we**,” “**us**” or “**our**”); and (ii) _____, a/an _____ with a principal place of business at _____ (“**Area Developer**,” “**you**” or “**your**”).

BACKGROUND

A. Contemporaneous with this Agreement, you entered into an area developer agreement with Franchisor (the “**Area Developer Agreement**”), under which you obtained the right and undertook the obligation to actively operate and promote an i9 Sports® Franchise (the “**Franchised Business**”) within a designated geographical area (the “**Network Area**”). For purposes of this Agreement, all capitalized terms in this Agreement that are not specifically defined herein will be afforded the same definition they are afforded in the Area Developer Agreement.

B. Under the Area Developer Agreement, you agreed and acknowledged that: (i) you are required to actively establish, conduct and administer Events and related leagues through which you will offer your Authorized Sports, Products and Services as part of your Franchised Business; (ii) the majority of these Events and leagues will be conducted at a venue (each, a “**Venue**”); and (iii) you will be required to enter into contracts with the party that owns or otherwise manages such Venues for the right to conduct and administer Events and leagues involving the Authorized Sports at these Venues (each, a “**Venue Contract**”).

C. As part of the material consideration for us entering into the Area Developer Agreement, the parties now wish to memorialize our option (but not obligation) to assume those Venue Contracts we designate upon the termination or expiration of your Area Developer Agreement, subject to the terms and conditions of this Agreement.

AGREEMENT

1. **Our Right to Assume Designated Venue Contracts.** The parties hereby agree as follows:

Each Venue Contract that you enter into must contain a provision that: (i) expressly permits you to assign, and permits us (or our designee) to assume, such Venue Contract, to us (or our designee) upon the expiration or termination of your Area Developer Agreement for any reason; and (ii) the foregoing assignment and assumption will not require the prior approval of the party with whom you entered into the Venue Contract, and will instead be effective once we have provided notice to that party.

Upon expiration or termination of the Area Developer Agreement for any reason, we will notify you within 10 days which Venue Contracts we wish to assume (the “**Designated Venue Contracts**”). Once you receive such notice, you must ensure that steps are taken to assign the Designated Venue Contracts to us within 10 days, including ensuring that all monetary and non-monetary obligations under these Designated Venue Contracts as of the date these agreements that are assigned to us are fully satisfied prior to the assignment and assumption contemplated herein (collectively, the “**Assignment**”). Developer also agrees to execute any documents and cooperate in any manner with respect to such Assignment.

Subject to the terms of this Agreement, the assuming party with respect to the Designated Venue Contracts (which will be us or our designee) shall assume all of your obligations, assignments, commitments, duties and liabilities under the Venue Contracts that arise after the Assignment is effectuated.

You agree and acknowledge that this Agreement does not require us to assume any Venue Contract that we do not wish to assume, and that you will be solely responsible for all continuing obligations under any Venue Contract that are not designated by us and subsequently assigned to us (or our designee) as part of the Assignment described herein.

In the event we are required to pay off of your monetary obligations under any Designated Venue Contract that you are otherwise required to pay under Section 1(b) of this Agreement, you will be required to immediately reimburse us for such payments upon our written demand. You must also agree to indemnify, defend and hold us (and, if appropriate, our designee) harmless from any and all claims, causes of action, damages, attorneys' fees and other amounts that arise out of any Designated Venue Contract(s) prior to the date of the Assignment.

2. **Conditional Assignment Only.** The rights under this Agreement are conditioned on our exercising such rights in writing only and, except as specified herein, we shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or any Venue Contract, unless such Venue Contract is a Designated Venue Contract assigned to us pursuant to the terms hereof.

3. **Authority of Developer.** You represent and warrant that you will have full power and authority to so assign the Venue Contracts we designate and that you will not, prior to the Assignment, assign, transfer, or otherwise dispose of any interest in any Venue Contract without our prior written consent (unless such Venue Contract expires pursuant to its own terms).

4. **No Defense or Setoff.** You must not assert, by way of defense or setoff, any alleged breach or damage caused by you if we must enforce this Agreement against you.

5. **Injunctive Relief.** You and we agree that the breach of this Agreement will result in irreparable harm to us, and that no monetary award can fully compensate us if you violate it. Thus, if you breach this Agreement, you agree that we will be entitled to an injunction restraining you from any further breach. Such injunctive relief may be obtained without bond, and such injunctive relief shall be in addition to such other and further remedies or relief as may be available to us at equity or law.

6. **Governing Law and Venue.** This Agreement is governed by the law of the county and state in which we are located. All litigation arising under this Agreement must be brought in the appropriate courts of the county and state in which we are located (as set forth more fully in the Area Developer Agreement). The parties irrevocably submit to the jurisdiction of such courts and waive any rights to a change of venue or otherwise. The prevailing party in any litigation involving this Agreement must be reimbursed its attorneys' fees from the non-prevailing party.

7. **Entire Agreement.** This Agreement, as well as the Area Developer Agreement, contains the complete agreement between the parties concerning this subject matter. This Agreement supersedes any prior or contemporaneous agreement, representation or understanding, oral or written, between them. The continued relationship between the parties described in this Agreement constitutes full and sufficient consideration for the binding commitment of the parties to this Agreement.

8. **Waiver and Amendment.** A waiver or amendment of this Agreement, or any provision of it, will be valid and effective only if it is in writing and signed by both parties or the party waiving such provision. No waiver Agreement will operate as a waiver of any other term of this Agreement or of that same term at any other time.

9. **Rights Cumulative.** No right or remedy available to any party is exclusive of any other remedy. Each and every remedy will be cumulative to any other remedy given under this Agreement, or otherwise legally existing upon the occurrence of a breach of this Agreement.

“YOU”

By: _____

Name: _____

Title: _____

Date: _____

“WE”

i9 SPORTS, LLC

By: _____

Name: Matt Kurowski

Title: President

Date: _____

EXHIBIT “H”

5-YEAR ADDENDUM TO THE i9 SPORTS, LLC AREA DEVELOPER AGREEMENT

This 5-Year addendum (the “5 Year Addendum”) to the i9 Sports, LLC Area Developer Agreement is made and entered into this ___ day of _____, ____, by and between i9 Sports, LLC, a Delaware limited liability company, whose address is 9410 Camden Field Parkway, Riverview, Florida 33578 (“Franchisor”) and _____ (“Area Developer”).

BACKGROUND

A. Contemporaneous with the execution of this 5 Year Addendum, Area Developer has entered into an Area Developer Agreement (the “Area Developer Agreement”) with Franchisor pursuant to which Area Developer obtained the right and undertook the obligation to establish and operate an i9 Sports® Franchise (the “Franchised Business”).

B. The parties wish to amend the terms of the Area Developer Agreement pursuant to the terms and conditions set forth in this Addendum.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, commitments and understandings contained herein, Franchisor and Area Developer hereby agree as follows:

1. **Term.** Section 2.3 of the Area Developer Agreement is hereby amended such that the grant to own and operate as an i9 Sports® Franchise ends on the fifth (5th) anniversary of the Agreement Date (the “Term”).
2. **Franchise Fee.** Section 4.1 of the Area Developer Agreement is hereby deleted in its entirety and replaced with the following:

No franchise fee is due or payable contemporaneous with the execution of the Area Developer Agreement. Instead, you must pay a monthly franchise fee of \$500 beginning the first calendar month after you sign the Area Developer Agreement and continuing for the term of your Agreement (the “Franchise Fee”). The monthly Franchise Fee will automatically be deducted from your bank account via electronic fund transfer (“EFT”) and our Billing System. The total Franchise Fee is equal to \$500, multiplied by the number of months in the Term of the Area Developer Agreement.

