

FRANCHISE DISCLOSURE DOCUMENT



Team Up Enterprises, LLC
a Utah limited liability company
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Kaysville, Utah 84037
(801) 224-4418
franchise@teamupathletics.com
<http://www.teamupathletics.com>

As a Team Up Athletics® franchisee, you will operate a custom sports apparel and equipment business selling primarily to schools, clubs, leagues, municipalities, universities, and corporate teams.

The total investment necessary to begin operation of a Team Up Athletics® franchise business is \$71,500 to \$125,500 to operate from your home or \$100,000 to \$239,150 to operate from a commercial location with a showroom. This includes the \$37,500 that must be paid to the franchisor or its affiliates. We also allow you to buy franchises in packs of between 2 and 5 franchises. The total investment necessary to begin operation of 2 to 5 franchises without commercial showrooms is \$139,500 to \$613,500, and the total investment necessary to begin operation of 2 to 5 franchises with showrooms is \$196,500 to \$1,181,750. These amounts include the \$37,500 that must be paid to the franchisor or its affiliates for a single Team Up Athletics® franchise business and \$71,500 to \$173,500 that must be paid to the franchisor or its affiliates for a 2 to 5 pack franchise.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Jason Sant at franchise@teamupathletics.com and (801) 224-4418.

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

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



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

Issuance Date: August 11, 2023

How to Use This Franchise Disclosure Document

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

| QUESTION | WHERE TO FIND INFORMATION |
|--|---|
| How much can I earn? | Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit “D.” |
| How much will I need to invest? | Items 5 and 6 list fees that 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 “C” 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 Team Up Athletics® business in my area? | Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you. |
| Does the franchisor have a troubled legal history? | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings. |
| What’s it like to be a Team Up Athletics® franchisee? | Item 20 or Exhibit “D” lists current and former franchisees. You can contact them to ask about their experiences. |
| What else should I know? | These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents. |

What You Need to Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit "F." Your state may also have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Salt Lake City, Utah. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Salt Lake City, Utah than in your own state.

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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EXHIBITS

- A. Franchise Agreement and its Exhibits
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- C. Financial Statements
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- H. Multi-Unit Agreement
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- J. Release Agreement
- K. Signing Checklist

RECEIPTS



FRANCHISE DISCLOSURE DOCUMENT

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

The Franchisor

The name of the franchisor is Team Up Enterprises, LLC. In this disclosure document Team Up Enterprises, LLC is referred to as “we” or “us” or “our” or “Team Up Athletics”; “franchisee,” “you” or “yours” means the person or persons, individually and collectively, who buys the franchise from us and includes the current and future owners of a franchisee that is a corporation, partnership, or other entity.

Our limited liability company was organized on August 3, 2021, in the state of Utah under the name Team Up Enterprises, LLC. Our principal place of business is 350 N. 650 W., Kaysville, Utah 84037. Our agents for service of process in various states are disclosed in Exhibit “E.”

Franchisor’s Business Activities

We do not have any other business activities other than franchising the Team Up Athletics® brand, and we do not do business under any name other than Team Up Enterprises, LLC or Team Up Athletics®.

As of the date of this disclosure document, we have not offered for sale or sold franchises in any other line of business. We began offering and selling franchises under the Team Up Athletics® brand in March 2022.

Parent

Our parent, Team Up Holdings, LLC, was organized on August 3, 2021 in the state of Utah. Its principal place of business is 350 N. 650 W., Kaysville, Utah 84037. Team Up Holdings, LLC is a holding company and does not conduct business similar to the one you will operate. Additionally, it has not offered nor sold franchises in this line of business or any other line of business.

Affiliates

Our affiliate JMS Industries, L.L.C. was organized on November 14, 2017 in the state of Utah. Its principal place of business is 350 N. 650 W., Kaysville, Utah 84037. JMS Industries, L.L.C. operates a Team Up Athletics® business similar to the one you will operate out of Kaysville, Utah. It has operated this business since 2018. JMS Industries, L.L.C. also supplies sports apparel, screen printing, and equipment to our franchisees.

Our affiliate Salty Lax LLC was organized on April 21, 2021, in the state of Utah. Its principal place of business is 350 N. 650 W., Kaysville, Utah 84037. Salty Lax LLC supplies certain lacrosse equipment and apparel to our franchisees and the public.

We have no other parents, predecessors or affiliates required to be disclosed in this Item.

Franchise Offered

We license and train others to operate Team Up Athletics® businesses. A Team Up Athletics® business is a custom sports apparel and equipment business selling primarily to schools, clubs, leagues, municipalities, universities, and corporate teams. The grant of a Team Up Athletics® franchise authorizes you to engage in our complete system under the name Team Up Athletics® and other proprietary marks.

Initially, you may operate from your home or from a commercial space with an office and showroom. However, if you choose to operate from your home, at our discretion, we can later require you to operate from a commercial space with a showroom. Additionally, if you choose to operate from a commercial space, you will likely need to work from your home or a different office for a time until your commercial space is completed.

Multi-Unit Franchise Packages

If you purchase a multi-unit franchise package, you will enter into a separate multi-unit agreement (see Exhibit “H”). Under the multi-unit agreement, you will have 5 years from signing your first franchise agreement to open each of your purchased units/territories. After 5 years, you will forfeit any unused/unopened franchise licenses you have purchased.

For any multi-unit franchise purchase, you will be required to sign our then-current franchise agreement for each unit/territory as developed, which terms may differ from the current franchise agreement included with this disclosure document. Unless specifically stated otherwise, the disclosures for multi-unit are the same as for a single unit.

General Description of Market and Competition

The general market for sports apparel and sports equipment is well-developed and competitive. You will typically compete with other established businesses selling sports apparel and sports equipment. There are many of these competitors from large national chains to small independent operators.

Laws and Regulations

There are no specific laws or regulations that govern this industry, but you are required to follow all laws and regulations that apply to business generally.

You must investigate local zoning rules because they may limit where you can locate your commercial office or showroom, if applicable, and may affect the design features including the building façade and signs. In many jurisdictions, you will also be required to obtain a sign permit. You should also be aware of federal, state, and local environmental laws about the disposal of waste materials and packaging.

At your cost and expense, you must investigate and ensure that you comply with all payment card industry (“PCI”) and data security standard (“DSS”) standards, regulations, and requirements. You

are not permitted to collect, store, transfer, etc., any unnecessary customer information. Additional information can be found at www.pcisecuritystandards.org.

The details of state, county and local laws and regulations vary from place to place. It is your responsibility to research these matters. Please be aware that the changes in these laws may increase the cost of operating your business. You are solely responsible to determine what local or state regulations, permits and licenses you will need to comply with and/or obtain to conduct the franchise business in a particular state, city, or town.

ITEM 2 BUSINESS EXPERIENCE

Jason Sant – CEO

Jason Sant is our CEO. He has held this position since our inception in August 2021. In addition to this employment, Jason has held the following roles over the past 5 years:

- November 2017 to present: CEO for JMS Industries, L.L.C., a sports apparel and sports equipment company based out of Kaysville, Utah.

Damon Sant – COO

Damon Sant is our COO. He has held this position since our inception in August 2021. In addition to this employment, Damon has held the following roles over the past 5 years:

- August 2019 to present: COO for JMS Industries, L.L.C., a sports apparel and sports equipment company based out of Kaysville, Utah.
- August 2012 until July 2019: Director of Project Management for Ariix, a network marketing company based out of Bountiful, Utah.

Ted Lucas – CIO

Ted has been our CIO since January 2022. In addition to this employment, Ted has held the following roles over the past 5 years:

- July 2020 to March 2022: Director of Enterprise Systems and Data for AGReserves, Inc., an agriculture company based in Salt Lake City, Utah.
- February 2018 to July 2020: Director of Project Management Office for AGReserves, Inc., an agriculture company based in Salt Lake City, Utah.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Initial Franchise Fee

On the signing of the franchise agreement, all franchisees pay an initial franchise fee of \$35,000. The initial franchise fee is uniform for all franchisees. The initial franchise fee is payable in a lump sum upon signing the franchise agreement. You will receive an initial sample package of materials as part of your initial franchise fee.

Additional Franchise Purchases

During the term of your franchise, you may purchase additional franchises for the reduced franchise fee of 10% off the then-current franchise fee, and you must sign the then-current franchise agreement. This option will only be available to you if there are franchise territories available, you meet our then-current criteria for new franchisees, you are current and not in default of your franchise agreement, and, in our sole discretion, we determine to sell you another franchise.

Multi-Unit Agreement

Qualified franchisees may be able to purchase multiple franchises upfront. If you purchase a multi-unit franchise package, you must pay the initial franchise fees for each unit in the package purchased at the time of signing the multi-unit agreement as set forth in the table below. This fee is non-refundable even if you do not open all the franchises purchased in the chosen multi-unit franchise package.

| Franchise Package | Multi-Unit Franchise Fee |
|--------------------------|---------------------------------|
| 2-Pack | \$66,500 |
| 3-Pack | \$98,000 |
| 4-Pack | \$129,500 |
| 5-Pack | \$161,000 |

Deposit Agreement

You may sign a deposit agreement (Exhibit "I") to reserve your franchise for up to 30 days. The non-refundable deposit fee is \$3,500 for a standard franchise, which is applied to the initial franchise fee if you purchase a franchise. This option is available only after you have had this disclosure document for at least 14 calendar days or 10 business days as applicable.

Opening Assistance

We provide you with one of our representatives to assist you for up to 3 days of opening assistance during your grand opening. The opening assistance fee is \$2,500, and we will cover the costs for travel, food, and lodging for our representatives to provide this opening assistance.

Uniformity and Refunds

The costs and fees described above in this Item are uniform and are non-refundable for all franchisees as described above.

**ITEM 6
OTHER FEES**

| TYPE OF FEE | AMOUNT | DUE DATE | REMARKS |
|---|--|--|---|
| Referral Fee ¹ | 5% of gross sales on orders made by a referred customer | When invoice is paid | You cannot take orders or service customers in another franchisee's territory. All such customers and orders must be referred to the franchisee in that territory. However, you will receive a 5% referral fee for orders made by customers that you refer to other franchisees or to us. Additionally, you will pay a 5% referral fee for orders made by customers referred to you by other franchisees or by us. The referral fee will be paid to us, and we will pay that amount to the referring franchisee, as applicable. |
| Territory or Showroom Relocation Fee ^{1,4} | Our costs to approve the new territory or showroom at \$50 per man hour, plus our legal fees | Upon demand | Our costs include reviewing the new territory, and/or showroom proposed sites updating and preparing documentation and editing our website and promotional materials. |
| Successor Franchise Fee ¹ | \$1,500 | Prior to your entering into a successor franchise agreement | A successor franchise agreement is available to you only if you meet each of the requirements described in the franchise agreement at the time your election to enter into a successor agreement must be made. |
| Royalty ¹ | 5% of gross sales | Payable monthly to be received by the 5th day of the following month | Gross sales include all revenue from the franchise business but do not include sales tax. We require royalties to be paid in accordance with our electronic funds transfer or automatic withdrawal program as developed. |
| Late Charges ^{1,4} | \$25 per day | Payable with royalty or on demand | Charges begin to accrue after the due date of any required payment or report. You will be charged \$25 per day for each late fee or report (up to \$500 per late fee). |

| | | | |
|--|--|-----------------------------------|--|
| Non-Sufficient Fund Fees ^{1,4} | \$50 per bounced check or insufficient or disputed draft | Payable with royalty or on demand | Or maximum allowed by state law (see state specific addendum) |
| Interest on Late Fees and Reports ¹ | 18% interest or maximum rate permitted by state law, whichever is less | Payable with royalty or on demand | Interest begins to accrue on the total amount (fee plus any late charge) after the due date of any required payment or report. |
| Sales or Use Tax ¹ | Sum equal to tax imposed | Upon demand | If a sales, use, or value added tax is assessed on fees you pay to us, you must also pay us the applicable tax when invoiced. |
| Audit Charge ¹ | Cost of audit | On billing | Payable only if an audit shows an understatement of 2% or more of gross sales for the time period audited, or records are unorganized or unavailable |
| New Operating Principal or New Manager Training ^{1,4} | \$250 per day, per person | On demand | Any new operating principal must complete the initial training program before taking over as operating principal. New managers may be trained by your operating principal, but we can also require your managers to be trained by us if we reasonably believe such training would be in the best interest of your franchise. You will be required to pay all associated travel, food, and lodging associated with such training. |
| Additional Training ^{1,4} | \$250 per day, per person | Upon billing | Depending on advanced notice and our availability, you may request additional training. In such case, you will also be required to pay all the travel, lodging, food, and other expenses of your attendees or our representatives during this additional training. We reserve the right to limit additional in-person training. |
| Insurance Reimbursement Fee ^{1,4} | Reimbursement of premium amount, plus an administration fee of \$50 per hour | Upon demand | You are required to hold and maintain your own insurance, but in the event you fail to do so, we have the right to obtain insurance on your behalf. |
| PCI and DSS Audit Reimbursement Fee ¹ | Costs of the audit | Upon demand | You must reimburse us all costs related to an audit for your non-compliance with PCI and DSS requirements. |

| | | | |
|---|---|---|---|
| Interim Management Fee ^{1,4} | \$250 per day, per representative | Time of service | Payable if we elect to operate your business during your unapproved closing, unapproved absence, incapacity, death, or after you have been given notice of default and failed to cure. You must also pay all travel, lodging, food and other expenses for our representative(s) and other expenses that may be incurred by us to perform such services, plus royalties, advertising fees, and other applicable fees. The interim management period will not last more than 6 months unless otherwise agreed between us. |
| Supplier Evaluation Fee ¹ | Reasonable expenses of evaluation, at cost | The amount of expenses is due within 30 days of evaluation. | Payable if you want to have unapproved suppliers evaluated for our approval. |
| Additional Copies of Marketing Materials ¹ | Our costs, plus 10%, and the costs for shipping and handling | Time of delivery | We may develop and provide you samples of marketing and promotional materials. |
| Fees on Default ¹ | Our costs associated with your default | On demand, as incurred | Paid in addition to other payments to us |
| Post-Termination Fees and Damages ¹ | Varies | As incurred | You will be responsible to pay us any post-termination expenses, including attorney's fees and costs to enforce your post-term obligations. |
| Early Termination Liquidated Damages ¹ | Average royalty from the previous 12 months multiplied by the lesser of 24 months or the remaining term of your franchise agreement | Upon termination | Payable if your franchise agreement is terminated prior to the expiration of the term. This is only to compensate for lost royalties and is not our only remedy. |
| Franchise Agreement Transfer Fee ¹ | \$7,500 | At time of approved transfer | Payable when you sell your franchise and prior to our signing any approval or new agreement. Subject to state law. |
| Minority Interest Transfer Fee ¹ | Our legal fees and administrative costs related to the transfer | On demand | This fee applies to transfers of up to 40% of your franchisee entity – cumulative during the term of the franchise agreement. All guarantors |

| | | | |
|---------------------------------------|---|--------------------------|---|
| | | | will remain guarantors unless the transferee(s) provide an adequate substitute personal guaranty. Subject to state law. |
| Transfer Training Fee ^{1,4} | \$250 per day, per person | On demand | The transferee must pay this initial training fee to have us train the transferee. |
| Indemnification ^{1,2} | Varies | As incurred or on demand | |
| Non-Compete Violations ^{1,3} | \$300 per day for each competing business | Upon demand | This fee is applied if you violate the non-compete covenants in the franchise agreement or any related agreements or if you use our system without our express written permission or approval. This is not our only remedy and does not represent a price for the privilege to compete. |
| Dispute Resolution Fees ¹ | Varies | As incurred or on demand | You are required to pay half of the mediation or arbitration fees. Additionally, the prevailing party will be entitled to reimbursement of its legal fees and expenses. |

NOTES

¹ **Royalty and Fees.** Except as shown in the remarks column, all fees are uniformly imposed and payable to us. All fees payable to us or an affiliate are non-refundable. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not. If a sales or similar tax is assessed on the royalties or marketing fees, you may be required to pay us or the taxing authority the amount of this tax.

We have the right to require you to establish a bank sweep, draft, or other similar type of electronic funds transfer (“EFT”) account in which you must deposit the gross sales of your outlet (not including local sales & use taxes) which account we may automatically access for any payment due us. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account. You cannot close or terminate any EFT account without receiving our prior written consent. If you fail to timely report gross sales, we may sweep an estimated amount of fees due to us. You will be responsible for paying us any amount owing if we underestimate your payment to us, and we will credit you with any overage that we charge.

² **Indemnification.** You must defend, indemnify, and hold us harmless from any and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorney’s fees arising out of or related to, or in any way connected with you or your acts, errors or omissions in the operation of your franchise business or your franchise business generally, and including any allegation that you are our employee, or that we are a joint employer or otherwise responsible for the acts or omissions relating to your employees, and other laws regarding public accommodations for persons with disabilities. You are not required to indemnify us for liability caused by your willful misconduct or gross negligence.

³ Liquidated Damages for Breach of Non-Competition. This fee is applied if you violate the non-compete covenants in the franchise agreement or any related agreements, or if you use our system without our express written permission or approval. This fee is not our only remedy, does not represent a price for the privilege of not performing, nor does the payment represent an alternative manner of performance.

⁴ Fee Increases. We may increase these fees by up to 10% per year during the term of your franchise agreement to adjust to increased costs and other factors related to inflation. Costs charged by third parties are subject to change at any time and do not have an annual cap.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT
(Home Office - No Showroom)

| TYPE OF EXPENDITURE | LOW AMOUNT | HIGH AMOUNT | METHOD OF PAYMENT | WHEN DUE | TO WHOM PAYMENT IS TO BE MADE |
|--|------------|-------------|-------------------|--------------------------------------|--|
| Initial franchise fee ¹ | \$35,000 | \$35,000 | Lump sum | Upon signing the franchise agreement | Us |
| Initial training ² | \$5,000 | \$10,000 | As incurred | Prior to and during training | Airlines, hotels and restaurants |
| POS system, computer hardware, and software ³ | \$2,000 | \$5,000 | As incurred | As negotiated | Suppliers |
| Vehicle ⁴ | \$0 | \$20,000 | As incurred | As negotiated | Suppliers |
| Miscellaneous opening costs ⁵ | \$2,000 | \$3,000 | As incurred | As incurred | Suppliers, government departments, utilities, etc. |
| Grand opening assistance fee ⁶ | \$2,500 | \$2,500 | As incurred | Before opening | Us, affiliates and suppliers |
| Grand opening marketing ⁷ | \$2,500 | \$5,000 | As incurred | As negotiated | Suppliers |
| Additional funds ⁸ | \$22,500 | \$45,000 | As incurred | As incurred | Suppliers, employees, etc. |
| Total ⁹ | \$71,500 | \$125,500 | | | |

NOTES

¹ Initial Franchise Fee. The initial franchise fee is non-refundable, and we do not finance any portion of the fee.

² Initial Training. We estimate that you will have 1 to 5 people attend the initial training. These costs will vary widely as a function of the distance traveled and the choice of accommodations, meals, and transportation.

³ POS System, Computer Hardware, and Software. Included in this estimate are the cost of computers, a printer, office phone, cell phone, POS system, and accounting software. For more information about your POS system, computer, hardware, and software requirements.

⁴ Vehicle. You must have a vehicle to operate your franchise. Your vehicle must be in good condition and repair with no external damage or unreasonable wear and tear, must accommodate the transportation and delivery of customer items, and must be approved by us.

⁵ Miscellaneous Costs. These miscellaneous costs include legal fees, utility costs, business entity organization expenses, employee training, deposits, insurance, and licenses. The cost of insurance may vary depending on the insurer, the location of your franchise business, and your claims history. We strongly recommend that you hire a lawyer, accountant, or other professional to advise you on this franchise offering. Rates for professionals can vary significantly based on locale, area of expertise and experience.

⁶ Grand Opening Assistance Fee. We provide you with one of our representatives to assist you for up to 3 days of opening assistance during your grand opening. The opening assistance fee is \$2,500, and we will cover the costs for travel, food, and lodging for our representatives. This opening assistance is mandatory.

⁷ Grand Opening Marketing. This estimates the cost to promote your grand opening. Although you may not have a commercial space open to the public, we require that you spend at least \$2,500 in promoting your opening, which we anticipate will be mostly done through online advertisements.

⁸ Additional Funds. This estimates your operating expenses during your first 3 months of operations, not including cash flows. You must maintain a minimum of \$10,000 in your operating account at all times for business emergencies; provided that in any 30-day period, the operating account may have less than such amount for a period of not more than 10 days. Upon request, you must send us a monthly bank statement for your operating account. Additionally, if you elect to finance your investment, you need to account for the additional costs of repaying that financing. We have relied upon the experience of our principals and franchisees to compile these estimates.

⁹ Total. These figures are estimates for the development of a single franchise territory, and we cannot guarantee that you will not have additional expenses starting your franchise business. You should review these figures in Item 7 carefully with a business advisor before making any decision to purchase the franchise. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment. We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable.

YOUR ESTIMATED INITIAL INVESTMENT
(Commercial Space with an Office and Showroom)

| TYPE OF EXPENDITURE | LOW AMOUNT | HIGH AMOUNT | METHOD OF PAYMENT | WHEN DUE | TO WHOM PAYMENT IS TO BE MADE |
|--|------------------|------------------|-------------------|--------------------------------------|--|
| Initial franchise fee ¹ | \$35,000 | \$35,000 | Lump Sum | Upon signing the franchise agreement | Us |
| Initial training ² | \$5,000 | \$10,000 | As incurred | Prior to and during training | Airlines, hotels and restaurants |
| Real estate improvements ³ | \$15,000 | \$50,000 | As incurred | As negotiated | Suppliers and contractors |
| Rent (3 months of rent, plus a security deposit) ⁴ | \$8,000 | \$41,650 | As incurred | As negotiated | Landlord |
| Equipment, furniture, fixtures, décor, and supplies ⁵ | \$3,000 | \$10,000 | As incurred | As negotiated | Suppliers |
| POS system, computer hardware, and software ⁶ | \$2,000 | \$5,000 | As incurred | As negotiated | Suppliers |
| Signs ⁷ | \$2,500 | \$7,000 | As incurred | Before opening | Suppliers |
| Vehicle ⁸ | \$0 | \$20,000 | As incurred | As negotiated | Suppliers |
| Miscellaneous opening costs ⁹ | \$2,000 | \$3,000 | As incurred | As incurred | Suppliers, government departments, utilities, etc. |
| Grand opening assistance fee ¹⁰ | \$2,500 | \$2,500 | As incurred | Before opening | Us, affiliates and suppliers |
| Grand opening marketing ¹¹ | \$2,500 | \$10,000 | As incurred | As negotiated | Suppliers |
| Additional funds ¹² | \$22,500 | \$45,000 | As incurred | As incurred | Suppliers, employees, etc. |
| Total¹³ | \$100,000 | \$239,150 | | | |

NOTES

¹ Initial Franchise Fee. The initial franchise fee is non-refundable, and we do not finance any portion of the fee.

² Initial Training. We estimate that you will have 1 to 5 people attend the initial training. These costs will vary widely as a function of the distance traveled and the choice of accommodations, meals, and transportation.