3. **No Discount on Initial Fees.** Section 4.3 of the Area Developer Agreement is hereby deleted in its entirety.
4. **Payment Terms.** Section 4.5 of the Area Developer Agreement is hereby amended such that only the Territory Fee is due in full upon execution of the Area Developer Agreement, however both the Franchise Fee (as defined in this 5 Year Addendum) and the Territory Fee are deemed fully earned upon payment in consideration of administrative and other expenses we incur in granting the franchise and for our lost or deferred opportunity to franchise others.
5. **Manner of Payment.** Section 4.12 of the Area Developer Agreement is hereby amended to include the Franchise Fee in the list of fees and contributions that must be paid via the EFT Program.

6. **Transfer Fee.** Section 17.3(h) of the Area Developer Agreement is hereby amended to require Area Developer to pay a transfer fee equal to exactly \$12,450 for each i9 Sports® Franchise being transferred.

7. **Franchise Fee Due in Full upon Transfer.** Notwithstanding anything to the contrary contained in the Area Developer Agreement, the balance of the Franchise Fee set forth in Section 2 of this 5 Year Addendum must be paid in full immediately upon execution of any agreement which purports to transfer Area Developer's rights and obligations under the Area Developer Agreement.

8. **Liquidated Damages.** Section 19.6 of the Area Developer Agreement is hereby amended by adding the follow to the end of the first paragraph:

In addition to the liquidated damages in the prior sentence, upon early termination of this Agreement for any reason (including for cause or by mutual agreement) prior to the expiration of the then-current Term, you must also pay us liquidated damages equal to the number of months remaining in the Term multiplied by the monthly Franchise Fee of \$500.

9. **Release.** Area Developer, for themselves and all persons and entities claiming by, through, or under them, hereby release, acquit and forever discharge Franchisor and its present and former officers, employees, shareholders, directors, agents, servants, representatives, affiliates, successors, and assigns (the "Franchisor Releasees") from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which it, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, has, had or claims to have against the Franchisor Releasees arising out of or related to the offer or sale of the Area Developer Agreement, or the operation of the Franchised Business, and the parties' rights or obligations under the Area Developer Agreement, up to and including the date of this 5 Year Addendum.

10. **Defined Terms.** Terms defined in the Area Developer Agreement and not defined in this 5 Year Addendum have the meaning defined in the Area Developer Agreement.

11. **Entire Agreement.** The Area Developer Agreement and this 5 Year Addendum constitute the entire, full, and complete agreement between Franchisor and Area Developer concerning the Franchised Business, and supersede any and all prior agreements. In the event of a conflict between the terms of the Area Developer Agreement and the terms of this 5 Year Addendum, the terms of the 5 Year Addendum will control. Except as amended hereby, all the other terms and conditions of the Area Developer Agreement are ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Addendum the date and year first written above.

AREA DEVELOPER:

FRANCHISOR:

i9 SPORTS, LLC

By: _____

By: _____

Name: _____

Name: Matt Kurowski

Title: _____

Title: President

Date: _____

Date: _____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

OPERATIONS MANUAL

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OPERATIONS MANUAL
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EXHIBIT D TO THE DISCLOSURE DOCUMENT

LIST OF AREA DEVELOPERS

AS OF DECEMBER 31, 2023

**AREA DEVELOPERS
AS OF DECEMBER 31, 2023**

ALABAMA

Name	Address	Phone Number	Number of Units
Greg & Julie Morrow	9032A S. Memorial Parkway #1060 Huntsville, AL 35802	(256) 384-0329	1

ARKANSAS

Name	Address	Phone Number	Number of Units
Dustin & Erikka Ault	1722 N College Suite C #328 Fayetteville, AR 72703	(479) 335-1662	1

ARIZONA

Name	Address	Phone Number	Number of Units
Grant Gunkel & Steve Goodell	2487 S. Gilbert Road Suite 106, Box 291 Gilbert, AZ 85295	(480) 664-4039	2
Arin Finger	20235 N. Cave Creek Road #104-241 Phoenix, AZ 85024	(480) 730-6446	2
Scott Wells	5101 East Hearn Road Scottsdale, AZ 85254	(480) 750-7014	1
Leslie Thompson	13954 W. Waddell Road Suite 103, P.O Box 135 Surprise, AZ 85388	(602) 529-6251	1
Matt Mecca	3665 W. Gailey Drive Tucson, AZ 85741	(520) 230-5622	1

CALIFORNIA

Name	Address	Phone Number	Number of Units
Steve Ragsdale	3040 19 TH Street Bakersfield, CA 93301	(661) 368-1490	3
Mario Caprini	700 Airport Boulevard, Suite 400 Burlingame, CA 94010	(669) 240-1060	1
Valen Rocha & Brandy Carey	6145 Chino Avenue Chino, CA 91710	(626) 387-3023	1
Roger & Jamie Linn	7056 Archibald Street Suite 422 Eastvale, CA 92880	(909) 313-3013	1
Steve & Ayesha Soofi	2515 San Carlos Drive Fullerton, CA 92831	(714) 426-9021	1
Sylvester & DeAnna Jones	140 East Stetson Avenue, #1025 Hemet, CA 92543		1

Kaseem & Marlesha Jones	25060 Hancock Avenue Suite 103-346 Murrieta, CA 92562	(951) 696-5030	2
John & Charissa Purcell	94248 Golden Mist Drive Murrieta, CA 92562	(949) 226-8420	1
Bruce Hamilton	2420 River Road Suite 230-803 Norco, CA 92860	(951) 376-2331	1
Reid Pearson	21 Ruben Court Ontario, CA 94947	(415) 523-0430	1
Jazmin Velazco	3941 East Bethany Way Ontario, CA 91761	(626) 385-4891	1
Cedric Reed	1300 Huntington Avenue Suite 264 San Bruno, CA 94066	(650) 362-8002	2
Gloria Agustin	780 Dennery Road, Suite 303 San Diego, CA 92154	(619) 317-0192	1
Bill Sixsmith	1090 University Ave, Suite 207G San Diego, CA 92103	(858) 707-7020	4
Robert & Dawn Hammond	2721 Larchmont Avenue Santa Ana, CA 92705	(714) 978-4449	2
Frank Rittersdorf	2828 Cochran Street, #244 Simi Valley, CA 93063	(805)719-1166	2
Jose Perez	9740 Campo Road #1038 Spring Valley, CA 91977	(619) 363-3696	1
Jose Perez & Isaura Nunez	9841 Dale Avenue, Unit B Spring Valley, CA 91977	(619) 259-0925	1
Anthony Begonia	2325 West 182 nd Street Torrance, CA 90504	(424) 256-3262	1
Karan & Pooja Lakhia	13217 Jamboree Road, #431 Tustin, CA 92782	(949) 409-9125	1
Jeremy Sees	30679 Union City, #1026 Union City, CA 94545	(510) 722-0530	1
Sebastien DuBois	3156 Oak Road, #320 Walnut Creek, CA 94597	(925) 690-5925	1

COLORADO

Name	Address	Phone Number	Number of Units
Sandra Himmelman	4810 Eagle Blvd Frederick, CO 80540	(720) 335-5929	1
Jeff Mackey	9249 S. Broadway, #200 Suite 806 Highlands Ranch, CO 80129	(303) 910-6443	4
Ken Trager, Sr. & Ken Trager, Jr.	2719 S. Coors Court Lakewood, CO 80228	(303) 462-1520	3
Anthony Venable & Chris Croxton	546 E. Hinsdale Avenue Littleton, CO 80122	(720) 615-1321	1
Joshua & Emily Boyett	907 Camberly Drive Windsor, CO 80550	(970) 422-1127	1