³ Real Estate Improvements. You may choose to operate from a commercial space with an office and showroom. We must approve of your location. Costs of commercial property or leases and improvements vary widely based on location, terms of the lease, the total area of your space, as well as construction and material costs. Your landlord may provide you with a tenant improvement

allowance as part of your lease. You should review these costs with a local contractor, commercial real estate agent and other professionals. We provide standard design plans and specifications for construction and improvements. If you locate your center to a newly constructed space, the landlord may require significantly greater additional expenditures to cover leasehold improvements. You are not required to lease newly constructed space. You must employ and pay an architect designated by us to accomplish and prepare a preliminary floor plan and develop a preliminary set of plans, specifications and related construction documents for your Team Up Athletics® franchise business. We estimate the cost of hiring a local architect or engineer to be \$5,000 to \$15,000.

⁴ Rent. Your space will vary depending on your needs, but we estimate you will need 2,000 to 5,000 square feet, and we estimate your lease to be \$12 to \$25 per square foot per annum. Our estimates include a security deposit and 3 months of rent. You are encouraged to negotiate a “free rent” period for the time it takes to build out your business. You may be able to negotiate additional free-rent or reduced rent periods after opening as well. We expect that you will rent your location. If you choose to purchase real estate instead of renting, your costs will be significantly different. We have not included an estimate for the cost to purchase and build a location in the table above.

⁵ Equipment, Furniture, Fixtures, Décor, and Supplies. Included in this estimate are the cost of shelving, wall displays, racks, mannequins, desks, tables, chairs, office supplies, and small wares.

⁶ POS System, Computer Hardware, and Software. Included in this estimate are the cost of computers, a printer, office phone, cell phone, POS system, and accounting software. For more information about your POS system, computer, hardware, and software requirements.

⁷ Signs. Subject to landlord and government restrictions, 2 signs are required, an interior and exterior sign. These signs may be made locally. All signs must conform to our specifications.

⁸ Vehicle. You must have a vehicle to operate your franchise. Your vehicle must be in good condition and repair with no external damage or unreasonable wear and tear, must accommodate the transportation and delivery of customer items, and must be approved by us.

⁹ Miscellaneous Costs. These miscellaneous costs include legal fees, utility set up fees, business entity organization expenses, employee training, deposits, insurance, and licenses. The cost of insurance may vary depending on the insurer, the location of your franchise business, and your claims history. We strongly recommend that you hire a lawyer, accountant, or other professional to advise you on this franchise offering. Rates for professionals can vary significantly based on locale, area of expertise and experience.

¹⁰ Grand Opening Assistance Fee. We provide you with one of our representatives to assist you for up to 3 days of opening assistance during your grand opening. The opening assistance fee is \$2,500, and we will cover the costs for travel, food, and lodging for our representatives. This opening assistance is mandatory.

¹¹ Grand Opening Marketing. This estimates the cost to promote your grand opening. You must spend a minimum of \$2,500 on marketing your grand opening.

¹² **Additional Funds.** This estimates your operating expenses during your first 3 months of operations, not including cash flows. You must maintain a minimum of \$10,000 in your operating account at all times for business emergencies; provided that in any 30-day period, the operating account may have less than such amount for a period of not more than 10 days. Upon request, you must send us a monthly bank statement of your operating account. Additionally, if you elect to finance your investment, you need to account for the additional costs of repaying that financing. We have relied upon the experience of our principals in opening and operating the corporate owned territory to compile these estimates.

¹³ **Total.** These figures are estimates for the development of a single franchise unit, and we cannot guarantee that you will not have additional expenses starting your franchise business. You should review these figures in Item 7 carefully with a business advisor before making any decision to purchase the franchise. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment. We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable.

YOUR ESTIMATED INITIAL INVESTMENT (2 to 5 Unit Development)

If you purchase a multi-unit franchise package, we anticipate you will develop your showrooms, if applicable over time rather than all at once. However, we have included the estimated costs to develop 2 to 5 units/territories with and without a commercial office and showroom as shown below.

| TYPE OF EXPENDITURE | LOW AMOUNT | HIGH AMOUNT | METHOD OF PAYMENT | WHEN DUE | TO WHOM PAYMENT IS TO BE MADE |
|---|------------|-------------|-------------------|---|-------------------------------|
| 2 to 5 unit franchise (with no commercial offices or showrooms) | \$139,500 | \$613,500 | As incurred | Part upon signing the multi-unit agreement and the remainder paid as each unit is developed | Us and suppliers |
| 2 to 5 unit franchise (with commercial offices and showrooms) | \$196,500 | \$1,181,750 | As incurred | Part upon signing the multi-unit agreement and the remainder paid as each unit is developed | Us and suppliers |

NOTES

¹ **Multi-Units (No Commercial Office and Showroom).** The low amount is the estimate to open 2 franchises without a showroom based on the Item 7 table with a 10% discount on the 2nd franchise fee (at an average cost of \$67,500 per franchise), and the high amount is the estimate to open 5 franchises based on the Item 7 table with a 10% discount on the franchise fee for the 2nd through 5th franchises (at an average cost of \$122,700 per franchise).

² Multi-Units (With Commercial Offices and Showrooms). The low amount is the estimate to build out 2 franchises with showrooms based on the Item 7 table with a 10% discount on the 2nd franchise fee (at an average of \$100,000 per franchise), and the high amount is the estimate to build out 5 franchises with showrooms based on the Item 7 table with a 10% discount on the franchise fee for the 2nd through 5th franchises (at an average cost of \$236,350 per franchise).

³ Total. These figures are estimates for the development of 2 to 5 units with and without showrooms, and we cannot guarantee that you will not have additional expenses starting your development business. You should review these figures in Item 7 carefully with a business advisor before making any decision to purchase a multi-unit franchise package. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment. We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers, Proprietary Products and Required Purchases

You must operate your franchise business according to our system, including purchasing or leasing certain items or services according to our specifications and/or from approved suppliers. You must not deviate from these specifications without our prior written consent.

You must purchase or lease the following products and services from us, other sources designated or approved by us, or according to our specifications as set forth in the manuals:

| Item or Service | Is the franchisor or an affiliate an approved supplier of this Item | Is the franchisor or an affiliate the only approved supplier of this Item? |
|--|--|---|
| Sports apparel | Yes | Yes |
| Sports equipment | Yes | Yes |
| Insurance | No | No |
| Decor | No | No |
| Furniture | No | No |
| Marketing | No | No |
| Apparel decorators (screen printing, embroidery, etc.) | Yes | No |
| POS System | No | No |
| Computer hardware | No | No |
| Phones | No | No |

We reserve the right for us or an affiliate to be an approved supplier or the only approved supplier of any of the items listed in the above table. Additionally, we reserve the right to require that all

items used in the operation of your business be purchased from us or other sources designated or approved by us.

Insurance

You must at all times during the entire term of the franchise agreement and at your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from our designated insurance broker, or an insurance broker otherwise approved by us:

| Type of Insurance | Minimum Required Amount(s) |
|--|---|
| Commercial General Liability Insurance | \$1,000,000 per occurrence and \$2,000,000 in the aggregate or leasehold minimum, whichever is greater |
| Property Insurance | 50% of the full replacement cost against loss or damage from fire and other risks normally insured against in extended risk coverage |
| Commercial Automobile Insurance | At least \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage) |
| Government Required Insurances | You must maintain and keep in force all workers' compensation and employment insurance on your employees that is required under all federal and state laws. |

These policies (excluding worker's compensation) will insure you, us, and our officers, directors, and nominees as additional insureds against any liability that may accrue by reason of your ownership, maintenance, or operation of the franchise business. These policies will stipulate that we will receive a 30-day written notice prior to cancellation or termination, and we must receive a 30-day notice of any modification. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to us must be furnished to us together with proof of payment prior to you beginning operations. Our insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate.

If you fail to obtain or maintain insurance, we may obtain insurance for you, and you will pay us the premium costs, plus an administration fee of \$50 per hour for our time. We may periodically modify or adjust the amounts of coverage required and/or require different or additional coverage. We do not derive revenue as a result of your purchase of insurance. We recommend you consult with your insurance agent prior to signing the franchise agreement.

If your showroom is damaged and covered by insurance, you must use the proceeds to restore the facility to its original condition within 160 days from receiving the proceeds, unless we consent otherwise in writing.

Approved Suppliers

We may enter into contracts with suppliers for items or services purchased by our franchisees. Pursuant to these contracts, you will be required to purchase items or services from the approved suppliers.

All currently approved suppliers and specifications are made available to you before the beginning of operations. We consider our approved suppliers and specifications to be of critical importance to the success of the system. You must receive our prior written approval to deviate in any manner from our specifications.

Ownership in Approved Suppliers

Some of our officers have an ownership interest in JMS Industries, L.L.C. and Salty Lax LLC, which are currently part of our designated suppliers.

Revenue to Us and Our Affiliates from Required Purchases

We or our affiliates may derive income from required purchases or leases of goods or services made by our franchisees from approved sources. In the fiscal year ending on December 31, 2022, we did not generate any revenue from franchisee purchases from designated sources.

Proportion of Required Purchases and Leases

We estimate that the proportion of required purchases or leases will represent 50% to 70% of your overall purchases in opening your franchise business and 85% to 95% of your overall purchases in operating your franchise business.

Non-Approved Suppliers

Except for certain trademark and private label items and designated source items described above, if you desire to use particular supplier and if that supplier meets the specifications and requirements of our system, at our discretion, we may approve that supplier to become an approved supplier.

You may establish suppliers on the approved list by making an appropriate application to us. The following general criteria is used in considering whether a supplier will be designated as an approved source: the ability of the supplier to make the product to our standards and specifications; a willingness by the supplier to cooperate and work with you and other franchisees; the supplier's production and delivery capabilities; price and quality; reputation of the supplier; quality assurance systems; the financial condition of the supplier; the ability and willingness of the supplier to train on the effective and safe use of the product; and the supplier's professional competence and performance abilities. We will use our best judgment in setting and modifying specifications to maintain quality and integrity of the franchise system. You may be required to sign an open account credit agreement, to prepay using an electronic fund withdrawal system, or to provide a deposit for purchase of products, services and other supplies from us, our affiliates and other approved suppliers.

If you desire to purchase any of the items listed in this Item 8 from an unapproved supplier, you will submit to us a written request for this approval or request the supplier itself to do so. We may require you to submit sufficient information and data to permit us to ascertain whether a supplier meets our specifications. You must reimburse us for our costs and reasonable expenses associated with the evaluation within 30 days of the completing of our evaluation regardless of whether or not we approve of a supplier. We will notify you in writing, within 30 days after

completing our evaluation as to whether the supplier has been approved or disapproved. We may make changes or alterations in the standards and specifications for approving suppliers. At our discretion, we may revoke our approval from an approved supplier upon 30 days' written notice to you.

Standards and Specifications

We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our manuals and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to do so) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

Other than as stated above, there is no obligation for you, under the terms of the franchise agreement, to purchase or lease any goods or services regarding the establishment or operation of the franchise business from approved sources.

Negotiated Arrangements

At this time, there are no purchasing or distribution cooperatives. We currently negotiate purchase arrangements with suppliers, including price and terms for the benefit of franchisees.

Benefits Provided to You for Purchases

We do not provide material benefits to franchisees based on the franchisee's purchase of particular products or services or use of particular suppliers (e.g., grant renewals or additional franchises to franchisee's based on purchases).

**ITEM 9
FRANCHISEE'S OBLIGATIONS**

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

| | Obligation | Section in Agreement | Disclosure Document Item |
|----|---|--|--------------------------|
| a. | Site selection and acquisition/lease | Sections 4.1 and 4.2 | Item 11 |
| b. | Pre-opening purchases/leases | Paragraphs 6.1.3, 6.1.9, and 6.1.11 | Item 8 |
| c. | Site development and other pre-opening requirements | Sections 4.2 and 4.3 | Items 7 and 11 |
| d. | Initial and ongoing training | Paragraph 6.1.4 and sections 7.4 and 7.6 | Item 11 |
| e. | Opening | Sections 4.4 and 7.5 | Item 11 |
| f. | Fees | Article V | Items 5, 6 and 7 |
| g. | Compliance with standards and policies/operating manual | Section 6.2 and article IX | Items 8 and 11 |

| | | | |
|----|---|---|---------------------|
| h. | Trademarks and proprietary information | Article III | Items 13 and 14 |
| i. | Restrictions on products/services offered | Article VIII | Item 8 and 16 |
| j. | Warranty and customer service requirements | Paragraphs 6.1.2 and section 8.6 | Item 11 |
| k. | Territorial development and sales quotas | Section 1.1 | Item 12 |
| l. | Ongoing product/service purchases | Article VIII | Item 8 |
| m. | Maintenance, appearance and remodeling requirements | Paragraphs 6.1.2, 6.1.7, 6.2.1 and 6.2.2(iii) | Item 11 |
| n. | Insurance | Paragraph 6.1.9 | Item 8 |
| o. | Advertising | Article X | Items 6, 7 and 11 |
| p. | Indemnification | Section 15.2 | Item 6 |
| q. | Owner's participation/management/staffing | Paragraphs 6.1.5, 6.1.8, 6.1.10, 6.1.12 and 6.2.3 | Items 11 and 15 |
| r. | Records and reports | Sections 5.4 and 5.5 | Item 6 |
| s. | Inspections and audits | Paragraphs 5.5.2 and 6.2.2(iv) | Items 6 and 11 |
| t. | Transfer | Article XIV | Item 17 |
| u. | Renewal | Section 2.2 | Item 17 |
| v. | Post-termination obligations | Section 12.1 | Item 17 |
| w. | Non-competition covenants | Article XVI | Items 14, 15 and 17 |
| x. | Dispute resolution | Article XVII | Item 17 |
| y. | Compliance with government regulations | Sections 4.1 and 4.2 and paragraph 6.1.1, 6.1.10, 12.1.13, and 16.1 | Item 12 |
| z. | Guarantee of franchisee obligations | Section 6.3 | Item 15 |

**ITEM 10
FINANCING**

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

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

Except as listed below, Team Up Enterprises, LLC is not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your franchise business, we will:

- 1) Designate your territory [franchise agreement section 1.1].

2) Approve of your site if you operate from a commercial space with a showroom. However, we do not assist in locating a site. That is your responsibility. We must approve of your site before a lease is entered into or you begin construction. Site approval or disapproval should be completed by us and notice provided to you in writing within 30 days or less after you have submitted a proposed site [franchise agreement section 4.1].

3) We do not prepare demographic studies or otherwise determine a need for these services or products within your territory or evaluate or guarantee the potential success of your proposed site [franchise agreement paragraph 4.1.1].

4) Make available general written specifications for those items listed in Item 8. For purchase, delivery and installation, you are required to work directly with the manufacturer or supplier of these items. We do not offer assistance in delivery or installation of any of these items [franchise agreement section 7.2 and 8.1.1].

5) Provide you with the names of approved suppliers [franchise agreement section 7.2].

6) If you decide to operate from a commercial space and showroom, we will provide you with preliminary design plans for your franchise business. You must adapt your franchise business to our general specifications at your own expense, in accordance with local, state, and federal laws, rules, and ordinances. You are responsible for obtaining any required licenses and permits. We do not provide assistance in the construction, remodeling, or decorating of your franchise business [franchise agreement section 4.3 and 7.1].

7) Loan you a copy or provide electronic access to our confidential manuals containing mandatory policies, operating procedures, and other information. The manuals are confidential, will remain our property, and may be used by you only in association with your Team Up Athletics® franchise and only during the term of the franchise agreement. You must keep the contents of the manuals confidential. The master copy of the manuals maintained by us will be controlling in the event of a dispute relative to the contents of the manuals. You may not copy any part of the manuals either physically or electronically. The table of contents of the operations manual is included as Exhibit "G" to this disclosure document Our operations Manual is in electronic format and is equivalent to approximately 96 pages [franchise agreement article IX].

8) Provide you with a representative to assist you for up to 3 days of opening assistance when you commence operations. This may include grand opening assistance if you commence operations from a commercial space with a showroom. Otherwise, our focus will be on assisting with customer interactions, planning, and ordering. The opening assistance fee is \$2,500, and we will cover the costs for travel, food, and lodging for our representatives [franchise agreement section 7.5].

Lease, Construction and Commencing Operations

1) If you decide to operate from a commercial space with a showroom, we must approve your lease before you sign the lease or begin construction. You are required to have the landlord consent to an assignment of the lease before the lease agreement is signed [franchise agreement section 4.2].

2) There is no specific deadline to find a site, enter into a lease, and commence and complete construction, but you must begin operations of your franchise business within 60 days of signing the franchise agreement. If your commercial space is not ready by that time, you must operate your franchise business out of your home until your commercial space is completed [franchise agreement sections 4.3 and 4.4].

Estimated Length of Time Before Operation

It is estimated that the length of time between the signing of the franchise agreement with the accompanying payment of the initial franchise fee and the opening of your franchise business (without a showroom) is 30 to 60 days. Factors affecting this length of time usually include training and local ordinance compliance. This does not include the time it takes to find a site, negotiate a lease, and build out the location as you are not required to commence operations from a commercial location [franchise agreement article IV].

Failure to meet these deadlines for any reason, including our disapproval of a proposed site location, may result in the termination of the franchise agreement without a refund [franchise agreement section 4.6].

Assistance During Operation

During the operation of your franchise business, we will:

1) Provide you with updates to the manuals, which updates may be in the form of emails, newsletters, announcements, technical bulletins, or other written directives through means determined by us. We have the right to modify the manuals to reflect changes in the system including the development of products or services. The modifications may obligate you to invest additional capital in your franchise business and to incur higher operating costs. You must incorporate all such modifications within the time periods that we specify [franchise agreement section 9.1 and paragraph 6.2.2(iii)]. Other than modifications due to health or governmental mandates or guidelines, or public concerns, we will not obligate you to invest additional capital at a time when the investment cannot in our reasonable judgment be amortized during the remaining term of the franchise agreement [franchise agreement paragraph 6.2.2(iii)].

2) At your reasonable request or at our discretion, provide assistance either remotely or in person. For in-person training or assistance, you will be charged a fee of \$250 per day, plus the cost of our travel, food, and lodging [franchise agreement paragraph 6.1.4(ii) and section 7.3].

3) Provide you with an email address or addresses which must be used in all correspondence and communications involving your franchise business. If we provide you with an email account/address, we have the right to access your email account. You will be responsible for the costs associated with your assigned email accounts. You are not allowed to use a non-approved email for business purposes involving the franchise business [franchise agreement paragraph 6.2.2(i)].

4) Maintain a website for the Team Up Athletics® brand that will include your business information and telephone number for your franchise [franchise agreement section 7.7].

During the operation of your franchise business, we may:

- 1) Hold conferences to discuss improvements, new developments, mutual concerns, and business issues. At this time, attendance at conferences is not mandatory, but this policy may change at some time in the future. Currently, there is no conference fee, but you must pay all your travel and living expenses. These conferences will be held at various locations chosen by us [franchise agreement paragraph 6.1.12].
- 2) Conduct additional seminars, which may be through online webinars, videos, live video conferencing, phone conference or in person, to discuss improvements, new developments, mutual concerns, business issues, sales, marketing, personnel training, bookkeeping, accounting, inventory control and performance standards. We may charge a seminar fee, and you may be required to pay all your travel and living expenses. In-person seminars are normally held at our headquarters or as available at regional facilities [franchise agreement paragraph 6.1.12].
- 3) Make periodic inspections of your franchise business, which may be done in person or through remote access such as video or live video conferencing and may be performed through a third-party provider. Upon our request, at all reasonable times, you will provide to us a video and/or digital images of the interior and exterior of your showroom (if applicable) as set forth in the manuals [franchise agreement paragraph 6.2.2(iv)].
- 4) Provide you with such continuing assistance in the operation of the franchise business as we deem advisable [franchise agreement section 7.6].
- 5) To the degree permitted by law, suggest retail price, specify maximum and minimum pricing above and below which you will not sell any goods or services [franchise agreement paragraph 6.1.10]. You must honor all coupon, price reductions and other programs established by us [franchise agreement section 6.2.2(ii)].
- 6) Replace defective products purchased directly from us based on our standard limited warranty. For items purchased through third parties, you must work directly with the supplier or manufacturer of those items regarding warranties, defective products, training and support [franchise agreement section 8.6].
- 7) At your expense, require you to repair, refinish, repaint, remodel, modernize, redecorate, or other refurbish your showroom (if applicable) from time to time as we may reasonably direct, but not more often than every 5 years (except for required changes to the trademarks, which we may require at any time) at your expense. This can include changing out items such as flooring, wall treatments, signage, lighting fixtures, and other physical elements of your franchise business. We may also require you to invest in new or updated equipment and technology. You must complete all updates and changes within the time frames required by us. You will also be required to complete any day-to-day maintenance issues as they occur during the term of the franchise agreement [franchise agreement section 6.1.7].
- 8) Refine and develop products or services that you will offer to your customers [franchise agreement paragraph 6.2.2(iii)].

Employment Matters

We do not assist you with the hiring, firing, managing or compensation of your employees. That is your responsibility. We may provide you with an employee guide or manual, but it will only be an example of certain employment matters unless otherwise indicated by us. It is your responsibility to comply with state and federal employment laws [franchise agreement paragraph 6.1.8].

Advertising and Promotion

You are required to spend at least \$5,000 on local advertising each year. We reserve the right to increase the minimum local marketing requirement, but such increase will not be more than 10% per year. We must approve of your advertising, and you must update your advertising disbursement plan in December of each year detailing how you plan to spend your local advertising funds in the coming year [franchise agreement sections 10.1 and 10.2 and paragraph 5.3.1].

You may develop marketing materials for your use, at your cost, but all marketing material developed or used by you must have our prior written approval. Any marketing materials or concepts you create becomes our property and will be considered a “work-made-for-hire” that can be used by us and other franchisees. If you do not receive written approval or disapproval within 14 days of the date we received your submission, the materials submitted are deemed unapproved. We can revoke our approval of any marketing materials at any time in our sole discretion [franchise agreement sections 3.10, 10.3]

Advertising Cooperative

You are not required to participate in a local or regional advertising cooperative.

Other Marketing Funds

At this time, you are not required to participate in any other marketing funds.

The Internet

You may not create a website for your franchise business. However, we may allow you to place pre-approved information concerning your franchise business on our website, as developed by us. You cannot engage in marketing on the Internet, including posting for re-sell, items on third party re-sell or auction-style websites such as eBay, Craigslist, or Amazon without our prior written permission. You may not claim any web listing on sites such as Yelp. We have the right, but not the obligation, to manage all online reviews for your franchise [franchise agreement section 10.6]

Social Media

We will own the social media accounts related to the brand, but we may provide you access to the social media account for your territory for certain management responsibilities and functions. You cannot change any login/password information without our prior written approval, and you must supply us with all changed/updated login/password information. All social media for our brand must strictly comply with our policies and procedures. We can alter, remove, or require that

you alter or remove a post. We reserve the right to restrict your use of social media in the future [franchise agreement section 10.7].