DELAWARE

Name	Address	Phone Number	Number of Units
Diana Braendly	761 Ashington Drive Middletown, DE 19709	(302) 894-3751	1

FLORIDA

Name	Address	Phone Number	Number of Units
Michael Mazzeo	3947 Dorrit Avenue Boynton Beach, FL 33436	(305) 239-0731	1
Alli & Greg Hall	P.O. Box 136092 Clermont, FL 34713	(321) 231-8576	2
Brett Bales	8953 SW 49 th Court Cooper City, FL 33328	(954) 752-9846	2
Justin Cheresnick	2900 N University Drive Suite 167 Coral Springs, FL 33065	(954) 227-9955	2
Mike Salerno & Brett Bales	1524 SW 97 th Way Davie, FL 33324	(239) 308-9849	1
Nick Cupper & Steven Voguit	5408 Madison Street Hollywood, FL 33021	(561) 290-4949	3
Doug Ramsey	12620 Beach Blvd Suite 3-251 Jacksonville, FL 32246	(904) 425-5575	2
Larry & Angie Jackson	11523 Palm Brush Trail #162 Lakewood Ranch, FL 34202	(941) 312-2400	2
Brad Jergensen	7825 Lithia Pinecrest Road PO Box 213 Lithia, FL 33547	(813) 805-8742	2
Robert Fournier, Jr.	601 Tulane Ave Melbourne, FL 32901	(321) 574-5824	1
Alex & Maria Martinez	13275 SW 136 th Street, #9 Miami, FL 33186	(305) 338-3128	2
Armando DeMolina	P.O. Box 279114 Miramar, FL 33027	(954) 437-0089	1
Robert Pimentel	10170 SW 21st St. Miramar, FL 33025	(786) 823-7086	1
Steven Anderson, Vladimir Tadal & Katie Tadal	11954 Narcoosee Road Suite 2, PMB#420 Orlando, FL 32832	(407) 630-5960	1
Robert Fournier, Jr. & Robert Fournier Sr.	6508 NW 103 rd Lane Parkland, FL 33076	(954) 340-8157	1
Justin Ward	4600 Mobile Highway #9 PMB 352 Pensacola, FL 32506	(850) 565-1935	1
Justin & Tabitha Ward	6787 Rickwood Drive Pensacola, FL 32526	(352) 544-2995	1

Glen Orrison	10901 Brighton Bay Boulevard NE, #1301 St. Petersburg, FL 33716	(727) 231-5305	1
Joe Greco	6526 S. Kanner Highway #272 Stuart, FL 34997	(561) 429-7099	2
Chris & Christy Prowant	1700 N. Monroe Street 11-259 Tallahassee, FL 32303	(850) 629-6096	2
Anthony & Angela Vetrano	13014 N. Dale Mabry Highway #182 Tampa, FL 33618	(813) 667-7678	2
Laurie Watts	8606 Hunters Village, #215 Tampa, FL 33647	(813) 532-1507	1
Ted Smith	15304 Tilden Road Winter Garden, FL 34787	(407) 288-8422	1

GEORGIA

Name	Address	Phone Number	Number of Units
Rick & Deb Hammell	3545 Broad Street, #80892 Atlanta, GA 30341	(404) 551-2036	1
Orly Vincent	2095 Hwy 211 NW Suite 2-F Braselton, GA 30517	(678) 792-5542	1
Barry Switzer	417 Pine Log Court Canton, GA 30115	(678) 203-2308	1
Richard & Sharad Johnson	One West Court Square Suite 750 Decatur, GA 30030	(678) 273-7409	2
Janet Williams	P.O. Box 60 Grayson, GA 30017	(404) 418-6626	1
Carlos & Pegah Jimenez	3000 Old Alabama Road Suite 119-237 Johns Creek, GA 30022	(678) 731-9009	1
Danielle Smith	289 Jonesboro Road Unit 751 McDonough, GA 30253	(470) 443-0625	1
Jay Mechtly & Craig Decatur	60 Exchange Street Suite C-3, Box 233 Richmond Hill, GA 31324	(912) 250-4828	1
Marco Wolverton, Darnell Jennings & Terence Moore	PO Box 813806 Smyrna, GA 30081	(770) 544-7000	1
Craig Magram	1000 Peachtree Industrial Blvd. Suite 6-457 Suwanee, GA 30024	(470) 655-6370	1

HAWAII

Name	Address	Phone Number	Number of Units
Roger Dequina	6650 Hawaii Kai Drive, #110 Honolulu, HI 96825	(808) 394-1100	1

IDAHO

Name	Address	Phone Number	Number of Units
Roger & Toshia Lawless	10870 W Fairview Avenue Suite 102-1313 Boise, ID 83713	(208) 561-2101	1

ILLINOIS

Name	Address	Phone Number	Number of Units
Leslie Montanez	4000 W. Montrose Ave., #2177 Chicago, IL 60641	(872) 627-9835	1
Brian Watkins & Joseph Becker	4044 N. Lincoln Avenue Suite 297 Chicago, IL 60618	(773) 245-7834	1
Mike Taormina	1770 S. Randall Road, Suite 147 Geneva, IL 60134	(847) 480-7767	1
Chad Croley	115 E Ogden Avenue Suite 105-314 Naperville, IL 60563	(630) 246-4718	1
Anthony Levato & Jason Ernst	3451 Swenson Avenue St. Charles, IL 60174	(630) 454-5709	1

INDIANA

Name	Address	Phone Number	Number of Units
Everett Holmes	7599 Clark Court Merrillville, IN 46410	(219) 255-2989	1

IOWA

Name	Address	Phone Number	Number of Units
Jeff Mackey	15920 Hickman Road, Suite #400 Clive, IA 50325	(515) 987-4750	1

KANSAS

Name	Address	Phone Number	Number of Units
Jacob Contreras	6317 Oak Grove Road Kansas City, KS 66106 <i>(Network Area also includes portions of Missouri)</i>	(913) 359-1414	1
Jeff Mackey	11944 West 95 th Street, #236 Lenexa, KS 66215 <i>(Network Area also includes portions of Missouri)</i>	(913) 904-0810	1
Geno & Stephanie Granger	4815 N Emerald Court Maize, KS 67101	(316) 223-4963	1

KENTUCKY

Name	Address	Phone Number	Number of Units
Steve & Laura Cox	2575 US Highway 22 & 3 Maineville, KY 45039	(859) 977-9480	1
Lee & Candace Cottle	18 Village Plaza, #207 Shelbyville, KY 40065 <i>(Network Area includes portions of Indiana)</i>	(502) 208-1176	1

MARYLAND

Name	Address	Phone Number	Number of Units
Steve Lockard	1395 Broadneck Court Annapolis, MD 21409	(410) 757-6606	1
Ryan Ebert	1518 Alicanna Street Baltimore, MD 21231	(410) 878-2494	1
AJ Lockshaw	1200 Agora-C, Suite 251 Bel Air, MD 21014	(443) 268-0288	1
Jon Siegel	10319 Westlake Terrace, #244 Bethesda, MD 20817	(301) 299-1039	1
Eric & Nieshia Stephens	4001 Buckeystown Pike, #224 Buckeystown, MD 21717	(301) 834-2153	1
Meshack & Nisa Aduwu	15630 Old Columbia Pike Suite E, #119 Burtonsville, MD 20866	(443) 485-4202	1
Larry Hayman	12671 Grey Eagle Court Germantown, MD 20874	(301) 926-1202	3
Devin Johnson	3607 Lochearn Drive Gwynn Oak, MD 21207	(443) 267-2804	1
David Bailey	173 Saint Patrick Drive Suite 104 Waldorf, MD 20603	(301) 450-0110	1