Computer / Point of Sale System

We require the use of a point of sale system designated by us to be purchased or leased. The POS system currently provides the following:

- Reporting of Sales
- Tracking of Costs and Costs of Goods Sold
- A Customer Database
- Inventory Management
- Calendaring
- Online Ordering
- Credit Card Payment

You must have at least a 1-terminal POS system that meets our specifications. The estimated cost of purchasing a chip reader for the POS system is \$50 to \$200. We reserve the right to change the POS system at any time, and you are required to comply with and are solely responsible for the fees associated with such changes.

You must also have an office computer and a smart phone that must meet our specifications and be capable of interfacing with our computer system, software, and reporting systems. We estimate the costs for this equipment to be \$2,000 to \$4,000. We will have independent access to the information and data collected or generated by the computer and the POS system. There are no contractual limits on our rights to do so. We may require updates and upgrades to your computer hardware, software, and POS system at your expense during the term of the franchise agreement. There are no contractual limitations on our right to do so. We estimate the annual costs to maintain, upgrade, and support your computer and POS system to be \$500 to \$1,000. We are not required to maintain, repair, update, and/or upgrade your computer or POS system. There are no contractual limitations to the frequency and cost of the obligation to upgrade and maintain the computer or POS system [franchise agreement paragraph 6.1.11]. For defective equipment, products, software or other items purchased by you, you must deal directly with that manufacturer [franchise agreement section 8.6].

Customer Relation Management Software (CRM)

We reserve the right to require you to use and pay for a designated CRM in the operation of your franchise [franchise agreement paragraph 6.1.13].

Loyalty Programs

You are required to participate in the loyalty, gift card, subscription, and coupon programs we develop [franchise agreement paragraph 6.2.2(ii)].

Accounting

You must use accounting software designated by us. We currently require you to use the QuickBooks accounting system. Generally, QuickBooks is updated as part of the subscription

costs of approximately \$360 to \$960 per year (currently). Additionally, you may use only the standardized profit and loss statement templates and balance sheet templates as designated by us [franchise agreement 6.1.11(i)].

Merchant Provider

At your sole cost and expense, you are required to use our designed merchant services or payment processor, and to pay all monthly, annual, service, and upgrade fees. The required or designated provider may change at any time, and you are required to comply with any changes and are solely responsible for the fees associated with any changes [franchise agreement section 6.1.11(ii)].

Miscellaneous

We may approve exceptions to our changes in the uniform standards for you or any other franchise that we believe are necessary or desirable based on particular circumstances. You have no right to object to such variances. We may deny any or all of the above services to you while you are in breach of the franchise agreement or in default in the discharge of any of your obligations to us [franchise agreement section 20.15 and paragraph 6.2.2(iii)].

Initial Training

We provide initial training in Kaysville, Utah. The length of training depends on the prior experience of your attendees but should last approximately 3 to 7 days. The training program is held as needed. Your operating principal is required to attend and successfully complete a training program [franchise agreement paragraph 6.1.4].

Your “operating principal” is a) if the franchisee is an individual, that individual; or b) if the franchisee is an entity, an individual that owns at least 25% of the ownership and voting interests in the franchisee entity (unless you obtain our written approval of a lower percentage), has authority over all business decisions related to the franchise business, and has the power to bind the franchise business in all dealings with us [franchise agreement article XXI].

Successful completion of training must be completed to our satisfaction before you may open your franchise business. Successful completion will be determined by our trainers based on your attendees’ demonstration of knowledge of systems, customers, sales process, product, ordering, and basic operations (inputting orders, accounts receivable, etc.) [franchise agreement paragraph 6.1.4]. We may require you to demonstrate your knowledge of our systems through actual sales calls and customer interactions.

There is no training fee for up to 5 attendees, but you will be responsible to cover the cost of travel, food, and lodging for your attendees to attend the initial training [franchise agreement paragraph 6.1.4]. The estimated cost of training is listed in Item 5 and Item 7.

All attendees to any training must sign a non-disclosure agreement acceptable to us before attending training [franchise agreement paragraph 6.1.4(iii)]. Below is a table listing the subjects taught and the amount of classroom and onsite training provided as part of the initial training.

TRAINING PROGRAM¹

| Subject | Hours of Classroom Training | Hours of On - The - Job Training | Location |
|--------------------------|-----------------------------|----------------------------------|-----------------|
| Products | 3-5 | 3-5 | Kaysville, Utah |
| Apparel Decoration | 3-5 | 3-6 | Kaysville, Utah |
| Technical Systems | 3-5 | 0 | Kaysville, Utah |
| Sales | 3-5 | 4-6 | Kaysville, Utah |
| Processes and Procedures | 3-5 | 0 | Kaysville, Utah |
| Customer Service | 3-5 | 4-6 | Kaysville, Utah |
| Totals: | 18-30 | 14-23 | |

¹ The training program for franchisees may be changed due to updates in materials, methods, manuals, and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to you and your personnel may vary based on the experience of those persons being trained.

The initial training is provided by instructors whose experience is described below and in Item 2 if the trainer is part of management.

| Trainers | Subject(s) Taught | Length of Experience in the Field | Length of Experience with the Franchisor | Experience Relevant to Subject(s) Taught and Franchisor's Operations |
|------------|--|-----------------------------------|--|---|
| Jason Sant | Sales, customer service and operations | 6 years | 2 years | Owner and operator of a Team Up business for 6 years; 12+ years of direct sales experience |
| Damon Sant | Operations, finance | 4 years | 2 years | Owner and operator of a Team Up business for 3 years; 7 years product management, operations, policies and procedures for various companies |
| Ted Lucas | IT, systems | 1 year | 1 year | 20+ years in software development and project management and system and data architecture |

Materials Provided at the Initial Training

We will provide access to our manuals during training and other handouts to facilitate training.

New Operating Principal and Management Training

Any new operating principal must complete the initial training program prior to taking over as the operating principal. New managers may be trained by your operating principal, but we can also require your managers to be trained by us if we reasonably believe such training would be in the best interest of your franchise. Our fee for this additional training is \$250 per person, per day, plus the travel, food, and lodging for your attendees or our representatives [franchise agreement paragraph 6.1.4(i)].

Additional Trainings

Depending on availability and advanced written notice, if you would like additional in-person training, we may provide this training to you. We can limit additional training to a certain number of days, attendees, and/or representatives at a time. We can also require your operating principal and/or other key personnel to attend additional trainings if you are in default, or if we reasonably believe such training would be in the best interest of your franchise. You will be responsible for the costs of travel, food, lodging and compensation of your attendees or our representatives [franchise agreement paragraph 6.1.4(ii)].

At this time, other than listed above, no additional trainings or refresher courses are required.

ITEM 12 TERRITORY

Exclusive Territory

You will be assigned an exclusive territory for your franchise business meaning, we will not establish another franchise, affiliate or company-owned unit using the Team Up Athletics® trademark within your territory.

Grant of Territory

Under the franchise agreement, we will grant you the right to use the system and proprietary marks solely within a specific geographic area.

Size of Your Territory

The written boundaries of your territory will be included in your franchise agreement. The size and boundaries of your territory will be based on a number of factors in the area, including the number of school districts, number of high schools, number of students, geographic markers or barriers, number of municipalities, population density, total population, social demographics, zip code, boundary streets, highways, county lines, designated market area, radius from a specific address, and/or other recognizable demarcations, but franchise territories will generally have at least 5 high schools within the territory.

Adjustment of Territory Boundaries

We reserve the right to adjust your territory boundaries if the population increases by more than 30%. However, in no event will the adjustment to your territory result in you having less than 5 high schools in your territory.

Relocation

You do not have the automatic right to relocate your business, and we have the right to deny any relocation request. You must obtain our prior written permission if you want to relocate your franchise territory or showroom. Approval to relocate is determined based on our then-current criteria used in approving a new franchisee's proposed territories or sites. If we do approve a new territory or studio site, you must reimburse us our costs associated with reviewing and approving the new territory and/or site at a cost of \$50 per hour, plus any legal fees associated with the relocation and costs associated with updating documentation, reviewing new sites, and editing our website and promotional materials. If we do approve of you relocating your territory, we may assign the customers within your previous territory to us, an affiliate, to another franchisee, or we may allow you to continue to service those customers.

Minimum Sales Requirement

Your franchise agreement is dependent upon achievement of a minimum sales volume, market penetration or other contingency as follows:

| Year | Minimum Gross Sales per Territory |
|-------------|--|
| 1 | None |
| 2 | \$100,000 |
| 3 | \$150,000 |
| 4 | \$300,000 |
| 5 | \$600,000 |

If you do not achieve the minimum gross profit in your territory, then you will be given a notice of default and a 6-month period to cure by achieving half of the annual minimum sales requirements by the end of the cure period. If you do not cure within the 6-month cure period, we have the right to terminate your franchise or adjust the boundaries of your territory, in our sole discretion. We also have the right to allow you to continue to operate your franchise under the terms of the franchise agreement while we sell your franchise. You are also allowed to sell your franchise to an approved buyer during this time. If we sell your franchise, we will be entitled to a fee equal to 10% of the sales price to compensate us for time and expenses to sell your franchise. You or the buyer will also be required to pay the transfer fee, and the buyer must pay us the training fee for us to train the new franchisee. If we have not sold or terminated your franchise within 6 months of us giving you notice of your second consecutive default, you may cure the default by achieving half of the annual minimum gross sales requirements during that 6-month period.

Advertising and Selling and Outside Your Territory

You may not actively market within another franchisee's territory. However, you may market and sell products and services outside of your territory if such territory has not been granted to another franchisee. However, if you develop customers in an area that is later granted to another franchisee, those customers will be transferred to that franchisee.

Your Rights to Use Channels of Distribution

You are allowed to sell products or services through our website, social media, telemarketing, direct marketing, and your commercial showroom, if applicable.

Options to Acquire Additional Franchises

You do not have the right or option to acquire additional franchises.

Our Right to Use Channels of Distribution in Your Territory

We and our affiliates also reserve the right to market and sell, both within and outside your territory, products and services under other brands.

Our Previous Activities in Your Territory

In the past, we or an affiliate may have used one or more of the following distribution channels to sell and distribute products and services in your territory under the Team Up Athletics® brand: websites, the Internet, social media, direct marketing, telemarketing, and retail locations.

Referrals

You cannot take orders or service customers in another franchisee's territory. All such customers and orders must be referred to the franchisee in that territory. However, you will receive a 5% (of gross sales) referral fee for orders made by customers that you refer to other franchisees or to us. Additionally, you will pay a 5% referral fee for orders made by customers referred to you by other franchisees. The referral fee will be paid to us, and we will pay that amount to the referring franchisee.

National Accounts

We reserve the right to sell, market and distribute the Team Up Athletics® products services to national accounts in your territory. We also reserve the right to allow you to manage a national account in your territory. A "national account" is defined as a company with multiple units or outlets located in more than one geographical area or market. We will designate if and how franchisees will sell or service national accounts. If you refer a national account to us, we will pay you a referral fee equal to 5% of gross sales on orders placed by that account.

Competition by Us Under Different Trademarks

Neither we, nor an affiliate operates, franchises or has plans to operate or franchise a business that sells or will sell goods or services similar to those sold in your franchise using a different trademark, but we reserve the right to do so in the future.

Multi-Unit Franchise Packages

If you purchase a multi-unit franchise package, you will enter into a separate multi-unit agreement. Under the multi-unit agreement, you are not granted any sort of reserved

development area for the development of the franchises purchased. However, you will be granted the applicable territorial protection once you sign a franchise agreement for the applicable franchise.

The location and territory for each franchise purchased as part of the multi-unit franchise package will be selected by you but must be approved in writing by us and is subject to territories that are available for purchase at the time you decide to open a franchise in a prospective area.

You will have 5 years from signing your first franchise agreement to open each of your purchased units. After 5 years, you will forfeit any unused/unopened franchise licenses you have purchased.

ITEM 13 TRADEMARKS

Non-Exclusive Grant of the Trademark


We grant you the non-exclusive right to use certain of our trademarks in the operation of your franchise business. You may also use future trademarks in the operation of your franchise business, as we designate. You will not at any time acquire any rights in the trademarks. By trademarks we mean our trade names, trademarks, commercial symbols, service marks and logos.

Agreements Regarding the Trademark

Under a license agreement entered into between Team Up Licensing, LLC and us in 2022, we were granted the right to use and sublicense the trademark for 50 years. The license may be terminated for our default; however, the license agreement specifies that if it is ever terminated, your franchise rights will remain unaffected.

Registered Trademarks

The following trademarks, service marks, trade names, logotypes or other commercial symbols listed below are registered or have been filed for registration with the United States Patent and Trademark Office on the Principal Register, or they have not been registered, and we claim common rights in them. All required affidavits and renewals have been filed.

| Registration/ Serial Number | Mark | Registry | Registration/ Filing Date | Status |
|--------------------------------|---|----------------|------------------------------|----------------|
| 90796961 | Team Up Athletics (word mark) | Principal | November 22, 2022 | Registered |
| Not registered |  (composite mark) | Not registered | Not registered | Not registered |

We do not have a federal registration for our principal logo. Therefore, our logo does not have as many legal benefits and rights as a federally registered trademark. If our right to use the logo is challenged, you may have to change to an alternative logo, which may increase your expenses.

Registered Domain Names

We have registered among many others, the following Uniform Resource Locators (domain names): www.teamupathletics.com; www.teamupsports.team; www.team-up.shop; www.team-up.team; and www.teamupsports.shop. You may not register or own a domain name using our trademark or any derivative of our trademark in a domain name, and you may not create or register any domain name in connection with your franchise business or the franchise system without our prior written permission.

Use of the Trademark

You must use all trademarks in strict compliance with our manuals and the Team Up Athletics® system. You must promptly modify or discontinue the use of a trademark at your cost if we modify or discontinue it. You have no rights to compensation or otherwise under the franchise agreement if we require you to modify or discontinue using a trademark. You cannot make application for registration for any of our marks or for any derivation of our marks. You cannot use the name “Team Up” as part of your corporate name, but you must use the name “Team Up Athletics” as part of an assumed business name or dba (“doing business as”) registered with the applicable governmental authority. This use is non-exclusive. You cannot make application for registration or other protection of Team Up Athletics® names, derivatives or any other trademark used by us.

You may only use the trademarks with the letters “TM” or “SM” or “®” as appropriate. You cannot use any trademark in the sale of any unauthorized product or service. You cannot use any other trademark as part of your franchise business that is not affiliated with us or approved by us. You must follow all security procedures required by us for maintaining the secrecy of proprietary information.

Government Determinations Regarding the Trademarks

There are presently no effective determinations by the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court or pending interference, opposition or cancellation proceeding, or pending material litigation involving the trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of the trademarks.

Superior Prior Rights

We are unaware of any superior rights in that could materially affect your use of the trademarks in your territory.

Infringing Uses

We are unaware of any infringing uses of the trademarks that could materially affect your use of the trademarks in your territory.

Protection Against Infringement

You are obligated to immediately notify us when you learn about an infringement of or challenge to your use of our trademarks. We will have the discretion to take the action we deem appropriate. We will indemnify you against any legal action by a third party alleging infringement by your use of the trademark and will reimburse you for all direct damages (but not consequential damages including, but not limited to, loss of revenue and/or profits for which you are held liable in any proceedings arising out of the use of any trademark pursuant to and in compliance with the franchise agreement, and for all costs reasonably incurred by you in the defense of any claim brought against it or in any proceeding in which it is named as a party, provided that you have timely notified us of any claim or proceeding and have otherwise complied with the franchise agreement.

You may not contest, directly or indirectly, our right and interest in our trademarks, names or service marks, trade secrets, methods, and procedures that are part of our business. Any goodwill associated with the trademarks or system belongs to us.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

You do not have the right to use an item covered by a patent, and we do not have any pending patent applications with the United States Patent and Trademark Office. We do not own rights to, or licenses in, any patent that is material to the franchise system.

Copyrights

We have not registered our manuals or logos with the United States Copyright Office, but we claim a copyright and consider the information proprietary, and we, or our parent, or an affiliate, claim protected trade secrets and copyrights in parts of our franchise system.

We claim other copyrights in sales literature and marketing materials that we or our franchisees develop for our use and for use by our franchisees, and your use of these materials will be limited to the uses required or allowed by us. You must modify or discontinue the use of any copyright, at your cost, if we modify or discontinue it, in our reasonable discretion.

We or an affiliate may develop software or apps. In such cases, we claim copyright protection on all such items.

Proprietary Information

You can use the proprietary information in our manuals but only in connection with the system and as authorized by us. The manuals may not be copied. The manuals must be returned to us or permanently deleted by you upon termination of your franchise agreement. Portions of the “system,” including certain processes, pricing, bidding techniques, marketing techniques, suppliers, products, customer lists, etc., are a trade secret or confidential and proprietary to us.

With regards to our proprietary information, the franchise agreement also provides that you will: (a) strictly follow all confidential security procedures required by us; (b) disclose this information

to your employees only as needed to market our products and services; (c) not use this information in any other business; (d) exercise the highest degree of diligence to maintain this information as confidential; and (e) promptly notify us if you learn of any unauthorized use of our trade name, trade secrets or proprietary information. Your use of our proprietary information is limited to the uses required or allowed by us.

Agreements Regarding Patents, Copyrights, and Other Intellectual Property

Under a license agreement entered into between Team Up Licensing, LLC and us in 2022, we were granted the right to use and sublicense the patents, copyrights and other intellectual property for 50 years. The license may be terminated for our default; however, the license agreement specifies that if it is ever terminated, your franchise rights will remain unaffected.

Protection Against Infringement

You must also promptly tell us when you learn about unauthorized use of our copyrights, manuals and any other proprietary information. We are not obligated to take any action but will respond to this information as we believe appropriate. We have the right to control any administrative proceedings or litigation.

We agree to indemnify you against and to reimburse you for all direct damages (but not consequential damages including, but not limited to, loss of revenue and/or profits) for which you are held liable in any proceedings arising out of the use of our copyrights, manuals and any other proprietary information pursuant to and in compliance with the franchise agreement, and for all costs reasonably incurred by you in the defense of any claim brought against it or in any proceeding in which it is named as a party, provided that you have timely notified us of any claim or proceeding and have otherwise complied with the franchise agreement.

Improvements to the System

Any improvements you make to the system will be owned by us and considered a “work-made-for-hire” or will otherwise be assigned to us.

Superior Prior Rights

We are unaware of any superior rights that could materially affect your use of the copyrights or patents in your territory.

Infringing Uses

We are unaware of any infringing uses of the trademarks that could materially affect your use of the copyrights or patents in your territory.

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

On-Premises Supervision

We recommend but do not require on-premises supervision by your operating principal.

Participation by Your Operating Principal

Your operating principal must personally participate in the direct operation and supervision of the franchise business, but unless your operating principal will act as the full time manager of the franchise business, your operating principal is not required to work a certain or minimum number of hours; however, your operating principal must work sufficient hours to operate your franchise or supervise your managers, maintain sufficient inventory, supplies, and materials, and employ adequate personnel in order to operate the franchise business at maximum capacity and efficiency. You must have at least one employee on-site during regular business hours, but this employee does not need to be a manager.

Your operating principal must conduct frequent inspections of the franchise business to ensure the highest standards of professionalism, cleanliness and a general pleasant appearance, and compliance with our approved methods.

Although we do not require your operating principal to be involved in the day-to-day on-premises management, your operating principal is required to participate in your franchise business as follows: (i) be directly responsible for all accounting, reporting, bookkeeping, and all financial components of the franchise business; (ii) attend and complete all required training and ongoing training courses; (iii) attend any annual or special meetings of franchisees; and (iv) be directly involved with site selection, construction, remodeling (if applicable).

Who Must Attend and Successfully Complete Training

Your operating principal must attend and successfully complete our initial training program.

Restrictions on the On-Premises Supervisor

We do not put a limitation on whom you can hire as your on-premises supervisor. Your on-premises supervisor is not required to have an equity interest in the franchise business.

No Competing Enterprises

Neither you, your operating principal, nor your management employees can have an interest in or business relationship with any competing business during the term of the franchise agreement and must keep free from activities that would be detrimental to or interfere with the operation of your franchise business or detrimental to the franchise system. You, your partners, directors, members, shareholders, and operating principal will be required to sign our standard principal brand protection agreement agreeing to protect and keep confidential our trade secrets and confidential information and to conform with the covenants not to compete described in Item 17 (see franchise agreement, exhibit A-4). Your employees will also be required to sign a

confidentiality agreement, and that agreement also imposes certain non-competition restrictions on management employees. Some states may impose certain restrictions on non-competition agreements. We provide you this form, but it is your responsibility to conform it to the laws and regulations of your state (see franchise agreement, exhibit A-5).

Required Operations

You must operate the franchise business at least 5 days per week throughout the year, Monday through Friday, as designated by us (unless waived in writing by us).

Personal Guarantees

Any individual who owns a 10% or greater interest in the franchise business (and their spouse or domestic partner) must personally guarantee the performance of all your obligations under the franchise agreement and agree to be personally bound by, and liable for, the breach of every provision of the franchise agreement.

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

You are not permitted to market or sell to customers in another franchisee’s territory, and all national accounts in your territory will be handled by us, but we otherwise do not currently have any restrictions or conditions that limit access to customers to whom you may sell goods or services. No product or service may be added to, altered, or discontinued by your franchise business unless it is first approved by us in writing. You must offer all products and services required by us. We reserve the right to add, modify, or delete products and/or services that you will be required to offer. There are no limits on our right to do so. You must strictly follow our policies, procedures, specifications, methods, and techniques concerning all of our products and services.