MASSACHUSETTS

Name	Address	Phone Number	Number of Units
Jason Rose	P.O. Box 194 Chelmsford, MA 01824	(978) 623-4654	1

MICHIGAN

Name	Address	Phone Number	Number of Units
Andrew Meyers	15951 Venice Avenue Clinton Township, MI 48035	(248) 793-1177	1
Joe & Steven Russo	26165 Steele Road Farmington Hills, MI 48331	(734) 224-3126	3
Brian Watkins & Andrew Yang	5936 Glen Ellyn Court SE Grand Rapids, MI 49546	(616) 256-0856	1
Chris Novak	3100 Walnut Hills Lakeville, MI 48367	(248) 632-6166	3

MINNESOTA

Name	Address	Phone Number	Number of Units
Janson Kinsley	13011 137 th Avenue N. Dayton, MN 55327	(763) 330-0633	1
Janson & Amy Kinsley	13011 137 th Avenue N. Dayton, MN 55327	(763) 340-0059	1
Mark Hillen	13570 Grove Drive, #288 Maple Grove, MN 55311	(763) 340-1134	1

MISSISSIPPI

Name	Address	Phone Number	Number of Units
LaMarques Ogans	11975 Seaway Road Suite B230 Gulfport, MS 39503	(601) 533-8166	1

MISSOURI

Name	Address	Phone Number	Number of Units
Gene & Patty Gentrup	900 Redwood Court Liberty, MO 64068	(816) 839-6400	1
Neil Hatchard	9220 Arban Drive Saint Louis, MO 63126	(314) 782-1780	2
Casey Miller	6810 West 65 th Terrace Overland Park, KS 66202	(816) 659-1283	1

NEVADA

Name	Address	Phone Number	Number of Units
James & Holly Campbell	9360 W. Flamingo Road Suite 110-462 Las Vegas, NV 89147	(702) 763-5608	2
James, Holly, Cash & Kena Campbell	6720 N. Hualapai Way Suite 145-462 Las Vegas, NV 89149	(702) 706-0455	1

NEW JERSEY

Name	Address	Phone Number	Number of Units
Diana Braendly	50 Menzel Avenue Maplewood, NJ 07040	(973) 302-5466	1
Jon Torine	68 White Street, Suite 382 Red Bank, NJ 07701	(732) 898-2867	1
Jason & Xiomara Johnson	PO Box 2064 Union, NJ 07083	(908) 212-3200	1
Kevin Vosseler	110 Sheridan Avenue Waldwick, NJ 07463	(551) 842-3788	1

NEW MEXICO

Name	Address	Phone Number	Number of Units
Roger & Jamie Linn	13170 Central Avenue SE Suite B, #303 Albuquerque, NM 87123	(505) 312-4999	1

NEW YORK

Name	Address	Phone Number	Number of Units
Carlito Beach	26 California Avenue Hempstead, NY 11550	(516) 834-6403	1
Chika McIntosh & Aliastair Henry	228 East Route 59, Suite 51 Nanuet, NY 10954 <i>(Network Area also includes portions of New Jersey)</i>	(845) 624-7529	1
Robert Glassman	One Ames Court, Suite 100 Plainview, NY 11803	(631) 254-4600	1
Arnold Treco	455 Tarrytown Road, Suite 1580 White Plains, NY 10607	(914) 556-1064	1

NORTH CAROLINA

Name	Address	Phone Number	Number of Units
Jeff Adkins	12218 Bradford Green Square #320 Cary, NC 27519	(919) 210-0319	1
Tom Cunningham	9928 Nicole Lane Charlotte, NC 28269	(704) 766-0633	1
Randall Mitchell	109 Waterpine Drive Garner, NC 27529	(984) 279-2009	1
David & Jamica La Franque	3852 French Fields Lane Harrisburg, NC 28075	(704) 246-5834	1
Reginald Wells	880 Falls Grove Trail High Point, North Carolina	(336) 866-0292	1 (Signed Agreement, but Not Open)
Erik & Yunuen Miller	9789 Charlotte Highway Suite 400, Box 173 Indian Land, NC 29707 <i>(Network Area also includes portions of South Carolina)</i>	(803) 307-4080	1
Charleton & Alisha Grant	PO Box 690951 Mint Hill, NC 28227	(980) 206-0390	1
Ryan Clapp	501 S. Main Street Stantonsburg, NC 27883	(919) 436-2263	1
Kevin Earnest	3650 Rogers Road, Suite 341 Wake Forest, NC 27587	(919) 946-6630	3
Jay & Danielle Mechtly	3224-C N. College Road PMB 185 Wilmington, NC 28405	(910) 667-2299	1

OHIO

Name	Address	Phone Number	Number of Units
Dave Moxley	3065 Fairmount Court Brunswick, OH 44212	(216) 230-3792	1
James Houston	947 E Johnstown Road, #232 Gahanna, OH 43230	(614) 467-4686	1
Duane & Karen Gray	3136 Broadway, Suite 105 Grove City, OH 43123	(614) 362-3005	1
Brock Malinowski & Hec Hixson	1669 W 130th Street, Suite 501 Hinckley, OH 44233	(440) 334-5555	1
Roger Dequina	1515 Ridgewood Avenue Second Suite Lakewood, OH 44107	(330) 208-6463	2
Arlynn Hall	6617 English Oaks Station Liberty Township, OH 45044	(937) 739-7919	1
Steve & Laura Cox	2575 West US Route 22 and 3 Suite K, Maineville, OH 45039 <i>(Network Area also includes portions of Kentucky)</i>	(513) 442-3947	2

OKLAHOMA

Name	Address	Phone Number	Number of Units
Dustin & Erikka Ault	1733 South Fretz, Unit C Edmond, OK 73013	(405) 225-7048	1
Tiffany & Kyle DeSautell	4258 E 127 th Street N Skiatook, OK 74070	(918) 212-4534	1

OREGON

Name	Address	Phone Number	Number of Units
Rachel Moore	12393 SE Lynda Lane Happy Valley, OR 97086	(971) 267-3316	1
Dan Jacobson	19363 Willamette Drive, #190 West Linn, OR 97068	(503) 305-8841	3

PENNSYLVANIA

Name	Address	Phone Number	Number of Units
Diana Braendly	391 Wilmington Pike Suite 3-231 Glen Mills, PA 19342	(215) 649-7782	1
SayQuan Scott	4075 Linglestown Road, PMB 387 Harrisburg, PA 17112	(717) 307-2397	1
Neil Hatchard	920 Germantown Pike, Suite 4 Plymouth Meeting, PA 19462	(215) 292-8632	2
Kevin Earnest	3000 Village Run Road Suite 103-183 Wexford, PA 15090	(412) 963-1475	1

SOUTH CAROLINA

Name	Address	Phone Number	Number of Units
Russ Dearie	218 Carriage Hill Place Charleston, SC 29492	(843) 593-8134	1
Rafe Mauran	505 Foxcroft Road Greenville, SC 29615	(864) 642-0209	1

TENNESSEE

Name	Address	Phone Number	Number of Units
Kristen Parker	10853 Parkside Drive, Apt. 1315 Knoxville, TN 37934	(865) 234-2427	1
Anthony Kerr	610 Ruby Oaks Lane Murfreesboro, TN 37128	(615) 271-4671	1
Joslyn & Chris McGaughy	5543 Edmonson Pike Suite 120 Nashville, TN 37211	(629) 236-5822	1
Shannon Phillips	5652 Caney Ridge Road Ooltewah, TN 37363	(423) 417-1997	1
Ken Trager, Jr. & Haley Trager	2010 Princess Court Spring Hill, TN 37174	(615) 392-5589	2