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

THE FRANCHISE RELATIONSHIP

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

| | Provision | Section in Franchise or other Agreement | Summary |
|----|----------------------------------|--|---|
| a. | Length of the franchise term | Section 2.1 | The term is 5 years. The franchise term will begin upon signing the franchise agreement. |
| b. | Renewal or extension of the term | Section 2.2 | If you are in good standing at the end of the franchise term, you can enter into a new successor franchise agreement for an additional term of 5 years. Your successor agreement will also provide an |

| | | | |
|----|---|---------------------|---|
| | | | option to enter into a subsequent successor franchise agreement. |
| c. | Requirements for franchisee to renew or extend | Section 2.2 | <p>In order to renew, you must, among other things, not be in default, pay a successor franchise fee, modernize your franchise business to the then-current standards, and sign the then-current successor franchise agreement, which may have materially different terms from the previous agreement, and sign a release (subject to state law).</p> <p>When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract. You are required to give us notice of your intent to renew between 6 and 12 months prior to the expiration of your franchise agreement. (Subject to state law).</p> |
| d. | Termination by franchisee | Section 11.4 | There are no provisions in the franchise agreement that permit you to terminate the franchise agreement. However, some states may allow you to terminate as permitted by state law. |
| e. | Termination by franchisor without cause | Section 11.1 | We must have cause to terminate the franchise agreement. |
| f. | Termination by franchisor with cause | Section 11.1 | We can terminate if you materially breach and fail to cure. There are certain breaches for which we can terminate without giving you an opportunity to cure. (See (h) below). |
| g. | “Cause” defined – curable defaults | Paragraphs 11.1 A-M | You have 5 to 30 days to cure certain material defaults of the franchise agreement. |
| h. | “Cause” defined - non-curable defaults | Paragraphs 11.1 N-U | Non-curable defaults include insolvency, bankruptcy, conviction of a felony, fraud, repeated defaults even if cured, harm or threat of harm to the public, abandonment, trademark misuse, etc. |
| i. | Franchisee’s obligations on termination/non-renewal | Section 12.1 | Obligations include complete de-identification, payment of amounts due, compliance with the brand protection agreement, etc. (See also (r) below). |
| j. | Assignment of contract by franchisor | Section 14.1 | There are no restrictions on our right to assign. |
| k. | “Transfer” by franchisee - defined | Section 14.2 | The definition of transfer by you includes the assignment and transfer of contracts, |

| | | | |
|----|--|-------------------------|---|
| | | | security interests, ownership change, the sale of substantially all of your assets, etc. |
| i. | Franchisor approval of transfer by franchisee | Section 14.2 | We must approve all transfers, but we will not unreasonably withhold our approval. |
| m. | Conditions for franchisor approval of transfer | Sections 14.3 - 14.8 | Conditions to transfer include you are not in default, all fees are current, new franchisee qualifies, transfer and training fees are paid, purchase agreement is approved, training for the new transferee arranged, new franchisee signs the then-current franchise agreement, a release is signed by you, etc. You must also coordinate with the transferee to ensure coverage during the transferee's initial training. These conditions are subject to state law. (See state specific addenda.) |
| n. | Franchisor's right of first refusal to acquire franchisee's business | Section 14.9 | We can match any offer for your franchise business or business assets within 45 days of written notice to us of the offer. |
| o. | Franchisor's option to purchase franchisee's business | Sections 13.1 and 14.12 | Upon termination or expiration of the franchise agreement, we can elect to buy all or part of your business assets at fair market value within 30 days. Additionally, if we receive an offer to acquire a majority of the franchises or an offer to purchase a majority of our assets or stock, or to merge or go public or similar transactions, we have the option to purchase all of your rights and interests in and under the franchise agreement and your franchise business at fair market value. |
| p. | Death or disability of franchisee | Section 14.10 | Within 160 days of death or disability of majority, your personal representative must be approved, and a new manager must be trained, if applicable, or franchise must be assigned to an approved buyer. We have the right to operate your franchise business until a trained manager is in place. You will be charged our interim management fee, plus our costs, for us to manage your franchise business during this time. You will also be responsible for royalties and other fees during the time of our operation. |

| | | | |
|----|---|------------------------|--|
| q. | Non-competition covenants during the term of the franchise | Section 16.1 | No involvement in competing business anywhere without our written consent. Non-competition provisions are subject to state law. |
| r. | Non-competition covenants after the franchise is terminated, transferred or expires | Sections 16.3 – 16.4 | No competing business for 3 years within your former territory, or within 50 miles of your territory, or within 35 miles of any other Team Up Athletics® franchise, company or affiliate owned Team Up Athletics® business (including after assignment). For a period of 3 years from termination, transfer, or expiration of your franchise agreement, you may not solicit to or on behalf of a competing business any former customer of your franchise business that you serviced as a Team Up Athletics® franchisee, or customer of ours or of an affiliate or of another Team Up Athletics® with whom you interacted during the term of the franchise agreement. |
| s. | Modification of the agreement | Section 20.11 | Modifications must be made in writing and signed by both parties, but policies and procedures are subject to change by us. |
| t. | Integration/merger clause | Section 20.10 | Only the terms of the franchise agreement are binding (subject to state law). All representations and promises outside the disclosure document and franchise agreement may not be enforceable. No provision in the franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document. Any representations or promises made outside of the Franchise Disclosure Document and other agreements may not be enforceable. |
| u. | Dispute resolution by arbitration or mediation | Section 17.2 | Except for certain claims, for all disputes, there must be a face-to-face meeting, mediation and arbitration. (See state specific addenda). |
| v. | Choice of forum | Sections 17.2 and 19.2 | All dispute resolution must be held in Salt Lake City, Utah or the county where our then-current headquarters is located. (Subject to state law). |
| w. | Choice of Law | Sections 19.1 and 19.5 | Utah law the Federal Arbitration Act, and the United States Trademark Act apply. (Subject to applicable state law). |

**ITEM 18
PUBLIC FIGURES**

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

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

COMPANY OWNED OUTLETS

The below table represents an historic performance representation of company-owned Team Up Athletics® outlets. We currently only have one company-owned outlet. The figures represent a 6-year period from 2017 to 2022.

| Year | Location/Territory | Gross Sales |
|-------------|---------------------------|--------------------|
| 2017 | Davis County, Utah | \$151,845 |
| 2018 | Davis County, Utah | \$243,155 |
| 2019 | Davis County, Utah | \$420,616 |
| 2020 | Davis County, Utah | \$685,335 |
| 2021 | Davis County, Utah | \$1,241,998 |
| 2022 | Davis County, Utah | \$1,081,000 |

FRANCHISE OWNED OUTLETS

2022 – By Month

The below table represents an historic performance representation of our 5 Team Up Athletics® franchisee territories. Each of these franchise territories operated for less than 12 months in 2022, so we have broken down their gross sales numbers by month. The figures represent the period from May 2022 to December 2022.

| 2022 Gross Sales 5 – Franchisee Territories | | | | | | | | |
|--|---------|---------|----------|---------|----------|----------|----------|----------|
| | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Total |
| UT SLC 002 | \$1,200 | \$1,931 | \$2,325 | \$4,563 | \$11,279 | \$9,010 | \$17,781 | \$48,088 |
| UT Alpine North 003 | \$0 | \$644 | \$775 | \$1,956 | \$4,834 | \$3,218 | \$6,350 | \$17,776 |
| UT Weber 004 | - | \$2,240 | \$11,554 | \$5,133 | \$8,734 | \$15,729 | \$2,917 | \$46,306 |
| UT Uinta 005 | - | \$1,347 | \$14,999 | \$1,700 | \$10,113 | \$21,098 | \$5,500 | \$54,757 |
| UT Southwest Redrock 006 | - | - | - | - | - | \$644 | \$1,270 | \$1,914 |

2023 – By Month

The below table represents an historic performance representation of our 5 Team Up Athletics® franchisee territories from January 2023 to March 2023.

| 2023 Gross Sales 5 – Franchisee Territories | | | | |
|--|------------|-------------|-------------|-------------|
| Franchises | Jan | Feb | Mar | Total |
| UT SLC 002 | \$8,471.05 | \$4,015.90 | \$29,875.57 | \$42,362.52 |
| UT Alpine North 003 | \$3,025.38 | \$1,435.25 | \$10,669.85 | \$15,129.48 |
| UT Weber 004 | \$9,245.55 | \$14,977.02 | \$24,446.00 | \$48,306.00 |
| UT Uinta 005 | \$5,759.75 | \$16,143.76 | \$19,516.93 | \$41,420.44 |
| UT Southwest Redrock 006 | \$605.08 | \$286.85 | \$2,133.97 | \$3,025.90 |

Summary of 2022 and 2023

The below table represents an historic performance representation of our 5 Team Up Athletics® franchisee territories from January 2023 to March 2023.

| Year | No. of Months | Franchise Territories | Gross Sales Monthly Average | Gross Sales Monthly Median | Gross Sales High Month | Gross Sales Low Month |
|------|---------------|-----------------------|-----------------------------|----------------------------|------------------------|-----------------------|
| 2022 | 8 | 5 | \$6,253 | \$3,890 | \$21,099 | \$644 |

| | | | | | | |
|------|---|---|----------|----------|----------|-------|
| 2023 | 3 | 5 | \$10,016 | \$14,821 | \$29,876 | \$287 |
|------|---|---|----------|----------|----------|-------|

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

Notes

1. The term “gross sales” means the total of all sales of all products, merchandise, goods, or services sold, traded, bartered, or rendered and income of every kind and nature, including the value of a trade or other bartering, arising from the location. “Gross sales” excludes (i) bona fide refunds to customers, (ii) sales taxes collected, and (iii) the sale of used equipment not in the ordinary course of business.
2. Our affiliate owned outlet/territory operates from a showroom and does not differ materially to the anticipated characteristics of our franchisees’ territories. Our affiliate offers products and services similar to what our franchisees will offer and follows the same Team Up Athletics® system that our franchisees are required to follow.
3. Our 5 franchisees currently operate their franchises on a part-time basis, and none of them currently operate a showroom.
4. The financial performance representations do not reflect the costs or expenses that must be deducted from the gross sales to obtain your net income or net profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in this offering circular, may be one source of this information

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

Other than the preceding financial performance representation, Team Up Enterprises, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing 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 Jason Sant at franchise@teamupathletics.com and (801) 224-4418, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
Systemwide Outlet Summary
For Years 2020 to 2022**

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---------------|------|----------------------------------|--------------------------------|------------|
| Franchised | 2020 | 0 | 0 | +0 |
| | 2021 | 0 | 0 | +0 |
| | 2022 | 0 | 5 | +5 |
| Company Owned | 2020 | 1 | 1 | +0 |
| | 2021 | 1 | 1 | +0 |
| | 2022 | 1 | 1 | +0 |
| Total Outlets | 2020 | 1 | 1 | +0 |
| | 2021 | 1 | 1 | +0 |
| | 2022 | 1 | 6 | +5 |

**Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 2020 to 2022**

| State | Year | Number of Transfers |
|-------|------|---------------------|
| Total | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |

**Table No. 3
Status of Franchised Outlets
For Years 2020 to 2022**

| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations for Other Reasons | Outlets at End of Year |
|-------|------|--------------------------|----------------|--------------|--------------|--------------------------|-------------------------------------|------------------------|
| Utah | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 5 | 0 | 0 | 0 | 0 | 5 |

| | | | | | | | | |
|-------|------|---|---|---|---|---|---|---|
| Total | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 5 | 0 | 0 | 0 | 0 | 5 |

Table No. 4
Status of Company-Owned Outlets²
For Years 2020 to 2022

| State | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired from Franchisees | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of Year |
|-------|------|--------------------------|----------------|-------------------------------------|----------------|----------------------------|------------------------|
| Utah | 2020 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 1 |
| Total | 2020 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 1 |

Table No. 5
Projected Openings as of December 31, 2022

| State | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlet In The Next Fiscal Year | Projected New Company-Owned Outlet In the Next Fiscal Year |
|--------------|---|---|--|
| Arizona | 0 | 3 | 0 |
| Idaho | 0 | 3 | 0 |
| Nevada | 0 | 3 | 0 |
| Utah | 0 | 4 | 0 |
| Total | 0 | 13 | 0 |

List of Franchisees

Exhibit “D” contains a list of our current franchisees. If you invest in this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Disclosure of Franchisee Information

If you invest in this franchise, your contact information and financial information may be disclosed at our disclosure document.

Sale of Previously Owned Outlet

We are not selling a previously owned franchised outlet now under our control.

Confidentiality Agreements

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

Franchisee Organizations

We do not know of any trademark specific franchisee organization associated with our system that is required to be disclosed in this Item.

ITEM 21 FINANCIAL STATEMENTS

Our audited financial statements dated December 31, 2022 and our unaudited opening balance sheet dated March 28, 2022 and our unaudited interim financials dated August 9, 2023 are attached as Exhibit "C." Our fiscal year ends on December 31 of each year. The franchisor has not been in business for 3 years or more and cannot include all the financial statements required by the Rule for its last 3 fiscal years.

ITEM 22 CONTRACTS

We have attached the following contracts: as Exhibit "A," the Franchise Agreement and its Exhibits; as Exhibit "B," the Statement of Prospective Franchisee; as Exhibit "H," the Multi-Unit Agreement; as Exhibit "I," the Deposit Agreement; and as Exhibit "J," the Form Release Agreement. All other contracts and agreements are to be entered into with persons of your choice and therefore cannot be attached.

ITEM 23 RECEIPT

The last 2 pages of this disclosure document contain a receipt, in duplicate. The receipt is a detachable acknowledgement that you have received this Franchise Disclosure Document. Both receipts should be signed and dated by you. One copy should be returned to us, and you should keep the other for your records. If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt either by mailing it to us at 350 N. 650 W., Kaysville, Utah 84037 or by emailing it to franchise@teamupathletics.com.

**ADDENDUM TO THE TEAM UP ATHLETICS® FDD
STATE REGULATIONS**

**SCHEDULE “A-1”
TO THE FDD**

STATE REGULATIONS FOR THE STATE OF CALIFORNIA

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.

1. 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.
2. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
3. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be fully enforceable under California law.
5. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
6. The franchise agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The franchise agreement requires application of the laws Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.
8. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. Neither franchisor nor any person listed 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. 78a et seq., suspending or expelling this or these persons from membership in such association or exchange.
10. Section 31125 of the California Corporations Code requires the Franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed modification of an existing franchise.
11. Our website at www.teamupathletics.com has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the

content of the website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov

12. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

13. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

14. Item 6 under Late Fees is amended to include the following: "The highest interest rate allowed in California is 10% annually."

INFORMATION FOR RESIDENTS OF HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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

Department of Commerce and Consumer Affairs
Business Registration Division
Commissioner of Securities
335 Merchant St., 2nd Floor
Honolulu, HI 96813

SCHEDULE 2

ADDENDUM TO THE DISCLOSURE DOCUMENT FOR THE STATE OF HAWAII

1. The Hawaii 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.

2. Hawaii Revised Statutes, Title 26, Chapter 482E, Section 482E-6 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with Hawaii law, the law will control.

3. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)

4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under Hawaii law.

5. The franchise agreement requires application of the laws of the State of Utah. This provision may not be enforceable under Hawaii law.

6. The franchise agreement requires *you* to purchase certain goods from designated sources of supply. This provision may not be enforceable under Hawaii law unless such restrictive purchasing agreements are reasonably necessary for a lawful purpose justified on business grounds.

7. Upon termination or refusal to renew the franchise, Hawaii law requires that the franchisee be compensated for the fair market value of the franchisee's inventory, supplies, equipment and furnishings purchased from the franchisor or a supplier designated by the franchisor; provided that personalized materials which have no value to the franchisor need not be compensated for. If the franchisor refuses to renew a franchise for the purpose of converting the franchisee's business to one owned and operated by the franchisor, the franchisor, in addition to the remedies provided in this paragraph, shall compensate the franchisee for the loss of goodwill. The franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of the franchisee's inventory, supplies, equipment, and furnishings pursuant to this requirement, and may offset from such compensation any monies due the franchisor.

Effective Date _____

**ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF WISCONSIN**

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.
2. The following shall apply to Franchise Agreements in the State of Wisconsin:
 - a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the "Act"), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
 - b. The Act's requirements, including that in certain circumstances a Franchisee receive ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.

EXHIBIT "A"
TO THE FDD

FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

By and Between

TEAM UP ENTERPRISES, LLC

and

(Franchisee)

© 2023, The Franchise & Business Law Group, LLC

This Agreement and the Schedules and Exhibits attached hereto are subject to the copyright of The Franchise & Business Law Group, LLC.

**TEAM UP ATHLETICS®
FRANCHISE AGREEMENT**

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**TEAM UP ENTERPRISES, LLC.
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (“Agreement”) is entered into and made effective as of _____ by and between **TEAM UP ENTERPRISES, LLC**, a Utah limited liability company (“Franchisor” or “We,” “Us” or “Our” as further defined in Article XXI below) and _____ (“Franchisee” or “You” or “Your” as further defined in Article XXI below).

WHEREAS, We have developed a system for the operation of a sports apparel and equipment business known as Team Up Enterprises™, utilizing the Marks and System, and offering to the public custom sports apparel and equipment and other related products and services (“Franchise Business”). Team Up Athletics®; and

WHEREAS, You are desirous of entering into an agreement with Us so as to be able to obtain the rights to operate a Franchise Business using the System.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

**ARTICLE I
AWARD OF FRANCHISE**

1.1 Award of Franchise. We hereby grant to You, and You accept, subject to the terms, conditions and obligations herein, the non-exclusive, non-sublicensable, personal right to establish and conduct a Franchise Business as a Team Up Athletics® franchisee and the right to use the System and the Marks only as specifically set forth herein. This right is granted for use only within Your Territory listed on Exhibit “A-1” (“Territory”). You must operate Your Franchise Business in strict compliance with the terms and conditions of this Franchise Agreement and the Manuals.

1.1.1 Territory Rights. Except as set forth in this Agreement, during the term of this Agreement, We will not establish or operate a company-owned outlet or grant to any person or entity a franchise within the Territory using the same or similar System as that licensed by this Agreement.

1.1.2 Territory Adjustment. We have the right to adjust the boundaries of Your Territory if the population in Your Territory increases by 30% or more as measured from the date of this Agreement. However, the adjustment of any territory boundary will never result in You having less than five high schools in Your Territory.

1.1.3 Annual Minimum Gross Sales. Your rights under this Agreement are dependent upon Your achievement of an annual minimum Gross Sales. Your minimum annual Gross Sales quotas and the deadlines to meet those quotas are included in Exhibit “A-1” of this Agreement. If You do not achieve the minimum Gross Sales in Your Territory, then You will be given a notice of default and a six-month period to cure by achieving half of the annual minimum Gross Sales by the end of the cure period. If You do not cure within the six-month cure period, We have the right to terminate this Agreement. We also have the right to allow You to continue to

operate Your Franchise Business under the terms of this Agreement while We sell Your franchise. If We sell Your franchise, We are entitled to a fee equal to 10% of the sales price to compensate Us for time and expenses to sell Your franchise. You are required to pay the required transfer fee, and the transferee will be required to pay training fee to train the new franchisee. If We have not sold or terminated Your franchise within six months of Us giving You notice of Your second consecutive default, You may cure the default by achieving half of the required annual minimum Gross Sales by the end of that six-month period.

1.2 Scope of Franchise Operations. You must at all times comply with Your obligations hereunder and must continuously use Your best efforts to promote and operate Your Franchise Business. If You have a commercial showroom, You cannot operate any other business from the showroom other than the Franchise Business.

1.3 Our Reservation of Rights. All rights not specifically granted to You in this Agreement are reserved to Us. You expressly acknowledge and agree that this license is non-exclusive, and that We retain, among other rights, the right, in Our sole discretion: 1) to establish and license others to establish and operate Team Up Athletics® businesses outside Your Territory; and 2) to operate and license others to operate businesses anywhere that do not operate under the Team Up Athletics® brand name.

1.4 Restriction of Territory Rights. The rights and privileges granted to You under this Agreement are personal in nature. This Agreement is granted solely for the operation of a Franchise Business within the Territory and do not extend to the operation of a Franchise Business or any other use of the System outside Your Territory, or in any other manner, except as may be allowed by this Agreement. You are not permitted to Market or sell to customers in another franchisee's territory, but You may market and sell products and services outside of Your Territory if such territory has not been granted to another franchisee. However, if You develop customers in an area that is later granted to another franchisee, those customers will be transferred to that franchisee.

1.4.1 Referrals. You cannot take orders or service customers in another franchisee's or affiliate's territory. All such customers and orders must be referred to the franchisee or Our affiliate in that territory. However, You will receive a referral fee of 5% of Gross Sales on orders made by customers that You refer to other franchisees or to Our affiliate. Additionally, You shall pay a referral fee of 5% of Gross Sales for orders made by customers referred to You by other franchisees or by Us or Our affiliates. If You receive a referral from another franchisee, You must pay the referral fee to Us within 10 days of receiving payment for the applicable order, and We will pay that amount to the referring franchisee, as applicable.

1.5 National Accounts. We expressly reserve the right to sell, Market, and distribute products and services to all National Accounts, both within and without Your Territory. A "National Account" is defined as a company with multiple units or outlets located in more than one geographical area or territory. We also reserve the right to allow You to manage a National Account in Your Territory. We will designate if and how franchisees will sell or service National Accounts. Additionally, if You refer a National Account to Us or Our affiliate, We or Our affiliate shall pay You a referral fee equal to 5% of Gross Sales on orders placed under that account.

1.6 Territory Relocation. You must obtain Our prior written permission if You want to relocate Your Territory. Approval to relocate is based on the then-current criteria used in approving a new franchisee's proposed territory. If we do approve a new territory for You, You must reimburse Us

Our costs associated with reviewing and approving the new territory at a cost of \$50 per hour, plus any legal fees associated with the relocation and costs associated with updating documentation, reviewing new sites, and editing Our website and promotional materials. You do not have the right to relocate Your Territory, and We have the right to deny any relocation request. If We do approve of You to relocate Your Territory, We may assign the customers within Your previous Territory to Us, an affiliate, to another franchisee, or We may allow You to continue to service those customers, at Our sole discretion.

ARTICLE II TERM AND SUCCESSOR FRANCHISE

2.1 Term. This Agreement will be effective when executed by both You and Us. The franchise term will be for a period of five years unless terminated earlier pursuant to Article XI herein. If We are required by law or otherwise to give You notice before the Termination of this Agreement and fail to do so, this Agreement will remain in effect from month-to-month until We have given the required notice.

2.2 Successor Franchise. You have the right to be awarded a successor franchise (“Successor Franchise”) upon the expiration of the original term for an additional term of five years if all the following conditions are met at the time You elect to renew: 1) You are not in default of this Agreement; 2) You have complied with and timely met material terms and conditions of this Agreement throughout the initial term; 3) You have complied with Our material operating and quality standards and procedures and any required modification to such standards and procedures; 4) You have timely paid all monetary obligations owed to Us during the term of this Agreement; 5) You are not subject to any pending litigation or governmental proceeding which could have a material adverse effect upon You or Your Franchise Business; and 6) You give Us written notice of Your intent to renew at least six months and not more than 12 months prior to the expiration date of the term hereof. Your failure to give such notice will constitute an election not to enter into a Successor Franchise Agreement (defined below). Your Successor Franchise Agreement will also provide for a successive franchise term. If You fail to enter into a Successor Franchise Agreement for any reason but continue to operate Your Franchise Business, at Our election, You will be deemed to have renewed on a month-to-month basis, requiring You to abide by Our then-current Fees. In addition to Our rights to terminate as set forth in Article XI, Your month-to-month Franchise Business may be terminated by Us upon 30 days’ prior written notice to You for any reason whatsoever.

2.2.1 Commencement Date for Successor Franchise Term. Unless another date is specified in a Successor Franchise Agreement, which date will supersede, said Successor Franchise term, including, any month-to-month term, will commence on the day following the expiration date of the initial or applicable Successor Franchise term.

2.2.2 Notice of Non-Approval. Upon receiving Your election to enter into a Successor Franchise, We will have 45 days to provide written notice in the event You do not qualify for a Successor Franchise or as otherwise required by law.