TEXAS

Name	Address	Phone Number	Number of Units
Trenton Read	4509 Little Hollow Court Arlington, TX 76016	(972) 371-0429	1
Justin Cannon	4100 Menchaca Road Austin, TX 78704	(512) 687-4263	4
Colton Wyatt	8936 Benbrook Boulevard Suite B Benbrook, TX 76126	(972) 366-0214	1
Colton Wyatt & Bailey Wyatt	8936 Benbrook Boulevard Suite B Benbrook, TX 76126	(817) 406-3229	1
Scott Read	21161 Blair Road Building 14A Conroe, TX 77385	(210) 395-4484	6
Sergio Marquez, Rolly Manzanera & Mendy Manzanera	6113 Saratoga Blvd Suite F, PMB 159 Corpus Christi, TX 78414	(361) 288-2790	1
Jason Watson	17515 Spring Cypress Road Suite C, #242 Cypress, TX 77429	(281) 807-7788	2
Dimari Porterfield	704 Adrian Drive Fate, Texas 75087	(469) 806-2245	1
Micah & Tom Nisley	900 Katy Road Suite 400 Fort Worth, TX 76244	(817) 400-7529	3

Isaiah Rojas	9201 Warren Parkway Suite 200 Frisco, TX 75035	(469) 225-9380	2
Vince Carter	18155 River Sage Drive Houston, TX 77084	(832) 210-3277	1
Otis Lanier	15831 Donham Green Lane Humble, TX 77346	(281) 271-5291	1
Ryan McGallion	156 S. Main Street Suite 300, PMB 344 Lumberton, TX 77657	(409) 219-1301	1
Whitney & Mikel Holloway	661 E Main Street #200 Suite #251 Midlothian, TX 76065	(469) 379-8387	1
Rolly & Mendy Manzanera	13611 Oak Cabin San Antonio, TX 78232	(210) 816-7001	1
Sergio Marquez	8235 Agora Parkway Suite 111, Box 593 Selma, TX 78154	(830) 714-7591	1
Jim & Becky Avers	2600 E. Southlake Blvd. Suite 120-118 Southlake, TX 76092	(817) 400-4525	1
Brandon Nelson & Scott Read	642 Chevy Chase Circle Sugarland, TX 77478	(281) 576-7567	1
Bliss & Joshua Smith	3809 S. General Bruce Drive Suite #103-237 Temple, TX 76502	(254) 545-9746	1
Ross & Brittany Thigpen	1910 E SE Loop 323 #208 Tyler, TX 75701	(903) 484-4920	1
Erik McGuffin	6512 Ash Court Watauga, TX 76148	(972) 703-2023	1

UTAH

Name	Address	Phone Number	Number of Units
Roger & Jamie Linn	1392 West Turf Farm Way Suite 1 #512 Payson, UT 84651	(801) 794-0940	2
Casey Johnson	11562 S. Moring Point Way South Jordan, UT 84009	(801) 855-6932	2

VIRGINIA

Name	Address	Phone Number	Number of Units
Brian Jennings	P.O Box 232138 Centreville, VA 20120	(703) 740-0093	1
Kevin Durgin	237 Hanbury Rd E Suite 17-331 Chesapeake, VA 20120	703-740-0093	1
Nick Stewart	13409 Maymount Drive Culpeper, VA 22701	(434) 212-3433	1

Antwain Salvatto	10307 West Board Street #224 Glen Allen, VA 23060	(804) 859-8700	1
Glen Orrison	38756 Lime Kiln Road Leesburg, VA 20175	(540) 317-0924	1
Glen Orrison & Aaron Orrison	38756 Lime Kiln Road Leesburg, VA 20175	(703) 910-8033	1
Jeff Kraft	4713 Jenway Loop Moseley, VA 23120	(804) 214-7529	1
Todd & Palloma Peterson	10515 Samaga Drive Oakton, VA 22124 <i>(Network Area also includes portions of Washington, D.C.)</i>	(703) 496-4433	2

WASHINGTON

Name	Address	Phone Number	Number of Units
Matthew Sanders	21301 State Route 410 E MB 177 Bonney Lake, WA 98391	(253) 215-1299	1
Brandon & Kate Harper	3623 NW 3 rd Avenue Camas, WA 98607	(360) 208-0536	1
Troy Flateau	1145 12 th Ave NW Suite C-1 Issaquah, WA 98027	(253) 234-5903	1
Scott Read & Troy Flateau	1145 12 th Ave NW Suite C-1 Issaquah, WA 98027	(425) 369-2949	1
Eric & Amy Pierce	10905 171 st Avenue E Lake Tapps, WA 98391	(253) 215-1266	1
Brett Mullin	10002 Aurora Avenue N. Suite 36, PMB 211 Seattle WA 98133	(425) 224-2701	1
Julie Gragg	9323 Mero Road Snohomish, WA 98290	(360) 335-6500	1
Wyatt Martin	2350 South Alaska Street Tacoma, WA 98405	(360) 208-0331	1

WISCONSIN

Name	Address	Phone Number	Number of Units
Michael & Rachel Dupont	P.O. Box 620324 Middleton, WI 53562	(608) 316-1590	1

EXHIBIT E TO THE DISCLOSURE DOCUMENT

LIST OF AREA DEVELOPERS WHO HAVE LEFT THE SYSTEM

The following is a list of Area Developers whose: (i) agreements have either been terminated, canceled, not renewed or who otherwise have left the system during the 12-month period ending December 31, 2023 or (ii) who have not communicated with us within 10 weeks of December 31, 2023:

TRANSFERS

Name	Address	Phone Number	Number of Units
John Munoz	18337 W Coolidge Street Goodyear, AZ 85395	(480) 750-7014	1
Brian Crandall & Amy Peppin	6140 S. Gun Club Road K6-356 Aurora, CO 80016	(303) 730-2793	1
Tyler Himmelman	34094 Eagle Lane Pine, CO 80470	(303) 317-6085	1
Jimmy Barbarise	5230 Land O'Lakes Blvd #545 Land O' Lakes, FL 34639	(813) 532-1507	1
Brandon Seeley	1365 Fiddlesticks Boulevard Suite 202-265 Fort Myers, FL 33912	(561) 372-5478	2
Justin Cannon	4000 SW 122 nd Street Gainesville, FL 32608	(352) 283-8586	1
Jimmy & Tina Barbarise	19101 Cortez Blvd #12081 Brooksville, FL 34603	(352) 544-2995	1
Walter Reaves, III	2 Majestic Pine Court Pooler, GA 31322	(912) 250-4828	1
Izzy Rahim	8626 W. Catherine Avenue Chicago, IL 60656	(847) 480-7767	1
Mike Taormina	1770 S. Randall Road Suite A, #147 Geneva, IL 60134	(630) 454-5709	1
Ronald Geuvarra & Matthew Lange	60005 Campground Road. Suite 200 Washington, MI 48094	(586) 422-1515	1
Ronald Guevarra	60005 Campground Road Suite 200 Washington, MI 48094	(248) 793-1177	1
Jackie & Karl Leveille	50 Menzel Avenue Maplewood, NJ 07040	(973) 302-5466	1
Joey & Tiffany Holibaugh	5824 Akron Cleveland Road Suite F Hudson, OH 44236	(330) 208-6463	2
David Stillwagon	8663 Norwood Avenue Philadelphia, PA 19118	(215) 649-7782	1
Roy Davenport & John Davenport	221 Chestatee Court Simpsonville, SC 29680	(864) 642-0209	1