2.2.3 Successor Franchise Agreement. If approved as a Successor Franchise, You must execute Our then-current form of Our successor franchise agreement (“Successor Franchise Agreement”). The Successor Franchise Agreement Includes personal guarantees and a general release of all claims against Us arising from this Agreement, the relationship created herein, and Your Franchise Business. If You fail to execute such a release, the signing of the Successor

Franchise Agreement will be the equivalent of the granting of such a release. The Successor Franchise Agreement will supersede in all respects the terms and conditions of this Agreement, and You will be obligated to pay royalties and other continuing Fees at the then-existing levels required to be paid by new franchisees. You must sign and return to Us the Successor Franchise Agreement within 90 days prior to the expiration of this Agreement, or You will, at Our election, be deemed to have withdrawn Your request to enter into a Successor Franchise Agreement, and this Agreement will Terminate at the expiration of the term then in effect. **You acknowledge that You will be bound by the form of the Successor Franchise Agreement in effect at the time which may contain Fees and charges, territorial, and other changes in material provisions different from those contained in this Agreement, Including terms affecting payments to Us or Our affiliates.**

2.2.4 Successor Franchise Fee. If approved for a Successor Franchise, You shall pay to Us a non-refundable Successor Franchise Fee set forth in Exhibit “A-3,” payable in full at the time of execution of the Successor Franchise Agreement.

2.2.5 Upgrading Your Franchise Business. As a condition to Us approving You entering into a Successor Franchise Agreement, at Your expense, You are required to reasonably renovate, remodel, redecorate, redesign, refixture, upgrade, and/or otherwise refurbish Your Franchise Business and Your showroom (if applicable) to the extent and in the manner specified by Us to conform with and bring it up to the standards, image, and capabilities of new Team Up Athletics® outlets being opened at the time the Successor Franchise takes effect. Unless otherwise waived by Us, such improvements must be made within six months of signing the Successor Franchise Agreement. You shall make all necessary arrangements to continue the occupancy of Your then-existing showroom (if applicable) through the Successor Franchise term(s) unless We give written permission to relocate Your showroom.

2.2.6 Successor Franchise Training. As a condition to Us approving You entering into a Successor Franchise Agreement, Your Operating Principal, You and/or other key personnel may also be required to attend and successfully complete trainings, certifications and other programs at such times and locations as We specify. You may be required to cover the expense of travel, meals, lodging, and other related costs for such training and certifications.

ARTICLE III INTELLECTUAL PROPERTY

3.1 Intellectual Property and Confidential Information. You acknowledge that: 1) as between You and Us, We have the sole rights in and to the Intellectual Property and Confidential Information; 2) Your right to use the System is granted by Us solely pursuant to the terms of this Agreement; and 3) as between You and Us, We have the sole right to license and control Confidential Information and Intellectual Property. Our Intellectual Property and Confidential Information provided to You by or through Us will remain Our sole property. You acknowledge that Our Confidential Information and Intellectual Property are unique and/or confidential and contain trade secrets and other material proprietary to Us.

3.2 Use of Confidential Information and Intellectual Property. You have a non-exclusive right to use the Confidential Information and Intellectual Property and only in connection with Your Franchise Business and in accordance with Our Manuals and this Agreement. You understand and agree that the use of Our Confidential Information, Intellectual Property, and goodwill are all

temporary benefits and expire with the Termination of this Agreement. You expressly covenant that during the term of this Agreement and after the Termination thereof, not to: 1) directly or indirectly contest or aid in contesting the validity of Our ownership of, or rights in, the Confidential Information or Intellectual Property; 2) in any manner interfere with or attempt to prohibit Our use of the Confidential Information or Intellectual Property and derivatives thereof or any other name, trademark or service mark that is or becomes a part of Our System; or 3) interfere with the use of Our Confidential Information or Intellectual Property by Our other franchisees or licensees at any time.

3.3 Our Marks. You acknowledge that as between You and Us, the Marks and derivatives thereof are valid trade names, trademarks and service marks owned by Us or licensed to Us.

3.4 Use of Marks and System. You have the non-exclusive right to use Our Marks and the System as directed by Us. You shall only use Our Marks licensed by this Agreement and only with the letters “TM,” “SM” or “®,” as appropriate, approved and as instructed by Us, whenever and wherever such Marks are used. You shall not use Your own name or any other name service or product in connection with any of Our Marks without Our prior written consent. You are prohibited from using any Mark in connection with the performance or sale of any unauthorized service or product. You cannot use the Marks or System in any manner, or otherwise take any action (or inaction) that would or may cause the Marks or the System to be subject to any ill repute or negative publicity. You cannot use the Marks on any intercompany documents to identify Your Franchise Business or entity (Including in or on employee manuals, handbooks, emails, letterhead) or on business checks or bank accounts. All communications with Your employees must be under Your entity name.

3.4.1 Cooperation. You shall execute any and all additional papers, documents and assurances in connection with the Marks as reasonably requested by Us and agree to cooperate fully with Us and any of Our other franchisees or licensees in securing all necessary and required consents of any state agency or legal authority for the use of the Marks or any other name, trademark, service mark, logo or slogan that is now or later becomes a part of Our System. You shall immediately notify Us as soon as You become aware of any infringement or apparent or alleged infringement of the Marks, Our Confidential Information, or any part of Our Intellectual Property.

3.4.2 Use in Marketing. The use of the Marks in Marketing is set forth in Article X.

3.4.3 Modification of Marks. We have the right, in Our reasonable discretion, to require You to change, modify or discontinue the Marks or to use one or more additional trademarks, service marks, logos, and/or other symbols in connection with the operation of the Franchise Business. In that event, You must bear the cost of using such additional or modified Marks or items in accordance with Our reasonable directives.

3.4.4 No Registration. You cannot make application for registration, domain name, or other protection of any of the Marks, or any other trademarks, service marks, symbols, names, slogans, logos, trade names or any items that are similar or derivatives therefrom in any jurisdiction without Our prior written consent and then only upon the terms and conditions specified by Us in connection therewith.

3.5 Copyrights. All right, title and interest in and to Copyright Materials are Our sole and exclusive property and cannot be reproduced or replicated either during or after this Agreement.

You have no rights to make any direct or indirect use of the Copyrighted Materials except as allowed under this Agreement.

3.6 Sole Control. As between You and Us, We will have the sole control over any legal or administrative action concerning the Confidential Information or Intellectual Property. You must promptly notify Us in writing of any unauthorized use of Our Confidential Information and Intellectual Property, or of any claim, demand or suit by any person, corporation or other entity based upon or in connection with any of Our Confidential Information and Intellectual Property licensed hereunder in which We have an interest. We will indemnify You against and to reimburse You for all direct damages (but not consequential damages including loss of revenue and/or profits), for which You are held liable in any proceedings arising out of the use of Our Confidential Information or Intellectual Property pursuant to and in compliance with this Agreement, and for all costs reasonably incurred by You in the defense of any claim brought against You or in any proceeding in which You are named as a party, provided that You have timely notified Us of any claim or proceeding and have otherwise complied with this Agreement.

3.7 Goodwill. You acknowledge that valuable goodwill is attached to the Marks and System, and that We have invested and continue to invest time and capital into promoting the System and that such promotion creates goodwill and customer association which benefits Us, You, and all other franchisees in the System. Furthermore, even goodwill associated with the Marks and System that might be deemed to have arisen through Your activities is Our sole property and inures directly and exclusively to Our benefit, except as otherwise provided herein or by applicable law.

3.7.1 Customer Data. All Customer Data is Our sole property and inures directly and exclusively to Our benefit. You have a royalty-free, non-exclusive right to use the Customer Data during the term of this Agreement. You must gather, upload, and/or store all Customer Data as required by Us. To the extent that We do not otherwise have access, You must provide Us copies of all Customer Data upon request. You must abide by all applicable laws pertaining to the privacy of consumer, employee and transaction information, and do not contact laws. If We allow You to use the Customer Data to transmit advertisements to customers and potential customers, You are solely responsible to comply with the laws pertaining to calling or texting customers, the sending of emails, or any other transmission of information, including any anti-spam legislation.

3.8 Fictitious Business Name. You must not use Our Marks or any other name similar thereto in the name of any partnership or entity owned or formed by You, whether to own or operate Your Franchise Business or otherwise. However, within 30 days of signing this Agreement, You must file for a certificate of assumed or fictitious name or a “doing business as” name (“DBA”) using our Marks as designated by Us, and in the manner required by state law so as to notify the public that You are operating Your Franchise Business as an independent business pursuant to this Agreement and must include Your assigned franchise designation in such filing. You must provide Us with a copy of Your DBA registration and/or certificate upon receipt of the same, and upon Our request from time to time.

3.9 Maintaining Secrecy. You shall: 1) fully and strictly adhere to all security procedures prescribed by Us in Our sole discretion for maintaining the secrecy of Our Confidential Information; 2) disclose such information to Your employees only to the extent necessary to Market Our products and services and for the operation of the Franchise Business in accordance with this Agreement; 3) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Us; and 4) exercise the highest degree of

diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement.

3.10 Changes to the System. You shall fully disclose all Innovations to Us, without disclosing the Innovation to others and shall obtain Our written approval before using or implementing an Innovation. All Innovations are owned by Us and considered a “work-made-for-hire.” If all or part of any Innovation that You create is for any reason deemed not to be a work-made-for-hire, then You hereby irrevocably transfer and assign to Us or Our affiliate all right, title, interest and ownership, including license rights, in the Innovation, and You agree to execute any document necessary to effectuate the transfer and assignment. To the extent You have any moral or similar rights in an Innovation or derivative thereof, You expressly waive those rights. Any Innovation may be used by Us and all other franchisees without any obligation to compensate You. We reserve the right to make application for and own Intellectual Property relating to any Innovation, and You shall cooperate with Us in securing these rights. We may also consider an Innovation as part of Our trade secret. At Our discretion, We may authorize You to utilize Innovations that may be developed by You, Us, or other franchisees.

3.11 Association with Causes; Co-Branding. You cannot, without first receiving Our written approval, in the name of the Franchise Business or in any manner associated with the Marks: (i) donate money, products, or services to any charitable, political, social, religious, or other for-profit or non-profit organization, cause, or position, or (ii) act in support of or against any such organization, cause, or position. You cannot “co-brand” or use the Marks or Your Franchise Business to associate any other business activity in a manner which is likely to cause the public to perceive the activity to be related to or sponsored by the brand or System.

ARTICLE IV CONSTRUCTION, COMMENCING OPERATIONS AND LEASE

4.1 Location. You may operate the Franchise Business from Your home, from a commercial office location, or a commercial office location with a showroom.

4.1.1 Showroom Location Approval. We must approve Your proposed site if You choose to operate from a commercial space with a showroom. A “showroom” is a commercial space designed according to Our specifications where customers can come to view and purchase products and services from You. However, it will be Your responsibility, at Your sole cost and expense, to select the site within Your Territory. You must provide Us with the street address of the proposed site and such other information as We request, including pictures or existing brochures of the proposed site. **We do not prepare demographic studies or otherwise evaluate the need for Our products and services in Your Territory, nor do We provide You with a site checklist or other similar information.** We must approve of Your site, but We do not warrant or guarantee the success of the site. If You choose to operate from a commercial space with a showroom, You must not commit to purchase or lease any real property or commence construction unless and until You have Our written approval of the proposed location. Your site must strictly comply with local zoning and, state and federal laws, rules and regulations. Site approval or disapproval should be completed by Us within 30 days after You have submitted a proposed site to Us.

4.2 Lease. If you decide to operate from a commercial space with a showroom, We must approve of Your Lease before you sign the lease or begin construction. You must also deliver an executed copy of the Lease to Us within 15 calendar days after execution.

4.2.1 Assignment of Lease. If You enter into a Lease for a commercial showroom, You hereby assign and transfer all rights and interest in and to the Lease to Us to be effective upon Our election when this Agreement Terminates. In such event, We will have the right, but not the obligation, to accept the assignment and assume the Lease or execute a lease with You as provided below. We also have the right to assign the Lease to another franchisee or an affiliate of Ours. If You own the premises, You hereby agree to lease the facilities to Us upon Termination of this Agreement at a rate not to exceed its fair market rental value, and on commercially reasonable terms and conditions. Your Lease must Include a provision allowing the assignment of the Lease to Us or Our nominee, at Our option, in the event this Agreement is Terminated for any reason, and You are required to have Your landlord sign the Landlord's Consent to an Assignment of the Lease before the Lease is signed. The Landlord's Consent is attached as Exhibit "A-6" to this Agreement.

4.2.2 Assumption of Lease. We will have 45 days from the date of Termination of this Agreement, to exercise Our right and option to take and assume the Lease for the premises. If the option is exercised, We will notify You and the Landlord of Our exercise within the option period. In such event, You agree to bring all obligations under the Lease current as of the date of possession by Us as well as to indemnify Us against all losses and costs arising by virtue of, attributable to, or in any way related to the period of Your possession of the premises. All taxes, utilities and rentals will be prorated between Us and You as of the date of Our possession. We will not be obligated to pay Your arrearages. After the date of possession, We agree to indemnify You against all Lease obligations solely attributable to the period of Our possession of the premises. You agree that no compensation for the Lease is payable by Us to You unless the premises are owned by You. The Lease will be transferred to Us without the payment of any kind to You by Us for the Lease other than the indemnification provided above.

4.3 Construction. If You choose to operate from a commercial space with a showroom, any construction of the premises must be done in strict accordance with the specifications approved by Us, but it is Your responsibility to verify that the plans conform to federal, state and local laws. We do not assist in the actual construction, remodeling, or decorating of Your Franchise Business.

4.3.1 Design of Showroom. You are required to follow Our interior and exterior design standards and specifications for Your showroom. We provide You preliminary design plans for Your showroom. You must adapt these plans at Your expense in accordance with local, state and federal laws, rules and ordinances, for Your showroom using a local architect approved by Us.

4.3.2 Setting Up the Premises. If You choose to operate from a commercial showroom, You agree to arrange the fixtures, signs, furniture and décor of the premises in strict compliance with the format and color schemes recommended by Us and to work with Our approved suppliers providing such items. We must approve Your showroom setup prior to opening and if any elements of the showroom do not meet Our specifications, You will, at Your cost, be required to make the required adjustments.

4.3.3 Abandonment of Construction. Abandonment of construction or stoppage of construction for six or more weeks due to Your fault or neglect will be grounds for terminating this Agreement.

4.3.4 Approval of Construction. You may not operate from a commercial showroom if construction, improvements and fixturing do not conform to Our approved specifications and failure to correct any unauthorized variance for such plans and specifications within 30 days after written notice from Us will be grounds for terminating this Agreement. We have the right to supervise and inspect all construction to assure compliance with approved plans and specifications.

4.4 Commencing Operations. You are required to commence operations not later than 60 days from the date of Your Lease. You must give Us not less than 15 days' prior written notice of the opening date. If Your commercial space is not ready by that time, You must operate out of Your home until the commercial space is completed. We have the right to inspect and approve Your showroom and other aspects of Your operations relating to Your compliance with this Agreement prior to opening.

4.5 Showroom Relocation. You are not allowed to relocate Your showroom without Our prior written approval. You must demonstrate the financial ability to relocate as part of Our approval process. You must give Us at least 60 days' prior written notice of Your desire to relocate. Approval to relocate will be based upon the same criteria used in approving a new franchisee's proposed showroom site. If We approve of Your relocation, You will be required to hold a grand opening for Your new showroom as if it was Your first showroom. Additionally, You must pay Us a relocation Fee to cover Our costs to review and approve the relocation. Our time will be billed at \$50 per hour, and You must reimburse Us for any legal fees and costs associated with updating documentation, reviewing new sites, and editing Our website and promotional materials. We have the right to deny a request for relocation in Our sole discretion.

4.6 Failure to Meet Deadlines. If You fail to meet a deadline and fail to cure, this Agreement is subject to Termination by Us, at Our option. However, You may be granted an extension at Our discretion if You demonstrate a good faith effort in complying with this Article.

ARTICLE V FEES AND REPORTS

5.1 Initial Franchise Fee. You shall pay Us the initial franchise fee listed in Exhibit "A-3" in one lump sum at the time of execution of this Agreement. The initial franchise fee must be paid by wire transfer or certified check. The initial franchise fee is fully earned by Us and is non-refundable. No rights or privileges under this Agreement exist until the initial franchise fee is paid in full.

5.1.1 Additional Franchises. During the term of this Agreement, You may purchase additional franchises at a discounted initial franchise fee listed in Exhibit "A-3." This option will only be available to You if there are franchise territories available, You meet Our then-current criteria for new franchisees, You are current and not in default of this Agreement, and, in Our sole discretion, We determine to sell You another franchise. You will be required to sign Our then-current franchise agreement, which may have material terms different from this Agreement.

5.2 Royalty. You shall pay Us a non-refundable, on-going monthly royalty as listed in Exhibit "A-3." The royalty is in consideration of Your right to use Our Intellectual Property and certain

Confidential Information in accordance with this Agreement and not in exchange for any specific services We render.

5.2.1 Change in Law. In the event there is a change in the law or a discovery of a law affecting the collection of payments to Us, You agree to allow Us to modify the definition of “Gross Sales” and the calculation of other Fees due to Us in order to comply with the law. However, in no event will the modification of the term “Gross Sales” or the calculation of other Fees due to Us result in Your payment in excess of the Fees listed in Exhibit “A-3.”

5.3 Marketing Fees.

5.3.1 Local Marketing. You must also allocate and spend the amount is listed in Exhibit “A-3” each year on local Marketing in Your Territory. We reserve the right to increase the minimum local Marketing requirement if We determine, in Our sole discretion, that to do so will be in the best interest of the System, but such increase will not be more than 10% per year.

5.3.2 Grand Opening Marketing. You are required to spend at least \$2,500 in promoting Your opening in forms and mediums as approved by Us.

5.3.3 Grand Opening Assistance. We shall provide you with one of Our representatives to assist You for up to three days of opening assistance during Your grand opening. The opening assistance fee is \$2,500. We will cover the costs for travel, food, and lodging for Our representatives. This opening assistance is mandatory.

5.4 Calculation and Reporting. The calculation, reporting and payment of the Fees specified in Sections 5.2 and 5.3 above will be made as follows:

5.4.1 Gross Sales Report and Other Reports. See Section 5.5 below.

5.4.2 Payments; Due Date. Royalties are due on the 5th day of each month. All payments to Us must be paid in accordance with Our then-current electronic funds transfer, ACH or other automatic withdrawal program or as specifically directed by Us. Currently, the Fees as shown and calculated on the Gross Sales Report are due and payable and must be received by Us or credited to Our account by pre-authorized bank debit and automatically withdrawn from Your Operating Account. Our current ACH agreement is attached hereto as Exhibit “A-7” and may be modified by Us at any time in Our sole discretion. We reserve the right to change the payment due date or require an alternative payment frequency payment for any or all Fees in the future. You agree that Your obligation to pay all Fees due under this Agreement are absolute and unconditional.

5.4.3 Operating Account. You shall not have more than one Operating Account associated with the Franchise Business. If You fail to timely report Gross Sales, We may automatically sweep or debit an estimated amount of Fees due to Us. You shall pay Us any amount owing if We underestimate Your payment to Us, and We will credit You with any overage that We charge. You must maintain a minimum of \$10,000 in Your Operating Account at all times for business emergencies, provided that in any 30-day period, the Operating Account may have less than such amount for a period of not more than ten days. You are required to provide Us with view-only access to Your Operating Account.

5.4.4 Late Fees. You will be charged a late Fee if a required Fee, payment to Us or an affiliate, or report is not timely received by Us or an affiliate (see Exhibit “A-3”), and You will be

charged per bounced check or insufficient funds transfer. See Exhibit “A-3.” These Fees are due within the next royalty payment, or upon Our demand to You. These amounts may be adjusted by Us from time to time in the Manuals.

5.4.5 Interest. In addition, all Fees not paid when due will be assessed and accrue interest from the due date to the date of payment, both before and after judgment at the rate of 18% per annum or the maximum rate allowed by law, whichever is less. In no event will any amounts be charged as interest or late fees or that otherwise exceed or violate any applicable legal restrictions. Unpaid interest charges will compound annually.

5.4.6 Sales or Use Tax. If there is hereafter assessed any nature of sales tax or use tax or other value added tax on Fees, You pay to Us, You shall also pay Us the applicable tax when invoiced.

5.5 Reports and Financial Statements. You must submit the following reports by the following due dates. We reserve the right to require all reports to be submitted at more frequent intervals.

| TYPE OF REPORT | DUE DATE | REMARKS |
|------------------------------|--|--|
| Gross Sales Report | 5 th of each month | You must submit this report in a form we approve or require. |
| Gross Sales Report | The 5 th day of the following month | You must submit this report in a form we approve or require. |
| Monthly Financial Statements | 5 th of each month | These financial statements do not need to be prepared by Your accountant or audited unless requested by Us. |
| Local Marketing Report | Quarterly, by the 5 th day of the following quarter | This report must detail Your expenditures for local marketing in a form We may require. |
| Annual Financial Statements | On or before January 31 of each year | This is a complete financial statement for the preceding calendar year, including a profit and loss statement and balance sheet. These financial statements do not need to be prepared by Your accountant or audited unless requested by Us. |
| Federal Tax Return | Within 30 days of submission | |
| Other Reports | Upon request | Those additional reports that We may from time to time require, including by way of example and not limitation, sales and cost data and analyses, advertising budget and expenditures. |

5.5.1 Access and Use of Financial Records. We or Our certified public accountants or other duly authorized agent, have the right during normal business hours to conduct computer

and other audits and to examine and make copies of Your books, records, financial statements and sales and income tax returns, and You must keep complete and accurate books and records of the operation of Your Franchise Business. You shall provide Us with access to, or copies of, all financial records in the time We require.

5.5.2 Audit of Books and Records. If any audit or investigation discloses a deficiency of 2% or more of the Gross Sales in the computation or payment of Fees due to Us, You shall immediately pay Us the amount of the deficiency, the appropriate Fee for late charges, and You shall reimburse Us for the total expense of the audit or investigation, including the charges for the accountant and the travel expenses, room, board, and other costs incurred in connection with the audit. Your failure to report Gross Sales for any period, or Your failure to retain and have available readable and organized required records will be deemed an understatement by more than 2%.

5.6 Application of Payments. We can apply any payments received from You to any past due or then-current indebtedness of Yours for any payments owing to Us.

5.7 No Refunds. Unless otherwise stated above, the Fees set forth in this Agreement are not refundable.

5.8 Funding. You are solely responsible for obtaining all funding for Your Franchise Business. Failure to obtain sufficient initial funding for opening Your Franchise Business is grounds for termination of this Agreement.

ARTICLE VI FRANCHISEE'S OPERATIONAL COVENANTS

6.1 Business Operations. In addition to other obligations, requirements and covenants set forth in this Agreement:

6.1.1 Compliance with Applicable Laws. You are solely responsible for ensuring compliance with all applicable laws, ordinances and regulations or ruling of every nature whatsoever which in any way regulate or affect the operation of Your Franchise Business.

(i) Permits and Licensing. You shall obtain and maintain all required permits and licenses for the operation of Your Franchise Business. You agree that We have not made, and You have not relied on, any representation that no permits or licenses, or only certain licenses, permits, etc., are necessary in connection with the operation of Your Franchise Business.

6.1.2 Appearance; Customer Service. We reserve the right to require that Your employees comply with any dress code, Mark or other brand-related standards that We may require. If You elect to use a showroom, You shall establish and maintain the showroom in a clean, attractive, and repaired condition. You shall also arrange the fixtures, signs, furniture, and décor of the showroom in strict compliance with the format recommended by Us. Additionally, whether or not You operate from a showroom, You shall perform work competently and in a workmanlike manner; give prompt, professional, courteous and efficient service to the public adhering to the highest standards of honesty, integrity, fair dealing and ethical conduct. You shall operate Your Franchise Business in strict compliance with Our System and policies, practices and procedures contained in the Manuals or otherwise communicated to You so as to preserve, maintain and enhance the reputation and goodwill of Our System.