Name	Address	Phone Number	Number of Units
Jason Watson	17515 Spring Cypress Road Suite C, #242 Cypress, TX 77429	(281) 807-7788	1
Justin Cannon	704 Crystal Terrace Austin, TX 78733	(512) 687-4263	1
Thomas Hayes	2114 Sundown Drive Little Elm, TX 75058	(972) 366-0214	1
Charles Perez	6113 Saratoga Blvd Suite F, #222 Corpus Christi, TX 78414	(361) 288-2790	1
Chris Dietrich	1429 Avenue D #334 Snohomish, WA 98290	(360) 335-6500	1

EXHIBIT F TO THE DISCLOSURE DOCUMENT

LIST OF STATE AGENCIES/AGENTS

FOR SERVICE OF PROCESS

EXHIBIT F
LIST OF STATE AGENCIES/AGENTS
FOR SERVICE OF PROCESS

Our registered agent in the State of Florida is:

Mr. Matt Kurowski
i9 Sports, LLC
9410 Camden Field Parkway
Riverview, Florida 33578

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

<p><u>CALIFORNIA</u></p> <p>California Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection & Innovation: 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677</p> <p>2101 Arena Boulevard Sacramento, CA 95834 (916) 445-7205</p> <p>1455 Frazee Road, Suite 315 San Diego, CA 92108 (619) 525-4233</p> <p>One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565</p>	<p><u>CONNECTICUT</u></p> <p>State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230</p> <p>Agent: Banking Commissioner</p>
<p><u>HAWAII</u></p> <p>(state administrator) Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p> <p>(agent for service of process) Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><u>ILLINOIS</u></p> <p>Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p> <p>Agent: Attorney General for the State of Illinois</p>

<p><u>INDIANA</u></p> <p>(state administrator) Indiana Secretary of State Securities Division, E-111 302 Washington Street Indianapolis, Indiana 46204 (317) 232-6681</p> <p>(agent for service of process) Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531</p>	<p><u>MARYLAND</u></p> <p>(state administrator) Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p> <p>(for service of process) Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p>
<p><u>MICHIGAN</u></p> <p>(state administrator) Consumer Protection Division Franchise Section Michigan Department of Attorney General 525 W. Ottawa Street, 6th Floor Lansing, Michigan 48933 (517) 373-7567</p> <p>(for service of process) Corporations Division Bureau of Commercial Services Department of Labor and Economic Growth P.O. Box 30054 Lansing, Michigan 48909</p>	<p><u>MINNESOTA</u></p> <p>Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 539-1500</p>
<p><u>NEW YORK</u></p> <p>(state administrator) NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236 Phone (212) 416-6042 Fax</p> <p>(for service of process) Attention: New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473 2492</p>	<p><u>NORTH DAKOTA</u></p> <p>North Dakota Securities Department State Capitol, Fourteenth Floor, Dept. 414 600 East Boulevard Avenue Bismarck, North Dakota 58505 (701) 328-4712</p>

<p><u>OREGON</u></p> <p>Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387</p>	<p><u>RHODE ISLAND</u></p> <p>Director of Department of Business Regulations Rhode Island Division of Securities Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9582</p>
<p><u>SOUTH DAKOTA</u></p> <p>Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563</p>	<p><u>VIRGINIA</u></p> <p>(state administrator) State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051</p> <p>(for service of process) Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733</p>
<p><u>WASHINGTON</u></p> <p>(state administrator) Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (362) 902-8760</p> <p>(for service of process) Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501</p>	<p><u>WISCONSIN</u></p> <p>(state administrator) Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-9555</p> <p>(for service of process) Administrator, Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705</p>

EXHIBIT G TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

**ADDITIONAL DISCLOSURES FOR THE
DISCLOSURE DOCUMENT AND AREA DEVELOPER AGREEMENT OF
i9 SPORTS, LLC**

The following are additional disclosures for the Disclosure Document and Area Developer Agreement of i9 Sports, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

**ADDENDUM TO THE i9 SPORTS, LLC
DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND,
MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA,
VIRGINIA, WASHINGTON, AND WISCONSIN**

No Waiver or Disclaimer of Reliance in Certain States. The following provision applies only to franchisees and Franchises that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the Franchise.

**ADDENDUM TO i9 SPORTS, LLC
DISCLOSURE DOCUMENT AND AREA DEVELOPER AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA**

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Area Developer Agreement contains provisions that are inconsistent with the law, the law will control.
2. The Area Developer Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).
3. The Area Developer Agreement contains covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.
4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.
6. Prospective Area Developers are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of an Area Developer Agreement restricting venue to a forum outside the State of California.
7. The Area Developer Agreement requires application of the laws of Florida. This provision may not be enforceable under California law.
8. Sections 1.2(b), (c), and (d) and Section 22(c) of the Area Developer Agreement and Exhibit H of the Disclosure Document are deleted in their entirety. These provisions may not be enforceable under California law.
9. The Area Developer Agreement contains provisions requiring you to agree to shorten the statute of limitations to bring claims and waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.
10. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
11. The Area Developer Agreement contains liquidated damages clauses. Under California Civil Code, Section 1671, certain liquidated damages clauses are unenforceable.
12. **THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.**

13. OUR WEBSITE, www.i9sports.com OR www.i9sportsfranchise.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION at www.dfpi.ca.gov.
14. Please be advised that the Area Developer Agreement and Item 5 of the Disclosure Document are amended to provide that Franchisor will defer collection of the initial franchise fees until it fulfills its pre-opening obligations to franchisees that are subject to the jurisdiction of the California Franchise Investment Law under the Area Developer Agreement, and such franchisees have opened their businesses.
15. The Area Developer Agreement Section 21 is amended by deleting the first sentence and adding the following in its place:

“Except as otherwise provided in Item 19 of the FDD, we disclaim the making of, and you acknowledge that you have not received, any warranty or guaranty, express or implied, as to the revenues, sales, profits or success of sports and recreational related businesses generally, the business venture contemplated by this Agreement or the extent to which we will continue to develop and expand the network of i9 Sports® Franchises.”
16. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. As required by Corporations Code section 31114: **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this ____ day of _____, 20__.

ATTEST

i9 SPORTS, LLC

Witness

By: _____

Name: _____

Title: _____

AREA DEVELOPER

Witness

By: _____

Name: _____

**ADDENDUM TO THE i9 SPORTS, LLC
DISCLOSURE DOCUMENT AND AREA DEVELOPER AGREEMENT
REQUIRED BY THE STATE OF HAWAII**

In recognition of the requirements of the Hawaii Franchise Investment Law, the Franchise Disclosure Document of i9 Sports for use in the State of Hawaii shall be amended to include the following:

1. **THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE. THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

2. Item 17 shall be supplemented by the addition of the following language at the end of the Item:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Exhibit I (Area Developer Disclosure Acknowledgement Statement) to the Franchise Disclosure Document and Section 1.3 (Acknowledgement in Certain States) of the Area Developer Agreement are hereby deleted in their entirety.

Each provision of this Addendum to the Disclosure Document and Area Developer Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this Addendum to the Disclosure Document and Area Developer Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

i9 SPORTS, LLC

Witness

By: _____
Name: _____
Title: _____

AREA DEVELOPER

Witness

By: _____
Name: _____

**ADDENDUM TO THE i9 SPORTS, LLC
DISCLOSURE DOCUMENT AND AREA DEVELOPER AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS**

1. The following item is required to be included within the Disclosure Document and shall be deemed to supersede the language that is in the Disclosure Document itself:

Section 4 of the Illinois Franchise Disclosure Act (“Act”) dictates that “any provision in the Area Developer Agreement which designates jurisdiction or venue in a forum outside of this State if void with respect to any cause of action which otherwise is enforceable in this State, provided that an Area Developer Agreement may provide for arbitration in a forum outside of this State.” Therefore, the Act supersedes any contrary provisions contained in the Area Developer Agreement.