6.1.3 Signage. If You operate from a showroom, You must have the number of interior and exterior signs as required by Us and according to Our specifications. All signs to be used on, in, or in connection with Your Franchise Business must meet Our specifications and must be approved in writing by Us prior to use by You. You shall maintain all signs in good condition and to undertake such repairs and or replacements at Your expense as We reasonably determine to be necessary. You understand and acknowledge that while You are required to purchase and display signage, including signage displaying Our Marks, You do not own rights to use of the signs following Termination.

6.1.4 Training. Your Operating Principal is required to attend and successfully complete Our training program prior to opening Your Franchise Business. Successful completion will be determined by Our trainers. Failure to successfully complete training is a default of this Agreement. The training instruction is provided by Us without charge to You for up to five attendees, however; You must cover the travel, food, and lodging costs as well as compensation for Your attendees.

i. New Operating Principal and Management Training. Any new Operating Principal must complete the initial training program prior to taking over as the Operating Principal. New managers may be trained by Your Operating Principal, but We can also require Your managers to be trained by Us if We reasonably believe such training would be in the best interest of Your Franchise Business. Our Fee for this training is listed on Exhibit "A-3." You must also cover the travel, food, and lodging for Your attendees or Our representatives, as applicable.

ii. Additional Training. Depending on availability and advanced written notice, if You would like additional training, We may provide this training to You. We have the right in Our sole discretion to limit additional training to a certain number of days, attendees, and/or representatives at a time. We can also require Your Operating Principal and/or other key personnel to attend additional trainings if You are in default, or if We reasonably believe such training would be in the best interest of Your Franchise Business. Our current Fee for additional training is listed in Exhibit "A-3." For all training, You shall also bear the costs of travel, food, lodging and compensation of Your attendees or Our representatives (as applicable) in connection with training.

iii. Non-Disclosure. All attendees at a training must sign a non-disclosure agreement acceptable to Us before attending a training.

6.1.5 Management. Your Franchise Business must be managed by either Your Operating Principal or a designated manager who will be required to devote their full time, attention, and best efforts to the management and operation of Your Franchise Business. You must have at least one employee on site during regular business hours, but that employee does not need to be a manager. You must disclose the identity of Your Operating Principal to Us, and You must immediately notify Us in writing if Your Operating Principal is no longer acting in such capacity. We must approve of Your Operating Principal and any replacement Operating Principal.

i. Unless Your Operating Principal will act as the full-time manager of the Franchise Business, Your Operating Principal is not required to work a certain or minimum number of hours; however, Your Operating Principal must maintain sufficient inventory, supplies and products and work sufficient hours to operate Your Franchise Business or supervise Your managers and employ adequate personnel to operate Your Franchise Business at its maximum capacity and efficiency.

ii. Although We do not require Your Operating Principal to be involved in the day-to-day, on-premises management, Your Operating Principal is required to participate in Your Franchise Business as follows: (i) be directly responsible for overseeing all accounting, reporting and bookkeeping, and all financial components of the Franchise Business; (ii) attend and complete all training and retraining courses required by Us; (iii) attend any annual or special meetings of franchisees called by Us; (iv) be directly involved with site selection, construction, remodeling (if applicable); and (v) conduct frequent inspections of the Franchise Business operations to ensure the highest standards of professionalism, cleanliness and general pleasant appearance (of the commercial premises) in compliance with Our approved methods.

iii. Your Operating Principal must devote their primary attention to the Franchise Business, and You, Your Operating Principal, and Your manager(s) must keep free from any conflicting or competing enterprises or any other activities that would be detrimental to or interfere with the operation of Your Franchise Business.

6.1.6 Operational Hours. You shall operate Your Franchise Business at least five days per week throughout the year and at the hours We may designate.

6.1.7 Remodel and Upgrades. You shall repair, refinish, repaint, remodel, modernize, redecorate, or otherwise refurbish Your showroom (if applicable) from time to time as We may reasonably direct, but not more often than every five years between required remodels and upgrades (except for required changes to the Marks and equipment, which We may require at any time) to conform to the building design, color schemes and presentation of trade dress consistent with Our then-current public image. This can include structural changes, new flooring, wall treatments, signage, new equipment, remodeling, redecoration, new furnishings, fixtures and décor, and such modifications to existing improvements as may be reasonably necessary, such that all Team Up Athletics® showrooms will have a generally similar look and appearance. You must complete all such updates and upgrades within six months of notice from Us of the requirement to upgrade and otherwise remodel Your Franchise Business as set forth above. You shall also complete any day-to-day maintenance issues as they occur during the term of this Agreement. In the event You relocate Your showroom to a new approved location, or sign a Successor Franchise Agreement, You must bring Your new showroom up to Our then-current standards. Additionally, if You do not operate from a showroom, You must still update, upgrade, and modernize Your Franchise Business as directed by Us.

6.1.8 Your Employees. You, Your principals, and Your employees are not Our employees. You are solely responsible for the hiring, firing, compensation, benefits, managing, and training of Your employees. Other than management training, We do not assist You in employment related decisions, or in creating any policies or terms and conditions related to the management of Your employees or their employment. We may provide You with an employee guide or manual, but it will only be a sample of certain employment matters unless otherwise expressly provided by Us. It is Your responsibility to comply with local and federal labor and employment laws.

6.1.9 Insurance.

(i) Minimum Limit Requirements. You shall at all times during the entire term of this Agreement and at Your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from Our designated insurance broker, or an insurance broker otherwise approved by Us:

| Type of Insurance | Minimum Required Amount(s) |
|--|---|
| Commercial General Liability Insurance | \$1,000,000 per occurrence and \$2,000,000 in the aggregate or leasehold minimum, whichever is greater |
| Property Insurance | 50% of the full replacement cost against loss or damage from fire and other risks normally insured against in extended risk coverage |
| Commercial Automobile Insurance | At least \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage) |
| Government Required Insurances | You must maintain and keep in force all worker's compensation and employment insurance on Your employees that is required under all federal and state laws. |

(ii) Policy Requirements. Other than worker's compensation, these policies must insure You and Us and Our nominees as additional insureds, without regard to any other insurance program that We may have in effect, against any liability that may accrue by reason of or relating to Your ownership, maintenance, or operation of the Franchise Business wherever it may be located. These policies must stipulate that We will receive a 30-day written notice prior to, renewal or termination, and We must receive a 30-day notice of any modifications. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to Us must be furnished to Us together with proof of payment prior to You beginning operations and within 15 days of any request which We may make from time to time.

These insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate or required by state or federal law. If You fail to obtain insurance and keep the same in full force and effect, We may obtain insurance at Our discretion, and You must reimburse Us the premium costs, plus an administration Fee for Our time (see Exhibit "A-3"). We may periodically increase the amounts of coverage required and/or require different or additional coverage. If Your showroom is damaged and covered by insurance, You must use the proceeds to restore the facility to its original condition no later than 160 days from receiving the proceeds.

6.1.10 Pricing. We may, to the degree permitted by law, suggest retail prices and specify maximum and/or minimum pricing You may charge for products and services. If We impose a maximum price for any product or service, You may charge any price for the product or service up to and Including the maximum pricing We impose, but You may not charge any price in excess of the maximum pricing. If We impose minimum pricing for any product or service, You may charge any price down to and Including the minimum pricing imposed, but You may not charge any price below the minimum pricing set by Us. Unless otherwise agreed to by Us in writing, You cannot advertise or promote prices lower than, or inconsistent with, Our suggested prices. Our pricing policies are intended to benefit the System as a whole and may not maximize Your profits.

6.1.11 Computer and POS System. At Your expense, You must purchase or lease at least one office computer a smartphone, and a point of sale ("POS") system designated by Us in strict accordance with Our specifications. We can mandate the forms of payment that You can or must accept. If We adopt a different computer system, POS system or other system in the future, You must adopt it at Your expense. You must maintain, repair, modify and upgrade, all such items, at

Your sole expense. You must provide Us full 24-hour/7-day a week access, including online access, and the right to “upload” or “download” information to and from all POS, computer and other systems, and to the information and data contained in them. There is no contractual limitation on Our right to receive information through Your computer, POS or other systems or to the frequency and cost of the obligation to upgrade and maintain them. You hereby waive any claim against Us or Our affiliates for any loss, damage, liability or expense caused by or related to failures, errors, acts, omissions, or otherwise of any computer, POS, hardware or software system (not related to Our or an affiliate’s acts or omissions).

(i) Retention of Records: Accounting Systems. You must record all sales at the time of the sale in Your computer and/or POS system, or other sales recordation system approved or designated by Us. You must retain all POS and computer records, charge account records, sales slips, orders, return vouchers, sales tax reports and all of Your other business records and related back-up material, tax returns and financial reports for at least five years following the end of the year in which the items pertain, including after the Termination of this Agreement. We can require that You use a specific accounting software, and You are required to follow Our accounting procedures, line items, and templates and charts of accounts as provided and updated in Our Manuals. You are solely responsible for any fees associated with the use of the designated accounting software. We can require that We have independent view-only access to Your account.

(ii) Merchant Account. At Your expense, You must participate in Our merchant account and other point of sale programs as set forth in Our Manuals.

(iii) Data Security Standards. At Your cost and expense, You must investigate and ensure that You comply with all payment card industry (“PCI”) and data security standard (“DSS”) standards, regulations, and requirements; however, We reserve the right to approve of the vendor You use for compliance. You must meet the requirements of, and comply with enhancements and changes to, the PCI and DSS and maintain PCI compliance with the current version of the PCI and DSS. We reserve the right to require an audit (and to designate the auditor) to verify compliance. You must reimburse Us for all costs related to the audit if You are not in compliance. You are responsible to use all required tools, systems, and vendors to complete ongoing PCI requirements, including quarterly external security scans and annual self-assessment questionnaires. You are solely responsible for all costs relating to PCI compliance and data security issues, including, security threats, breaches, and malware. It is Your responsibility to alert Us, not later than 24 hours following a suspected or confirmed data security breach, so that appropriate action can be taken to protect Customer Data and to notify relevant parties. You are not permitted to collect, store, transfer, etc., any unnecessary customer information.

6.1.12 Conferences and Seminars. At Our discretion, We may hold conferences or seminars on a regional or national basis for all franchisees in good standing. The conferences and seminars may be held at various locations chosen by Us. If held, Your Operating Principal may be required to attend. Currently, there is no conference fee, but You must pay all travel, lodging, food, and other expenses for each of Your attendees.

6.1.13 Required Software. You must use and pay for all software (including a customer relation management “CRM”) as required by Us, which may be changed from time to time. You must input all required information into Our designated software each month as set forth in

Manuals. You must follow all laws and regulations in storing Customer Data and in submitting information to Us.

6.2 Quality Control.

6.2.1 Correction of Defects. You shall immediately correct defects, deficiencies or unsatisfactory conditions in the appearance or conduct of Your Franchise Business. You shall establish and maintain an image and reputation for Your Franchise Business consistent with the standards set forth in this Agreement, in the Manuals, or as otherwise specified by Us.

6.2.2 System Compliance. You shall strictly follow Our System, the Manuals and other directives promulgated or provided by Us from time to time.

(i) Email Address. You must at all times use and maintain the email address provided by Us or approved by Us for use in relation to Your Franchise Business, frequently checked by You to facilitate Our communications, and that You must use as the sole email for all Franchise Business-related communications and accounts. If We provide You with an email account/address, You will bear the cost of all email accounts We may provide, and We have the right to access Your email account at any time and without notice to You. You understand and acknowledge that You have no expectation of privacy in the assigned email accounts.

(ii) Incentive Programs. If We adopt a loyalty, coupon, gift card/certificate, free giveaways, fundraising programs, membership or subscription model, or other discount or incentive program, You are required to implement and honor such programs in Your Franchise Business. You are not allowed to implement any sort of coupon, loyalty, membership, subscription model, gift card program, etc., without Our prior written permission.

(iii) Modifications. We have the right to modify, delete, add to and otherwise make systematic and other changes to the System, Intellectual Property, Manuals, operations, etc. We may issue new specifications and standards for any aspect of Our System, or modify existing specifications and standards, at any time by revising Our Manuals and/or issuing new written directives (which may be communicated to You by any method We choose). You must accept, comply with, use, and implement any and all such changes to the System or operations. The modifications may obligate You to invest additional capital in Your Franchise Business and to incur higher operating costs. You must incorporate all such modifications within the time that We specify. Other than modifications due to health or governmental mandates or guidelines, or public concerns, We will not obligate You to invest additional capital at a time when the investment cannot in Our reasonable judgment be amortized during the remaining term of this Agreement. You are prohibited from making modifications to the System or Your Franchise Business without Our prior written approval.

(iv) Inspections and Visits. We may conduct periodic evaluations, inspections, and audits of any or all aspects of Your Franchise Business at reasonable intervals by Our duly authorized representative for compliance with the System, reporting, customer service and the standards and procedures set forth in the Manuals. These inspections may be conducted in person or through remote access such as video or live video conferencing. Our inspections may include Your showroom, business records, bank accounts, Venmo or similar accounts, operating procedures, reports, computer drives, electronic storage devices, POS system, account records, tax records, etc. We also have the right to speak with and interact with Your employees and customers, and to remove samples of products, supplies and materials. Immediately upon Our

request, You must provide to Us video and/or images of the interior and exterior of Your showroom and other areas of the premises and business vehicles as may be more fully set forth in the Manuals.

6.2.3 Interim Management. If We give You notice of default and You fail to cure (or as set forth in Section 14.10), We have the right to step in to manage Your Franchise Business for up to six months, as We deem advisable for a Fee. See Exhibit “A-3.” You must also pay all travel, lodging, food and other expenses for Our representative(s) and other expenses that may be incurred by Us to perform such services, plus royalties, advertising fees and other applicable fees.

(i) Operations, Access to Information and Operating Account. During the Interim Management Period, You hereby grant Us authority to assist You in managing any or all aspects of Your Franchise Business. We will work directly with Your Operating Principal and Your manager, and We may require additional training for Your Operating Principal, Your manager, employees and other contracted personnel. You shall cooperate to provide Us with all pertinent information regarding Your Franchise Business and access to the applicable operating accounts to enable Us to efficiently assist with management operations. All accounts must remain in Your name during the Interim Management Period, but You shall add Us or Our representative as a co-signer on certain accounts. You shall cooperate with Us in communicating with all vendors and suppliers related to Our interim management. You hereby grant Us permission to speak directly with Your landlord and suppliers, banks, IRS, state agencies, creditors, etc., regarding Your Franchise Business, and You shall cooperate with Us to facilitate such communication. We may require You to establish a new bank account for Your Franchise Business during the Interim Management Period into which all operating income will be deposited. You and We (at Our option) will have authority over this account, and You or We will make payments on Your accounts payable as cash is available, but only with Your prior authorization and direction when possible. You are ultimately responsible for all operating costs both before and during the Interim Management Period. You shall provide Us with a list of all accounts payable with direction on which accounts are to be paid, but with the understanding that all taxing authorities will be paid first. Any excess funds in the Operating Account or any new account after all applicable costs and Fees have been paid and after an additional amount has been set aside sufficient for the Franchise Business to fulfill its business purposes as determined by Us, will be transferred to You monthly. We may provide monthly internal profit and loss statements to You. We have no obligation to infuse capital into Your Franchise Business, but if We do, such amounts will be treated as a loan, which must be repaid within an agreed upon time and bear market interest as agreed. We have the right to direct Your employees and contract personnel during the Interim Management Period. Both You and We agree that in no way does Our interim management create a relationship of trustee, beneficiary or any type of fiduciary relationship over or in relationship to Your Franchise Business.

(ii) Your Obligation to Cure. During the Interim Management Period, You are obligated to cure all applicable defaults within the applicable cure periods as set forth in this Agreement. We have the right to terminate this Agreement during the Interim Management Period for defaults not cured within the applicable cure periods.

6.3 Personal Guarantees. If Your Franchise Business is owned by a business entity, each individual owner, partner, shareholder, and member, respectively, who own 10% or greater interest, and their spouses or domestic legal partner, must each personally sign an agreement not to compete and must personally guarantee the performance of all Your obligations under this Agreement and agree to be personally bound by, and liable for, the breach of every provision of this Agreement. See Exhibit “A-8” Guaranty and Assumption of Obligations.

6.4 Standards and Control. Any required standards exist to protect Our interest in the System and the Marks and not for the purpose of establishing control or duty to take control over those matters that are reserved to You.

6.5 Required Notices. You shall provide Us with prompt notice (within five business days of receipt) of any default with regards to late payment of any taxes, government fines, payments owing to any vendors, landlords, or amounts owing to employees or contractors.

6.6 Non-Contravention; Non-Disparagement. You shall not undertake any action or inaction to circumvent, contravene, or undermine the purposes of this Agreement. Additionally, during and after the term of this Agreement, You shall not, in any way, form, or medium, disparage Us, the System, or Our officers, owners, partners, directors, members, managers, representatives, agents or employees.

6.7 Non-Delegation. You may not outsource to a third party, any part of Your obligations to Us or services to customers, including to another franchisee, without Our prior written approval.

ARTICLE VII FRANCHISOR'S OPERATIONAL ASSISTANCE

7.1 Layout and Design. If You plan to open a showroom, We shall provide You with general specifications for the showroom layout, signs, equipment and interior décor.

7.2 Suppliers and Products. We shall provide You with a list of specifications for approved products and a list of approved suppliers. We may add to or discontinue working with any of Our suppliers.

7.3 Operations Assistance. We shall furnish You with guidance relating to the general operation of Your Franchise Business, and upon Your reasonable request, make Ourselves available to consult with You by telephone, email, video conference, teleconferences, or website posting during regular business hours during the continuing operation of Your Franchise Business. Other than the opening assistance, We are not required to provide additional training to You. If You feel additional training is necessary (such as management training), We will provide such training to You based on advance notice, availability of personnel, and Your payment of a per day, per person Fee. See Exhibit "A-3." You shall also be responsible to cover the cost of travel, food, wages, lodging, and other costs incurred by Your trainers or Our representatives, as applicable during the training or assistance.

7.4 Initial Training. We shall train Your Operating Principal and any designated managers in the various practices, policies, and procedures regarding the operation of Your Franchise Business. This training will take place in Kaysville, Utah or at another location designated by Us. The training program is described in Paragraph 6.1.4.

7.5 Opening Assistance. We will provide You with one of Our representatives, who will provide You with up to three days of opening assistance. The Fee for this opening assistance is set forth on Exhibit "A-3." Our opening assistance will coincide with Your grand opening if You commence operations from a commercial space with a showroom.

7.6 Additional Guidance. Additional guidance, at Our sole discretion, will be furnished in the form of written Manuals, videos, audio recordings, bulletins or other written materials, telephone consultations and/or consultations at Our offices or at Your Franchise Business in conjunction with an inspection of Your Franchise Business. We have the right to communicate directly with Your Operating Principal, designated managers, and assistant managers concerning operational matters that We reasonably believe may affect Our goodwill, Marks, or the System.

7.7 Website Maintenance. We shall maintain a website for the Team Up Athletics® brand that will include Your business information and telephone number for Your Territory.

ARTICLE VIII PURCHASE OF PRODUCTS AND EQUIPMENT

8.1 Approved Products and Services; Suppliers. You shall purchase, use, provide, and sell only those goods and services that meet Our specifications and/or that are purchased Our approved suppliers. You shall timely pay all suppliers, Including Us and Our affiliates for purchased goods and services. The prices, delivery terms, terms of payment, and other terms relating to the sale of such goods and services are subject to change by the supplier (Including Us and affiliates) without prior notice at any time. In no event will We or an affiliate be liable to You for unavailability of or delay in shipment or receipt of merchandise due to temporary product shortages or unavailability, order backlogs, production difficulties, delays in or unavailability of transportation, fire, strikes, work stoppages, or other such causes. A list of approved goods, services, and suppliers may be set forth in Our Manuals, which list We may update from time to time. No product or service may be added to, altered, or discontinued by Your Franchise Business unless it is first approved by Us in writing. Any additional goods or services that are unique to Your area requires written approval from Us before such goods and/or services are offered. For the purpose of this Article, “goods” means any product, good, inventory, supply item, equipment, tool, item, etc.

8.1.1 Delivery and Installation. For delivery and installation, You are required to work directly with the manufacturer or supplier of these items. We do not assist with delivery or installation of any required or approved purchases.

8.2 Supplier Compensation. We or Our affiliate may derive revenue from the sale of required goods and services through mark-ups in prices We charge to You for goods and services purchased from Us or an affiliate, or We or an affiliate may receive compensation or discounts from the supplier for Your purchase of such goods and services. No compensation is due to You for compensation or discounts We receive from suppliers.

8.3 Unapproved Suppliers. If You desire to purchase any goods or services from an unapproved supplier, You must submit to Us a written request for such approval or request the supplier itself to do so. We may require You to submit samples, and other data to permit Us to ascertain whether any such supplier meets Our specifications. We will notify You in writing and within 30 days of completing Our evaluation as to whether that supplier has been approved. Within 30 days of the evaluation, You shall reimburse Us Our costs and expenses of testing. This is due whether or not the requested supplier is approved. A supplier who is able to meet Our specifications may, as determined in Our sole discretion, become an approved supplier. We may make changes in the standards and specifications for approved suppliers. At Our discretion, We may revoke Our approval of an approved supplier upon 30 days' prior written notice.

8.4 Equipment. You shall maintain all inventory, vehicles, tools, and equipment of Your Franchise Business in good working order.

8.5 Vehicles. Any vehicle You use for Your Franchise Business must be maintained in good condition and repair with no external damage or unreasonable wear and tear, must accommodate all the necessary equipment, must be kept clean and well-maintained at all times, and must be approved by Us. You are solely responsible to provide the required licenses, insurance, maintenance, and upkeep for all vehicles.

8.6 Warranties; Support. You must look to the respective manufacturers or suppliers for issues related to warranties defective products, training and support for any third-party goods purchased for Your Franchise Business.

ARTICLE IX MANUALS

9.1 Manuals. We shall loan You a copy or provide electronic access to Our Manuals. Our Manuals may consist of a series of online videos, webpages, online drives, or other forms designated by Us. You may not copy any part of the Manuals either physically or electronically. The Manuals are confidential and remain Our property. The Manuals may be used by You only in association with Your Franchise Business and only during the term of this Agreement. We have the right to revise the Manuals at Our sole discretion. You must promptly and continuously comply, at Your expense, with all provisions of, and modifications to the Manuals. The master or most updated copy of the Manuals maintained by Us will be controlling in the event of a dispute relative to the contents of the Manuals.

ARTICLE X MARKETING

10.1 Local Marketing Requirement. You are required to Market locally as set forth in Paragraph 5.3.1. We must approve of all Your Marketing.

10.2 Marketing Plan. You are required to provide Us an initial Marketing disbursement plan at least 30 days prior to the opening of Your Franchise Business which We must approve prior to its use. In addition, You are required to annually update Your Marketing disbursement plan and submit the updated plan to Us by December 31 of each year.

10.3 Sample Marketing and Promotional Materials. We may provide You samples of Marketing materials developed by Us from time to time. Additional copies will be made available at cost, plus 10%, plus shipping and handling.

10.4 Approval of Marketing. You may develop Marketing and promotional materials and digital Marketing programs for Your use at Your cost, but You must submit to Us, prior to publication, copies of all Marketing materials, proposed to be used by You, Including any use of the Internet, or other digital, electronic or Social Media along with a description of how it will be used, by what media published, and such other information as may be reasonably requested by Us. All such materials must be approved by Us in advance and in writing in accordance with Our Manuals. Submitted Marketing materials will be deemed unapproved if You do not receive Our written

approval or disapproval within 14 days of the date We receive the submission. We have the right to disapprove previously approved Marketing materials at any time.

10.5 Marketing Compliance. All Your Marketing and promotional activities must be done in strict compliance with Our Manuals and in good taste and must reflect favorably upon the brand and System. You shall participate in all Marketing, email, and other programs as developed by Us, Including the collection of Customer Data and participation in using and promoting apps, as developed by Us and as directed in Our Manuals.

10.6 Use of the Internet. You may not create a website for Your Franchise Business. However, You may be allowed to place pre-approved information concerning Your Franchise Business on Our website, as developed by Us. Additionally, You cannot Market on the Internet, Including posting for resale, items on third party resale or auction-style websites such as eBay, Craigslist or Amazon without Our prior written permission. We have the right (but not the obligation) to manage and control all online reviews for Your Franchise Business. You may not claim any web listing on sites such as Yelp.

10.7 Social Media. We will own and control all Social Media related to the brand, but We may allow You to manage certain aspects of Social Media related to Your Franchise Business. In all cases, We will have administrative access, and access to account information, and any other information related to Your Social Media activities related to the Team Up Athletics® brand. You cannot change any login/password information without our prior written approval, and you must supply us with all changed/updated login/password information. We have the right to remove or alter or require You to remove or alter any content We deem inappropriate or inconsistent with the Team Up Athletics® brand. Additionally, You must sign the Digital and Social Media Authorization for Assignment attached as Exhibit “A-9.”

ARTICLE XI BREACH AND TERMINATION

11.1 Default and Termination. We may terminate this Agreement before the expiration of its term if You breach this Agreement and fail to cure, if curable. If curable, You must cure a default within the times set forth below after receiving notice of default. If the default is one which is incapable of cure, Termination is effective as of the date of the notice of default.

No Cure Period:

A. Insolvency. You become insolvent or commit an act of bankruptcy or make a general assignment for the benefit of creditors or to an agent authorized to liquidate Your property or assets, or become or are adjudicated bankrupt, or voluntarily file a petition in bankruptcy or for reorganization.

B. Repeated Breaches. You repeatedly breach (three or more times) the same or different conditions of this Agreement or the Manuals within a 12-month period.

C. Unauthorized Use. You use Our Confidential Information or Intellectual Property other than in connection with the operation of Your Franchise Business.

D. Public Safety. Your maintenance or operation of Your Franchise Business results in a threat or danger to public health or safety.

E. Misrepresentations. You make any material misrepresentations relating to the acquisition of the Franchise Business, or Your misrepresentation to customers, including deception relating to the source, nature, or quality of goods sold or services provided.

F. Abandonment. You abandon Your Franchise Business or You state or clearly demonstrate an intent to not operate the Franchise Business.

G. Unauthorized Transfer. You Transfer or attempt to Transfer all or any part of this Agreement, Your Franchise Business, or any material portion of the property associated with Your Franchise Business, or an unapproved percentage of Your franchise entity, or You sublicense or attempt to sublicense to another any of the rights licensed to You hereunder, or You otherwise fail, refuse or neglect to obtain Our prior written consent or approval required hereunder.

H. False Reporting. You knowingly or intentionally conceal revenues, maintain false books or records, (including purposely uploading or storing incorrect or incomplete information on a designated platform) or submit any false report or payment or otherwise defraud Us.

I. Crimes and Adverse Behavior. You commit or are convicted of or plead guilty or no contest to, or enter into a plea in abeyance, stipulated order of continuance, or related agreement, to a felony, a crime involving moral turpitude, or any other crime, offense or behavior that We believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or Our interest therein; or You make disparaging remarks against Us, Our management, employees, the System, or Our brand to Our other franchisees or in a public forum, including radio, television, newspapers, the Internet, or Social Media; or You engage in conduct that, in Our good-faith estimation, does or could reflect negatively upon the operations and/or reputation of Your Franchise Business, the System, or Us.

J. Unauthorized Competition. You fail to comply with the covenant not to compete during the term of this Agreement or intentionally or recklessly disclose or use Our Confidential Information or Intellectual Property in violation of this Agreement.

K. Termination of Lease Agreement. Your Lease for the showroom is terminated.

L. Failure to Obtain Financing. You fail to qualify for or fail to receive the necessary financing to open and operate Your Franchise Business.

M. Termination of Another Agreement. Another agreement between Us or an affiliate of Ours and You or with an affiliate of Yours is terminated due to Your failure to cure any breach after notice, or for Your incurable breach of such agreement.

5-Day Cure Period:

N. Health Code or Safety Violations. You fail to cure a health code or safety violation within 24 hours of an inspection by Us or the applicable governmental agency except for threats to the public safety which may be cause for immediate Termination.

O. Unauthorized Closure or Relocation. Your Franchise Business is closed for a period of five or more consecutive business days or for five or more business days in any 30-day period without Our prior written approval, which consent will not be unreasonably withheld or

delayed, or You move the location of Your Franchise Business showroom without Our prior written approval.

P. Failure to Use or Provide Access to a Designated Account. You refuse to use, or to enable, or to allow Us access to Your account for a designated platform or software, Social Media account, or branded email account.

15-Day Cure Period:

Q. Failure to Pay. You fail to pay any Fee or an amount due to Us, any of Our affiliates, or other designated, approved or other suppliers or assigns, within the time specified for such payments by this Agreement, the Manuals or an agreement specifying the payment concerned.

R. Failure to Accurately Report. You fail to accurately report or fail to submit any reports or records required under this Agreement or the Manuals.

S. Default Notice of Lease Agreement. You receive a notice of default under Your Lease.

T. Act in Contravention. You perform or undertake any action to undermine or circumvent this Agreement, the System, or Us.

30-Day Cure Period:

U. Other Breaches. Except as otherwise provided herein, You fail to comply with any other provision of this Agreement or the Manuals.

11.1.1 Adequate Assurance. When reasonable grounds for insecurity arise with respect to the performance of Your obligations under this Agreement, We may demand adequate assurance of due performance, and, until We receive such assurance, We may reasonably suspend any performance of Our obligations. Failure to provide Us with adequate assurances within 30 days, when properly demanded, will be considered a default of this Agreement for which no additional cure period will be granted.

11.2 Event of Default. In the event of any default by You, We will give You written notice of default specifying the default(s) and, if curable, state what You must do to cure the specific default(s) within the cure period. In the event of a default by You, all of Our costs and expenses arising from such default(s), including reasonable legal fees and reasonable costs for Our employee's time related to the default(s) must be paid to Us by You within 10 days following Our demand for payment. Notwithstanding anything to the contrary herein, We have the right, to be exercised in Our sole discretion, to grant You an extended period of time to cure. Any such extension will not be construed as a waiver of Our rights in the future.

11.3 Failure to Cure. If You fail to cure any default within the time period allotted, We may proceed to enforce any or all of the following non-exclusive remedies in accordance with this Agreement, and the pursuit of any one remedy will not be deemed an election or waiver by Us to pursue additional remedies:

11.3.1 Actionable Claim. Bring an action or claim for the balance of any monies due hereunder, including penalties and interest as provided for in this Agreement and for all other

damages sustained by Us as a result of Your breach of this Agreement. As part of any such action, We may accelerate and bring an action for the balance of any outstanding installment obligation due hereunder.

11.3.2 Injunctive Relief. Bring an action for temporary or permanent injunctions and orders of specific performance enforcing the provisions of this Agreement and otherwise stop You from engaging in actions prohibited hereby.

11.3.3 Termination. Terminate this Agreement and proceed to enforce Our rights under the appropriate provisions. Such Termination will be effective upon delivery of a notice of Termination to You without further action by Us.

11.3.4 Other Remedies. Seek any other remedy available to Us at law or in equity, including lost profits.

11.4 No Right of Termination. You may not terminate this Agreement. However, some states may allow You to terminate as permitted by state law.

11.5 Opportunity to Cure. Prior to taking any action against Us, You must first give Us 60 days' prior written notice and an opportunity to cure any alleged act or omission. If such act or omission cannot be cured within such 60-day period, and We are diligently continuing efforts to attempt to cure such alleged act or omission, You must give Us such additional time as is reasonably necessary to cure.

ARTICLE XII TERMINATION AND EXPIRATION

12.1 Upon Termination of this Agreement for any reason, You immediately cease to be Our franchisee and must:

12.1.1 Payments Due. Immediately pay for all product purchases, Fees and other obligations owed or accrued to Us, Our affiliates or designated suppliers.

12.1.2 Cease Use. Not hold Yourself out as a Team Up Athletics® franchisee or business and immediately and permanently cease to Market or in any way use Our Intellectual Property or Confidential Information, provided by or licensed to You by Us or in any way connected with the Franchise Business or System.

12.1.3 Trade Secret and Confidential Information and Products. Except as provided below in Paragraph 12.1.8, within five days, You must demonstrate with video proof sent to Us that You have permanently destroyed all information and/or products that We deem trade secret or confidential, or in the alternative, provide proof to Us that You have sold such products or information to Us or another System franchisee.

12.1.4 Disassociation. Within five days of Termination, take all necessary steps to disassociate Yourself from the System and Your Franchise Business, including the removal of signs, destruction or removal of letterheads, Marketing material, the change of Your Franchise Business telephone listings, telephone numbers, email addresses, URLs, Internet websites, and any other property that bears Our brand or is affiliated with Our brand. All such property and

listings, excluding Your operating assets and inventory that are associated with and considered part of Our brand, Intellectual Property, and System revert back to Us upon termination of this Agreement. If any of Your Operating Assets and inventory bear Our brand and Marks to Our System, You must take the steps necessary to dissociate it all from Our brand, Marks, and Intellectual Property. You shall assist Us to assign, transfer, or disconnect (at Our option) the telephone listing, telephone numbers, Marketing accounts, email addresses, URL's, Internet sites, web pages, and Social Media to Us. If You fail or refuse to do so, the telephone company, URL and hosting companies, and other listing agencies may accept this Agreement as evidence of Our exclusive rights in and to such telephone number(s), Internet websites, URL's, email accounts, and Social Media and listing and its authority to direct their transfer. You hereby appoint Us as Your attorney-in-fact for the above transfers, which appointment is coupled with an interest. You must not identify any present or future business owned or operated by You as having been in any way associated with Us or the System.

12.1.5 Cancel DBA. Within five days of Termination, take such action as will be necessary to amend or cancel any assumed name, fictitious or business name or equivalent registration, which contains any Mark of Ours or in any way identifies You as being affiliated with Our System.

12.1.6 Notify Suppliers; Communication with Customers. Immediately notify all suppliers, utilities, creditors and concerned others that You are no longer affiliated with Us or the System and provide proof to Us of such notification. All communications with customers of the Franchise Business must be pre-approved by Us, and We can require that all such communication be handled by or through Us. We also have the right to communicate directly with all customers of the Franchise Business.

12.1.7 Return Materials. At Your cost, permanently delete electronic copies and return to Us by first class prepaid United States Mail (Including originals and any copies), physical copies of Our Manuals, all training materials, Marketing materials, and all other printed and electronic materials and any other Confidential Information obtained by You from Us pertaining to the operation of Your Franchise Business.

12.1.8 Modification of Premises. If We do not exercise Our right to purchase Your Operating Assets or assume Your Lease upon Termination, then You shall alter, modify and change both the exterior and interior appearance of the premises to Our satisfaction, so that it will be easily distinguished from a Team Up Athletics® business and shall cease using the signs, décor, displays, advertisements, promotional materials and the like that are unique or distinctive to the System. In the event You fail to modify Your Premises, We may hire a third-party or use Our own personnel to de-identify Your unit and/or to carry out any other obligations on Your behalf.

12.1.9 Customer Data. To the extent We do not have access, You shall provide Us with (and then permanently destroy) the Customer Data for all current, prior and expectant customers of the Franchise Business.

12.1.10 Evidence of Compliance. Otherwise, furnish evidence satisfactory to Us or in the manner required by Us of Your full compliance with this Section 12.1 within 30 calendar days after the Termination of this Agreement or on the timeline We may provide at Termination.

12.1.11 Gift Card and Prepaid Services Reimbursement Fee. Upon Termination, You must provide Us with an accounting and list of all outstanding gift cards, prepaid services, and gift certificates as of the date of Termination, and You shall refund all customer gift card, and gift

certificates, and prepaid services amounts as required under Your state's applicable laws. In the event We are required to or elect to provide those prepaid services to any customer, You shall pay Us the amount of the service or reimbursement, plus a Fee in each instance for Our time.

12.1.12 Financial Inspections. You must provide Us with access to all Your financials, books, and other accounting records for 12 months following the date of Termination.

12.1.13 Pay Damages and Costs. Pay to Us all costs, damages and expenses, Including post-term expenses and reasonable attorney's fees incurred by Us to enforce the provisions of this Agreement, Including to obtain injunctive or other relief to enforce any provision of this Agreement. In the event You fail to comply with this Section 12.1.

12.2 Upon Termination of this Agreement, for any reason:

12.2.1 No Compensation. No payment is due to You from Us or any source on account of any goodwill, intangible assets or other equity claimed by You arising from or relating to Your operation or ownership of Your Franchise Business, or otherwise. All goodwill connected in any way with Your Franchise Business or the System belongs now and, in the future, exclusively to Us.

12.2.2 No Refund. No Fees, charges, or other payments of any kind from You to Us are refundable in whole or in part.

12.2.3 No Equity. You will have no equity or other continuing rights to use the System, Confidential Information, Intellectual Property, or goodwill of the Franchise Business.

12.3 Survival of Provisions. All of the provisions of this Agreement, which by implication apply following the Termination of this Agreement are enforceable following Termination of this Agreement, Including Your obligation to indemnify Us and pay all amounts owed and Your obligations to dissociate from Our brand. You shall also still be bound to the confidentiality, brand protection, indemnification, non-disparagement, non-competition, non-solicitation, arbitration and dispute resolution, choice of forum and law selections clauses and other restrictions of this Agreement that have terms or duties owing after Termination of this Agreement.

12.4 Make Premises Available to Us. In addition to those obligations set forth above, upon Termination, You must make the premises and computer systems accessible and available for Us to examine and verify Your compliance with Your post-termination obligations, and/or to operate a New Business at the Premises (see Paragraph 13.1.1(i) below) if We, in Our sole discretion, choose to do so.

12.5 Liquidated Damages. If this Agreement is Terminated, other than for non-renewal or mutual termination, in addition to other remedies available under this Agreement, We will be entitled to liquidated damages, not as a penalty, and solely to compensate Us for lost future royalties. You and We recognize the difficulty of calculating damages caused by lost future royalties but nevertheless recognize and agree that such damages could arise, and You and We hereby agree to the formula listed on Exhibit "A-3" as a compromise on the calculation of such damages. You and We agree that such amount will be reduced to the present value of such payments as of the date of termination utilizing an interest rate of 5% compounded annually. This amount is payable within 10 days of Termination.

12.6 Additional Equitable Remedies. The amounts contemplated under Section 12.5 do not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. Accordingly, as a purely liquidated damages provision, Section 12.5 does not preclude and is not inconsistent with a court granting Us specific performance, other damages set forth herein, or any other equitable remedies, such as an injunction, to prevent future breaches.

12.7 Cumulative Rights. Our rights provided above are cumulative and in addition to any other right or remedy available at law or in equity.

ARTICLE XIII PURCHASE OPTION

13.1 Purchase Option. Upon Termination of this Agreement, You hereby grant to Us the right to:

13.1.1 Acquisition of Assets. Acquire, in Our sole discretion, all or any part of Your Operating Assets at the then-existing fair market value of such item or items as of the date of Termination of this Agreement. You hereby grant Us permission to speak directly with Your landlord and other creditors, including suppliers, banks, the IRS and state agencies (and You will cooperate with Us to facilitate such communication), regarding any loans and/or liens or obligations that would encumber Your Operating Assets. If the fair market value is not agreed to between us, the fair market value will be established by an independent appraisal. The appraisal will be done at Our expense by an appraiser selected by Us. No goodwill will be considered associated with Your Franchise Business or said items. We must exercise this option within 60 days of such Termination or within 15 days of the establishment of the price of the Operating Assets, whichever is later ("Option Period"), by giving written notice to You of Our intent to exercise Our option to purchase. The purchase of any of Your Operating Assets will be done through an asset purchase agreement. Unless otherwise agreed by You, the purchase price as determined hereunder will be paid within 30 days of providing notice of Our intent to purchase.

(i) Interim Management During Option Period. We have the right, but not the obligation, to use Your Operating Assets and the showroom (if the Lease is still in effect, and in such case, We will obtain this right from the landlord as applicable), and to hire Your personnel to operate the business during the Option Period. You and We understand and agree that We will not be operating Your Franchise Business during this time, but We will be using Your Operating Assets and the premises to operate Our own, separate Team Up Athletics® business ("New Business") in order to keep the business open during the Option Period. We will pay You the fair market rental value for such use of the Operating Assets as agreed, but not exceed fair market rental value, and if We use the premises, We may pay rent directly to the landlord for Our use of the premises. For any inventory or other items sold or consumed by Us during the Option Period, We will reimburse You the actual price You paid for such items. You will be required to cooperate to provide Us with all pertinent information regarding Your Franchise Business, as We deem necessary. We will establish Our own bank accounts and other accounts for the New Business during the Option Period. During the Option Period, We will pay all costs and expense of the New Business, and all proceeds of the New Business will belong to Us. We will not assume any of Your debts or obligations, and We will not be responsible to pay any debts or expenses incurred by Your Franchise Business. You shall indemnify and hold Us harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs, including attorney's fees, of or related in any way to the Franchise Business prior to Us operating the New Business at the premises, and

We will indemnify and hold You harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs arising solely from the New Business. If necessary, We have the right to change the locks and exclude You from the premises during this Option Period.

13.1.2 Assumption of Lease. We have the right, during the Option Period, to assume Your Lease under the provisions of Section 4.2 above.

13.1.3 Warranties. The purchase contract for the Operating Assets, as set forth in Paragraph 13.1.1 above, will include standard representations, warranties, covenants and indemnities from You as to the Operating Assets being purchased, including warranties of good title, absence of liens, compliance with laws, absence of defaults under contracts, litigation and tax compliance.

ARTICLE XIV SALES OR TRANSFERS OF THE FRANCHISE

14.1 Our Right of Assignment. This Agreement and all rights and obligations hereunder are fully assignable and transferable, whether in part or whole, by Us, and if so assigned or transferred, will be binding upon and inure to the benefit of Our successors and assigns. We may be sold, or We may sell any part of or all of Our Confidential Information and/or Intellectual Property or other assets to a competitive or other entity. In addition, We may go public, may engage in a private or other placement of some or all of Our securities, may merge, acquire other entities or assets which may be competitive with the System or not, be acquired by a competitive or other entity, and may undertake any refinancing, leveraged buy-out or other transaction, including arrangements in which: 1) the territories, locations or other facilities are, or are not, converted to the System or other format or brand (including using the System or Marks), or 2) the System is converted to another format or brand, maintained under the System or a different system. You waive all claims, demands and damages with respect to any transaction or otherwise allowed under this Section or otherwise. You shall fully cooperate with any such proposal, merger, acquisition, conversion, sale or financing.

14.2 No Assignment by You Without Our Approval. This Agreement is personal as to You and is being entered into in reliance upon and in consideration of Your qualifications and representations, including representations of all current owners. Therefore, none of Your Franchise Assets may be Transferred in any manner by You or anyone else unless Our prior written approval is obtained. You shall provide Us with all documentation relating to the Transfer of Your Franchise Assets. Said approval will not be unreasonably withheld but will be conditioned upon Our satisfaction with the qualifications set forth in Section 14.3 below of the proposed transferee and its owners and officers.

14.2.1 Transfers to Competitors Prohibited. You cannot Transfer any part of Your Franchise Assets to Competing Business without Our written permission. Any such Transfer without Our written approval is considered void ab initio.

14.3 Qualifications of Transferee. In determining the acceptability of the proposed transferee, We will consider, among other things, Our then-current standards for new franchisees, including the net worth, financial resources, credit worthiness, health, background, training, personality, reputation, and business experience of the proposed transferee, including that of the new Operating Principal, the terms and conditions of the Transfer and any circumstances that would make the Transfer not in the best interests of Us or the System, including the proposed purchase

price. We may meet and candidly discuss all matters relating to Your Franchise Business with the potential transferee, including providing a proposed transferee with corrected information or information in addition to what You have provided. In no case will You or a proposed transferee rely on Us to review or evaluate any proposed Transfer. Neither We nor Our affiliates will be liable to You or the transferee or any other person or entity relating to the Transfer, and You shall indemnify and hold Us harmless from any liability whatsoever relating thereto.

14.4 Application for Transfer. You must provide Us written notice of Your intent to Transfer prior to listing or offering part of the Franchise Assets for sale, and upon any proposed Transfer of Your Franchise Assets, or any interest therein. You must also submit to Us an application in the form specified by Us on behalf of the proposed transferee.

14.5 Transfer Fee. As a condition of Our approving the Transfer of any part of Your Franchise Assets, You shall pay Us the non-refundable Transfer Fee listed in Exhibit "A-3" at the time of the approved Transfer.

14.6 Minority Interest Transfers. If a proposed Transfer is for less than 40% of Your entity (cumulative during the term of this Agreement), there will be no transfer Fee, but You must reimburse Us Our legal and corporate fees incurred related to the Transfer, and We will not be entitled to exercise Our right of first refusal set forth in Section 14.9 below. However, all guarantors will remain guarantors to this Agreement unless otherwise released by Us in Our sole discretion. Each ownership certificate of a corporation or limited liability company franchisee must have endorsed upon its face that a Transfer is subject to the restrictions of this Agreement. Additionally, any new Operating Principal and other applicable personnel are required to complete the necessary training as required by Us. Any new owner, along with their spouse or legal domestic partner, with an ownership of 10% or more in Your Franchise Business or Your entity must personally guarantee the obligations of this Agreement.

14.7 Involuntary Transfers Void. Involuntary Transfers of this Agreement by You, such as by legal process, are not permitted, are not binding on Us, and are grounds for termination of this Agreement. Using this Agreement as security for a loan, or otherwise encumbering this Agreement is prohibited unless We specifically consent to any such action in writing prior to the proposed transaction. You cannot grant a sub-franchise under this Agreement nor otherwise seek to license or permit others to use this Agreement or any of the rights derived by You under it. Any attempt to Transfer any part of the Franchise Assets, whether or not binding on Us, will be grounds for the immediate Termination of this Agreement unless such Transfer is authorized in writing by Us.