2. Article XI of the Area Developer Agreement and Item 23 of the Disclosure Document are hereby amended to reflect Illinois minimum disclosure period of 14 calendar days as required by Section 5(2) of the Act.
3. Illinois law governs the Franchise Agreement(s).
4. Any releases that the Franchisor requests the Area Developer to sign must conform with the Act.
5. Under Illinois law, an Area Developer Agreement may not provide for a choice of law of any state other than Illinois. Accordingly, Items 17(v) and (w) are amended to state “none”. The Area Developer Agreement is amended accordingly.
6. Section 24.11 (Limitation of Claims) of the Area Developer Agreement is amended to comply with Section 705/27 of the Illinois Franchise Disclosure Act.
7. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
8. Section 24.4 (Jurisdiction and Venue) of the Area Developer Agreement are amended to comply with Section 705/4 of the Illinois Franchise Disclosure Act.
9. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
10. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
11. In this franchise system, the agreement you sign is called an “Area Developer Agreement.” This agreement gives you the right to open and operate one franchise business.
12. Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

i9 SPORTS, LLC

Witness

By: _____

Name: _____

Title: _____

AREA DEVELOPER

Witness

By: _____

Name: _____

**ADDENDUM TO THE i9 SPORTS, LLC
DISCLOSURE DOCUMENT AND AREA DEVELOPER AGREEMENT
REQUIRED BY THE STATE OF INDIANA**

1. To be added to Item 3 of the Disclosure Document, is the following statement: There are presently no arbitration proceedings to which the Franchisor is a party.
2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the Area Developer's exclusive territory.
3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).
4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the Area Developer so requests. This amends Articles 26 of the Area Developer Agreement.
5. Under Indiana Code 23-2-2.7-1 (10), Area Developer may not agree to waive any claims or rights.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

i9 SPORTS, LLC

Witness

By: _____

Name: _____

Title: _____

AREA DEVELOPER

Witness

By: _____

Name: _____

**ADDENDUM TO THE i9 SPORTS, LLC
DISCLOSURE DOCUMENT AND AREA DEVELOPER AGREEMENT
REQUIRED BY THE STATE OF MARYLAND**

This will serve as the State Addendum for i9 Sports, LLC for the State of Maryland for the i9 Sports® Disclosure Document and for its Area Developer Agreement. The amendments to the Area Developer Agreement included in this addendum have been agreed to by the parties.

1. The provision contained in the termination sections of the Area Developer Agreement may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).
2. Item 11 of the Disclosure Document shall be amended to state that an Area Developer may obtain an accounting of the advertising fund, by requesting same in a written request to Franchisor.
3. Item 17 of the Disclosure Document shall be amended at the sections dealing with the issuance of general releases to the effect that the general release required as a condition of renewal and/or assignment/transfer are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law. The appropriate sections of the Area Developer Agreement are amended accordingly.
4. Item 17 of the Disclosure Document and the appropriate sections of the Area Developer Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
5. Item 17 of the Disclosure Document is hereby amended to state that pursuant to Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law, an Area Developer is permitted to enter into litigation with the Franchisor in the State of Maryland, notwithstanding the language in the Area Developer Agreement.
6. The Area Developer Agreement are amended to state that any representations which require a prospective Area Developer to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
7. The Area Developer Disclosure Acknowledgement Statement in Exhibit H is deleted. Do not sign the Acknowledgement Statement if the franchise is to be operated in, or you are a resident of, Maryland.
8. Please be advised that the Area Developer Agreement and Item 5 of the Disclosure Document are amended to provide that Franchisor will defer all initial franchise fees until the Franchisor has satisfied its pre-opening obligations to the Area Developer and Area Developer has commenced doing business.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

i9 SPORTS, LLC

Witness

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

Witness

Signature

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

1. A prohibition on the right of an Area Developer to join an association of franchises.
2. A requirement that an Area Developer assent to a release, assignment, novation, waiver or estoppel which deprives an Area Developer of rights and protections provided in this act. This shall not preclude an Area Developer, after entering into an Area Developer Agreement, from settling any and all claims.
3. A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the Area Developer to comply with any lawful provision of the Area Developer Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
4. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the Area Developer by repurchase or other means for the fair market value at the time of expiration of the Area Developer's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the Area Developer is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the Area Developer does not receive at least six (6) months' advance notice of franchisor's intent not to renew the franchise.
5. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other Area Developers of the same class or type under similar circumstances. This section does not require a renewal provision.
6. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the Area Developer from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
7. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - A. Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
 - B. The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - C. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - D. The failure of the Area Developer or proposed transferee to pay any sums owing to the franchisor or to cure any default in the Area Developer Agreement existing at the time of the proposed transfer.

- 8. A provision that requires the Area Developer to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the Area Developer has breached the lawful provisions of the Area Developer Agreement and has failed to cure the breach in the manner provided in subdivision (c).
- 9. A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the Area Developer unless provision has been made for providing the required contractual services.

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

If the franchisor’s most recent financial statements are unaudited and show a net worth of less than \$100,000, Area Developer has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
 Attn: Franchise Section
 525 W. Ottawa Street
 G. Mennen Williams Building, 1st Floor
 Lansing, MI 48933
 (517) 373-7567

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

i9 SPORTS, LLC

Witness

By: _____

Name: _____

Title: _____

AREA DEVELOPER

Witness

Signature

**ADDENDUM TO THE i9 SPORTS, LLC
DISCLOSURE DOCUMENT AND AREA DEVELOPER AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA**

This addendum to the Disclosure Document is agreed to this ___ day of _____, 20___, and effectively amends and revises said Disclosure Document and Area Developer Agreement as follows:

1. Item 13 of the Disclosure Document and Sections 9, 10.2 and 11 of the Area Developer Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements or Minnesota law, Franchisor shall protect Area Developer’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. Item 17 of the Disclosure Document and Section 19.1 (Immediate/By Us) of the Area Developer Agreement are amended by the addition of the following language to the original language that appears therein:

“Minnesota law provides Area Developers with certain termination and non-renewal rights. Minnesota Stat. Sec. 80c.14, Subd.3, 4 and 5 require, except in certain specified cases, that an Area Developer be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Disclosure Document.”

3. Item 17 of the Disclosure Document and Section 24.4 (Jurisdiction and Venue) of the Area Developer Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of jurisdiction.”

4. Item 17 of the Disclosure Document and Section 19 of the Area Developer Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

5. Any reference to liquidated damages in the Area Developer Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Section 24.11 (Limitation of Claims) of the Area Developer Agreement is amended to comply with Minn. Stat. 80C.17, Subd.5.

7. Section 24.12 (Waiver of Jury Trial) of the Area Developer Agreement is deleted to comply Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

i9 SPORTS, LLC

Witness

By: _____
Name: _____
Title: _____

AREA DEVELOPER

Witness

Signature

**ADDENDUM TO THE i9 SPORTS, LLC
DISCLOSURE DOCUMENT AND AREA DEVELOPER AGREEMENT
REQUIRED BY THE STATE OF NEW YORK**

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT F OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY New York STATE DOES NOT MEAN THAT New York STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NYS DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, which in the 10-year period immediately preceding the application for registration, has been convicted or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunction or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliates, its predecessor, officers, or general partner during the 10-year period immediately before the date of this offering circular: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal office of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. Item 17 shall be amended to also state the following:

- i. Provision (c) of the Franchise Disclosure Document is amended by adding the following language in the Summary column:

“However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.”

- ii. Provision (d) of the Franchise Disclosure Document is amended by adding the following language in the Summary column:

“The Franchisee may terminate the agreement on any grounds available by law.”

- iii. Provision (j) of the Franchise Disclosure Document is amended by adding the following language in the Summary column:

“However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the area developer agreement.”

- iv. Provision (w) of the Franchise Disclosure Document is amended by adding the following language in the Summary column:

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum to the Area Developer Agreement in duplicate in the dated this _____ day of _____, 20__.

ATTEST

i9 SPORTS, LLC

Witness

By: _____

Name: _____

Title: _____

AREA DEVELOPER

Witness

Signature

**ADDENDUM TO THE i9 SPORTS, LLC
DISCLOSURE DOCUMENT AND AREA DEVELOPER AGREEMENT
REQUIRED BY THE STATE OF RHODE ISLAND**

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

“A provision in an Area Developer Agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

Witness

i9 SPORTS, LLC

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

Witness

Signature

**ADDENDUM TO THE i9 SPORTS, LLC
DISCLOSURE DOCUMENT AND AREA DEVELOPER AGREEMENT
REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the area developer agreement does not constitute “reasonable cause,” as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable.

ATTEST

i9 SPORTS, LLC

Witness

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

Witness

Signature
Address: _____

Date: _____

**ADDENDUM TO THE i9 SPORTS, LLC
WASHINGTON ADDENDUM TO THE DISCLOSURE DOCUMENT, AREA DEVELOPER
AGREEMENT, ACKNOWLEDGEMENT STATEMENT, AND RELATED AGREEMENTS**

The State of Washington has a statute, RCW 19.100.180, which may supersede the Area Developer Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Area Developer Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by an Area Developer shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The following risk factor is added to the page titled "Special Risks to Consider About *This Franchise*":

Use of Franchise Brokers. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

Exhibit I to the Franchise Disclosure Document (“General Release Agreement”) does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

The Area Developer Agreement Section 25.1 (Approvals and Consents) is amended by deleting the last sentence and adding the following in its place:

“If we provide to you any waiver, approval, consent, or suggestion, or if we neglect or delay our response or deny any request for any of those, we will not be deemed to have made any warranties or guarantees, and will not assume any liability or obligation to you.”

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

i9 SPORTS, LLC

Witness

By: _____
Name: _____
Title: _____

AREA DEVELOPER

Witness

Signature

**ADDENDUM TO THE i9 SPORTS, LLC
DISCLOSURE DOCUMENT AND AREA DEVELOPER AGREEMENT
REQUIRED BY THE STATE OF WISCONSIN**

For franchises and area developers subject to the Wisconsin Fair Dealership Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the i9 Sports, LLC Franchise Disclosure Document and Area Developer Agreement:

Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between Franchisor and area developer inconsistent with the Law.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

i9 SPORTS, LLC

Witness

By: _____
Name: _____
Title: _____

AREA DEVELOPER

Witness

Signature

EXHIBIT H TO THE DISCLOSURE DOCUMENT

FORM OF

AREA DEVELOPER DISCLOSURE ACKNOWLEDGMENT STATEMENT

THIS QUESTIONNAIRE SHALL NOT BE COMPLETED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE STORE IS SUBJECT TO THE STATE FRANCHISE DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

DO NOT SIGN THE ACKNOWLEDGEMENT IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, MARYLAND.

AREA DEVELOPER DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, i9 Sports, LLC (the “Franchisor”) and you are preparing to enter into an Area Developer Agreement (the “Area Developer Agreement”) for the establishment and operation of an i9 Sports Franchise (the “Franchised Business”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor (“Broker”) that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Franchised Business from an existing Area Developer, you may have received information from the transferring Area Developer, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Area Developer. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Area Developer Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Area Developer?

Yes _____ No _____

2. I had my first face-to-face meeting with a Franchisor representative on _____, 20____.

3. Have you received and personally reviewed the Area Developer Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

4. Do you understand all of the information contained in the Area Developer Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Area Developer Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

5. Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes _____ No _____

6. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

8. Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes _____ No _____

10. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Business operated by the Franchisor or its Area Developers (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes _____ No _____

15. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or Area Developer Agreement?

Yes _____ No _____

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

18. Have you spoken to any other Area Developer(s) of this system before deciding to purchase this franchise? If so, who? _____

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank.

I signed the Area Developer Agreement and Addendum (if any) on _____, 20____, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None".

C. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

- (i) a person or entity listed in the Annex to the Executive Order;
- (ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
- (iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or
- (iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Area Developer Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Acknowledged this ____ day of _____, 20____.

Sign here if you are taking the franchise as an
INDIVIDUAL

Sign here if you are taking the franchise as a
CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP

Signature

Print Name of Legal Entity

Print Name _____

By: _____

Signature

Signature

Print Name _____

Print Name _____

Title _____

Signature

Print Name _____

Signature

Print Name _____

EXHIBIT I TO THE DISCLOSURE DOCUMENT

**FORM OF
GENERAL RELEASE**

i9 SPORTS, LLC

GENERAL RELEASE AGREEMENT

THIS AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 20__ by and between i9 Sports, LLC, a Delaware limited liability company having its principal place of business located at 9410 Camden Field Parkway, Riverview, Florida 33578 (the “Franchisor”), and _____, an individual residing at _____ OR _____ (hereinafter referred to as “Releasor”), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. **Release by Releasor:**

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises, covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys’ fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys’ fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Florida law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Florida.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

Witness:

RELEASOR:

(Name)

Witness:

i9 SPORTS, LLC:

By: _____
Name: _____
Title: _____

EXHIBIT J TO THE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws if an effective date is noted below for the state:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	March 29, 2024
Minnesota	Pending
New York	Pending
North Dakota	Not Registered
Rhode Island	Pending
South Dakota	Not Registered
Virginia	Pending
Washington	Pending
Wisconsin	Pending

EXHIBIT K TO THE DISCLOSURE DOCUMENT

RECEIPTS

RECEIPT
(RETURN ONE COPY TO US)

This disclosure document summarizes certain provisions of the Area Developer Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If i9 Sports, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant.

New York and Rhode Island require that we give you this disclosure document at the earliest of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If i9 Sports, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit F.

The franchisor is i9 Sports, LLC, located at 9410 Camden Field Parkway, Riverview, Florida 33578. Its telephone number is (813) 324-2000.

Issuance date: March 29, 2024.

The franchise sellers for this offering are: Daniel Distasio, Mike Scantzoulis, Travis Magee, and Robert Fournier, Jr. i9 Sports, LLC, 9410 Camden Field Parkway, Riverview, Florida 33578; Phone (813) 324-2000; and _____.

i9 Sports, LLC authorizes the agents listed in Exhibit F to receive service of process for it.

I have received a disclosure document dated March 29, 2024, that included the following Exhibits:

A – Financial Statements	G – State Specific Addendum
B – i9 Sports® Form of Area Developer Agreement	H – Area Developer Disclosure Acknowledgment Statement
C – Operations Manual Table of Contents	I – General Release Agreement
D – List of Area Developers	J – State Effective Dates
E – List of Area Developers Who Have Left the System	K – Receipts
F – List of State Agencies/Agents for Service of Process	

Date: _____
(Do not leave blank)

Signature of Prospective Area Developer

Print Name

You may return the signed receipt either by signing, dating and mailing it to i9 Sports, LLC at 9410 Camden Field Parkway, Riverview, Florida 33578, or by faxing a copy of the signed and dated receipt to i9 Sports, LLC at (813) 630-5810; or by electronically submitting a copy to us.

RECEIPT
(RETURN ONE COPY TO US)

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