14.8 Conditions of Transfer. Prior to the effective date of Transfer of any part of Your Franchise Assets and as a condition for Our approval of any Transfer:

14.8.1 Compliance. You must be in full compliance with this Agreement and not be in default hereunder, and You must comply with Our policies related to a Transfer as set forth in the Manuals. All accounts payable and other monetary obligations to Us or Our affiliates or subsidiaries must be paid in full. You must have submitted to Us all required reports, financial statements and other documents.

14.8.2 Written Proposal. The terms and conditions of the proposed Transfer must be provided in writing to Us within the time frames specified by Us. The price and other proposed

terms of the Transfer must not, in Our reasonable business judgment, have the effect of negatively impacting the future viability of the Franchise Business.

14.8.3 Assumption of Obligations. All Your obligations in connection with the Franchise Assets must be assumed by the transferee, including assuming Your Lease obligations, if applicable, in a form acceptable to Us.

14.8.4 New Franchise Agreement. At Our discretion, the transferee must sign the then-current form of the franchise agreement for a term equal to the remaining term of this Agreement, the remaining term of the existing Lease, or the term set forth in the then-current franchise agreement, and fully upgrade and refurbish the Franchise Business, showroom and premises to the level required of new franchisees.

14.8.5 Training. The transferee must pay for and complete the training program required of new franchisees. See Exhibit “A-3.” The transferee is also responsible for the cost of travel, food and lodging for Our representatives or the transferee’s attendees. You and the transferee and We must coordinate on the timing of training, so that the Franchise Business does not have a gap in properly trained management.

14.8.6 Transfer Fee. You must pay the Transfer Fee set forth on Exhibit “A-3.”

14.8.7 General Release. You must execute a general release releasing Us of any claims You may have against Us.

14.8.8 Gift Cards; Pre-paid Services. You must provide Us and the proposed transferee, with an accounting and list of all outstanding gift cards, gift certificates, and pre-paid services as of the date of Termination, which must be taken into account and handled as a part of the transfer agreement.

14.8.9 Survival of Covenants. Your non-competition, indemnity, confidentiality obligations, the provisions relating to dispute resolutions, and other applicable terms of this Agreement, will survive any Transfer.

14.9 First Right of Refusal.

14.9.1 Right of First Refusal. You hereby grant to Us the right of first refusal to purchase Your Franchise Assets on such terms and conditions specified in a bona fide written offer from a third-party, who would satisfy the criteria for approval under Section 14.3. You must notify Us in writing of the terms and conditions of the Transfer, including the Franchise Assets proposed to be Transferred, the purchase price or other consideration, any creditor financing terms being extended by You, the date of the proposed Transfer, and all other pertinent provisions of the proposed Transfer. In addition, a copy of any contract, agreement, memorandum of sale, deposit receipt, letter of intent and the like, must also be forwarded to Us as soon as it is signed by You. Following receipt of all pertinent data and documents concerning the proposed Transfer and data concerning Your Franchise Business, financials, employee information, and lease information. We will have 45 days in which to advise You in writing of Our election to have the Franchise Assets transferred and assigned to Us on the terms and conditions agreed to by the prospective transferee. Should We elect to purchase the Franchise Assets proposed to be Transferred pursuant to Our right of first refusal, You and We agree to cooperate to accomplish the Transfer as set forth in the provisions submitted to Us by You, provided that the date for the completion of

the Transfer can be extended at Our option for up to 30 days beyond the date originally indicated for the completion of the Transfer in order to allow the completion of the transaction in a manner more convenient to Us. We have the right to off-set any amounts You owe to Us against the purchase price.

14.9.2 Non-Election of Rights. If We do not elect to purchase the Franchise Assets proposed to be Transferred, You may complete the proposed Transfer on the terms and conditions set forth in Your notice to Us subject to Our right to approve the proposed transferee and the terms and conditions set forth under this Article. However, if there are any material changes in the terms and conditions of the proposed Transfer, and any of those changes are more favorable to the purchaser, You must notify Us of the changes in writing, and We will have an additional 10 days to elect to purchase the Franchise Assets proposed to be Transferred on the revised terms and conditions. Additionally, if Your Franchise Business is not Transferred to such third-party within five months after We elect not to purchase the Franchise Assets, You must re-offer the Franchise Assets to Us before You may Transfer to an approved third-party. We have no obligation to purchase Your Franchise Assets.

14.10 Death or Incapacity and Interim Management. In the event of the death or incapacity of an individual franchisee or the majority owner of the franchisee entity (the term “incapacity” means any physical or mental infirmity that prevents the person from performing the obligations under this Agreement: (i) for a period of 60 or more consecutive days, or (ii) for 100 total days during a calendar year), the heirs or personal representative will have the right to continue Your Franchise Business; provided that within a reasonable time (not more than 160 days) after such death or incapacity (or such longer period required by the laws of the state where Your Franchise Business is located) the heirs appoint a representative to act in behalf of the heirs in all matters pertaining to Your Franchise Business as provided for new Operating Principals, designated managers, or franchisees, including the requirements to have the representative trained and accepted by Us in accordance with Our standards. The heirs or personal representatives, instead of operating Your Franchise Business themselves under the foregoing procedures may choose to Transfer Your Franchise Business. If a decision to Transfer is made, the Transfer procedures explained above will apply. If We are required to operate Your Franchise Business for a time due to death or incapacity, or as otherwise allowed under this Agreement, the provisions of Paragraph 6.2.3 above will apply.

14.11 Assumption of Obligations. The parties agree that in the event a court of competent jurisdiction orders You to Transfer to Your spouse, domestic partner, or a third-party all or any part of Your Franchise Assets, such an order will constitute a Transfer of this Agreement and will cause the transferee to be subject to all of the terms and conditions concerning Transfers set forth herein above.

14.12 Acquisitions. If We receive an offer to acquire a majority of the franchises or to purchase a majority of Our assets or stock, or to merge or go public or similar transactions, We have the option, but not the obligation, to purchase all of Your rights and interests in and under this Agreement and Your Franchise Business at fair market value payable on terms as reasonably negotiated. The purchase price will not include compensation for any successor term or goodwill. All goodwill belongs to Us. If the purchase option is exercised, You must execute a general release to Us. We will close Our purchase and make payment within 60 days after closing or as soon thereafter as reasonably practical.

14.13 Transfer for Convenience of Ownership. If You are an individual or individuals, You may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership (without paying a transfer fee to Us), provided You: 1) give Us at least 15 days' prior written notice of the proposed Transfer; 2) send Us copies of the entity's charter documents, bylaws (or operating agreement), ownership interests of the owners, and similar documents, as We may request for Our review; and 3) own all equity and voting securities of the corporation or limited liability company. Additionally, You and the new entity must sign an assumption and assignment agreement in the form required by Us, whereby the transferee assumes all obligations of this Agreement, and all personal guarantors remain as personal guarantors after the Transfer. Furthermore, Your Operating Principal must continue in the same capacities as before the Transfer.

ARTICLE XV RELATIONSHIP OF THE PARTIES

15.1 Independent Contractors. In all matters, You are an independent contractor. Nothing in this Agreement or in the franchise relationship constitutes You as Our partner, agent, employee, joint employer, or joint venturer with Us, and this Agreement does not create a fiduciary relationship between You and Us. Neither party is liable for the debts, damages, losses, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, wages, negligence, errors or omissions of the other. You are solely responsible for the management and control of Your Franchise Business, including, its daily operations, managing and directing employees, contractors, and salespersons, and paying all costs and expenses of Your Franchise Business. The parties agree not to hold themselves out by action or inaction contrary to the foregoing and to indemnify each other for any liability, cost or expense including attorney's fees, incurred by either of them for any act, omission, finding or result to the contrary. None of Your employees will be deemed to be Our employee and each employee will be so notified by You. Neither party has the authority to act as agent for the other, and neither You nor We guarantee the obligations of the other or in any way become obligated for the debts or expenses of the other unless agreed to in writing. You must post promptly and maintain any signs or notices specified by Us or by applicable law indicating the status of the parties as described above.

15.2 Indemnification. You shall defend, indemnify, and hold Us harmless from any and against any and all losses, liabilities, damages, costs and expenses whatsoever, including reasonable attorney's fees arising out of or related to, or in any way connected with You or Your acts, errors, negligence, or omissions in the operation of Your Franchise Business or Your Franchise Business generally, including any allegation that You are Our employee, or that We are a joint employer or otherwise responsible for the acts or omissions relating to Your employees, and other laws regarding public accommodations for persons with disabilities. You agree not to file any crossclaim or counter-claim against Us for any action made by a third-party or make any response that would infer or represent We are liable as a party or defendant to any action that is contrary to this Section. This Agreement and the terms in this Article and related terms in this Agreement is a bona fide defense to any claim You may contradictorily make against Us as to Our liability or proportion of fault. You shall bear all costs to defend Us from claims raised by a third-party. If We incur any costs or liabilities to any third-party, You shall reimburse Us for costs associated with Our defense to those claims. We have the right to defend any such claim against Us by employing counsel of Our choice, subject to full reimbursement of all legal fees by You. We will use Our reasonable efforts to cooperate with You in any litigation, judicial or administrative proceeding to avoid duplication of time, effort or expenditure to the greatest extent possible without compromising Our interest in such matter. You are not required to indemnify Us for liability caused

by Our willful misconduct or gross negligence. This indemnity will continue in full force and effect subsequent to and notwithstanding the Termination of this Agreement.

ARTICLE XVI COVENANT NOT TO COMPETE

16.1 In-Term Covenants. During the term of this Agreement and for any extensions or Successor Franchises hereof, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever or have any interest in a Competing Business in any capacity, territory, or location, except with Our prior written consent. Your Principals must each execute the standard Brand Protection Agreement for Principals attached as Exhibit “A-4,” and Your personnel must execute Our Employee Brand Protection Agreement (see Exhibit “A-5”). **(Although We provide You this form, You are responsible to conform them to the laws and regulations of Your state)**. A copy of all such agreements must be promptly delivered to Us within 10 days of hiring of the respective employee.

16.2 Confidentiality. During the term of this Agreement and any extensions or Successor Franchises hereof, and at any time after the Termination of this Agreement, You and those over whom You have control shall not make any unauthorized disclosure or use of Our Confidential Information or Intellectual Property other than as authorized by this Agreement. You shall adopt and implement all reasonable procedures to prevent unauthorized use or disclosure of the Confidential Information and Intellectual Property, which procedures may be prescribed from time to time by Us. You shall never contest the validity of Our exclusive ownership of and rights to Our Intellectual Property and the Confidential Information.

16.2.1 Prior Disclosures. You acknowledge and agree that prior to the execution of this Agreement, You may have received information and met and corresponded with Our principals, agents and/or representatives, and that any such Confidential Information obtained or received is subject to the protection and restrictions of this Agreement.

16.2.2 Confidentiality of this Agreement. You agree that all terms of this Agreement that are not otherwise made public under franchise disclosure laws will remain confidential, and You will not make any public announcement, issue any press release, publicize, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures without Our prior written consent. It is agreed and understood that You may disclose the confidential terms of this Agreement only to Your professional lenders and advisors.

16.3 Post-Term Covenants. Upon Termination of this Agreement and for a continuous, uninterrupted period of three years thereafter, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a participant as a Participant, assist, or serve in any other capacity whatsoever or have any interest in a Competing Business in any capacity, territory, or location within Your Territory or within 50 miles of Your Territory or within 35 miles of the territory of any Team Up Athletics® business operation at the time of Termination of this Agreement.

16.4 Non-Solicitation of Customers. During the term of this Agreement and for three years after the Termination of this Agreement, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, contact any customers, serviced by the Franchise Business, a prospective customer, or any former or then-current customer of Ours, (with whom You had contact during the term of this Agreement) for the purpose of soliciting any such customer to a Competing

Business. For clarity, a “prospective customer” does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

16.5 Survival of Covenants; Tolling of Covenants. The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Us, in the event You violate a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of Your violation.

16.6 Acknowledgement of Harm. You acknowledge that Your violation or breach of the covenants and provisions of this Article is likely to cause substantial and irreparable harm to Us and the System. You agree that the restrictions contained in this Agreement are reasonable and necessary for Our protection and the protection of other franchisees in the System, and that the existence of any claims You may have against Us, whether or not arising from this Agreement, will not constitute a defense to Our ability to enforce the covenants set forth in this Article.

16.7 Enforceability. It is the desire and intent of the parties to this Agreement that the provisions of this Article be enforced to the fullest extent permissible under applicable laws. If any of the restrictions of this Article are determined to be unenforceable because of duration, scope or coverage or otherwise, then We have the right in Our sole discretion to reduce the scope of any covenant set forth above or any portion thereof, without Your consent, effective immediately upon receipt by You of written notice thereof; which modified covenant will be fully enforceable notwithstanding any other provision of this Agreement.

16.8 Breach of Non-Competition. You and We recognize the difficulty of calculating damages caused by Your breach of Your non-competition obligations and agree that such damages could arise, and You and We hereby agree to the following as a compromise on the calculation of such damages. If You operate a Competing Business in violation of this Agreement, in addition to any other remedy We may have under this Agreement and under law, You shall pay Us the damages Fee listed on Exhibit “A-3.”

16.9 Additional Equitable Remedies. The amount contemplated under Section 16.8 does not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. Section 16.8 does not preclude recovery for damages for other breaches of this Agreement and is not inconsistent with a court granting Us specific performance or any other equitable remedies, such as an injunction, to prevent future breaches. Additionally, We have the right to automatically debit by EFT or other electronic withdrawal means, Your bank account for the amounts payable to Us under Section 16.8.

ARTICLE XVII DISPUTE RESOLUTION

17.1 Quick Resolution. You and We understand that there is always a possibility of differences of opinion or other disagreements in any business relationship and agree that it is important to resolve any Disputes amicably, quickly, inexpensively, and professionally and to return to business as soon as possible.

17.2 Manner of Handling Disputes. In the event any Dispute arises between Us and You in connection with, arising from, or with respect to, any provision hereof, the relationship created herein, or the validity of this Agreement or any provision hereof, or the offer and sale to You, such Dispute will be:

17.2.1 Face-to-Face Meeting. First discussed in a face-to-face meeting between You and Us in Davis County, Utah, or at Our then-current headquarters, within 30 days after either You or We give written notice to the other proposing such a meeting. We have the right, in Our sole discretion, to waive this requirement.

17.2.2 Mediation. If, in the opinion of either You or Us, the face-to-face meeting has not successfully resolved such Dispute, and if desired by either You or Us, the Dispute will be submitted to non-binding mediation before Franchise Arbitration and Mediation Services (“FAM”) or as otherwise mutually agreed. The mediation will be conducted exclusively in Salt Lake City, Utah. On election by either party, arbitration as provided below may proceed forward at the same time as mediation. The mediator will be disqualified as a witness, consultant, expert, or counsel for any party with respect to the Dispute and any related matters.

17.2.3 Arbitration. If in the opinion of either You or Us the mediation has not successfully resolved such matters, at the request of either You or Us, the Dispute will be submitted for arbitration to the offices of the American Arbitration Association in accordance with its commercial arbitration rules in effect. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah. The arbitrator will have the power and jurisdiction to decide such dispute solely in accordance with the express provisions of this Agreement. The arbitrator will render a written opinion setting forth the facts found, law applied, and reasons for the decision.

(i) Arbitration Procedures. In any arbitration, the parties will be entitled to specific performance of the obligations under this Agreement. The arbitrator may award or otherwise provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other pre-judgment, equitable and/or interim relief as appropriate pending final resolution by binding arbitration of a Dispute, as well as in connection with any such final resolution, and may issue summary orders disposing of all or part of a Dispute at any point. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. Offers and/or other communications made in connection with, or related in any way to, mediation, possible settlement or other resolution of a Dispute will not be admitted into evidence or otherwise used in connection with any arbitration or other proceeding, and any arbitration award in violation of this provision will be vacated by the arbitration appeal panel (described below) and/or any court having jurisdiction. The arbitrator will have the power to order compliance with such discovery procedures, as well as assess sanctions for non-compliance with any order. Discovery will be controlled by the arbitrator and will be permitted to the extent set out in this Paragraph. Each party may submit in writing to the other party, and the other party will respond, to a maximum of any combination of 25 (none of which may have subplots) of the following: interrogatories, demands to produce documents, and requests for admission. You and We are also entitled to take the oral deposition of one individual of the other party. Additional discovery may be permitted upon mutual agreement of the parties or at the discretion of the arbitrator if petitioned by either party. The arbitrator, and not a court, will decide any questions relating in any way to the parties’ agreement or claimed agreement to arbitrate, including a claim for fraud in the inducement or otherwise. Each participant must submit or file any Dispute that would constitute a compulsory counterclaim (as defined by the applicable rule under the Federal Rules of Civil Procedure) within

the same proceedings as the Dispute to which it relates. Any such Dispute that is not submitted or filed in such proceedings will be forever barred. The award and findings of the arbitrator will be conclusive and binding upon all parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

(ii) Individual Disputes. All Disputes must be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff or similar basis between You and Us and will not be consolidated with any other arbitration or court proceeding involving Us and any other party. You thereby fully waive any right You may have to any potential class action claim and agree that any legal action will only be on an individual party basis.

(iii) Agreed Limitations. Except for payments owed by one party to the other, claims attributable to Your underreporting of sales, indemnification under Article XV, or claims related to an act of Yours allowing Us to immediately terminate this Agreement, any legal action or arbitration proceeding (Including the offer and sale of a franchise to You) brought or instituted with respect to any Dispute hereunder must be brought or instituted within a period of one year from the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; provided that no claim may be brought more than two years after the first act or omission giving rise to an alleged claim. The initiation of mediation or arbitration hereunder will toll the applicable statute of limitations for the duration of any such proceedings.

(iv) Limited Damages. You and We waive any right or claim of any consequential, punitive or exemplary damages against each other and agree that in the event of a Dispute between You and Us, each will be limited to the recovery of actual damages sustained. We will not be liable for any act or omission which is consistent with this Agreement or which is done in subjective good faith.

(v) Exceptions to Arbitration. You and We agree that nothing in this Agreement obligates Us to arbitrate or mediate Disputes or issues relating to: (a) the validity of the Marks, or any trademarks, service marks or other Intellectual Property; (b) rights to obtain a writ of attachment or other prejudgment remedies; (c) rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief; or (d) Disputes solely for fees and other monies owed by one party to the other under this Agreement.

(vi) Appeals. If any party to an arbitration wishes to appeal any final award by an arbitrator (there will be no appeal of interim awards or other interim relief), that party can appeal, within 30 days of such final award, to a three-person arbitrator panel to be appointed by the same organization as conducted the arbitration to be held exclusively at the same location as specified above. The issues on appeal will be limited to the proper application of the law to the facts found at the arbitration and will not include any trial *de novo* or other fact-finding function. The party requesting such appeal must pay all costs and fees of the arbitrators and arbitration proceedings.

(vii) Sharing of Fees. Except for an appeal, the parties to the Dispute or action will share the fees and expenses of the mediation and the arbitration equally during the mediation and arbitration. If a party is unable or unwilling to pay its share of the cost of the mediation or arbitration, the other party has the right to cover those costs; however, the prevailing party in arbitration, including on appeal, will be awarded costs and attorney's fees as set forth in Section 19.3 below.

(viii) Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced, and You and We will rely on federal preemption under the Federal Arbitration Act.

17.3 Continued Performance. During the pendency of any Dispute or any such interim relief proceeding, the parties shall continue to perform their respective obligations under this Agreement.

**ARTICLE XVIII
NOTICES**

18.1 Notices. All notices permitted or required under this Agreement must be in writing and delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by facsimile transmission when confirmed by facsimile transmission, during normal business hours, Monday through Friday, holidays excepted; (iv) by sending an email to the email address below or other verified email address when confirmed by receipt verification, which verification will not be withheld or otherwise denied; or (v) by certified or registered mail, return receipt requested, addressed as follows:

| FRANCHISOR: | FRANCHISEE: |
|--|---|
| Team Up Enterprises, LLC 350 N. 650 W Kaysville, Utah 84037 (or Our then-current headquarters) Email: frachise@teamupathletics.com With a courtesy copy to (which will not act as notice or service to Team Up Enterprises, LLC): The Franchise & Business Law Group Attn: Christian Thompson 222 South Main Street, Suite 500 Salt Lake City, Utah 84101 Email : cthompson@fblqlaw.com | _____, LLC/Inc. _____ _____ Email: _____ |

18.2 Delivery. If You refuse or fail to accept any certified or overnight delivery, acceptance will be deemed to have occurred 48 hours after rejection or failure to accept such notice. Any notice delivered by mail in the manner herein specified will be deemed delivered and received three days after mailing.

18.3 Listed Addresses. The address specified herein for services of notices may be changed at any time by the party making the change by giving written notice to the other party by certified mail or as otherwise agreed by You and Us. Any notice to You may be delivered to the address set forth above or to the address of Your Franchise Business or office.

ARTICLE XIX CONSTRUCTION AND JURISDICTION

19.1 Governing Law. Except as provided in Section 19.5, this Agreement will be governed, construed and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. You and We agree that the provisions of this Agreement will control the state or provincial laws by which this Agreement will be governed and any provisions of state or provincial law to the contrary or any statements in Our franchise disclosure document or otherwise required as a condition of registration or otherwise. If the governing law requires terms other than or in addition to those in this Agreement, then such terms will be deemed incorporated herein but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect.

19.2 Jurisdiction. In order to facilitate our joint interests in having franchise issues determined in a consistent manner for application throughout the System, without in any way limiting or otherwise affecting Your and Our obligations regarding mediation and arbitration in accordance with the provisions of Article XVII, if there is any litigation between us, You and We hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and You and We agree that Salt Lake City, Utah will be the exclusive venue for any litigation between Us and You. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.

19.3 Costs and Attorney's Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties are entitled to reasonable attorney's fees and other costs reasonably incurred in such action or arbitration or litigation proceeding. The costs of mediation will also be awarded to the prevailing party in arbitration or litigation, if applicable. For purposes of this Agreement, "prevailing party" Includes the party which obtains a judgment in their favor or agrees to dismiss an action or proceeding upon the other's payment of sums allegedly due or performance of the covenants allegedly breached, or which obtains substantially the relief sought. Reimbursement is due within 30 days of written notice after prevailing.

19.4 No Jury Trial. You and We waive, to the fullest extent permitted by law, all rights to trial by jury in any action or Dispute, whether at law or in equity, brought by either party.

19.5 Exception. Notwithstanding the foregoing, the Federal Arbitration Act (9 U.S.C. §§ 1 Et. Seq.) and the United States Trademark Act (Lanham Act, U.S.C § 1051 Et. Seq.) will apply to this Agreement and the relationship of the parties and preempt any state law to the contrary.

ARTICLE XX MISCELLANEOUS

20.1 Headings. Headings used in this Agreement are for reference and convenience purposes

only and are not to be used in construing the provisions of this Agreement. As used herein, the male or female gender will include the other and the neuter. The singular will include the plural and the plural will include the singular as appropriate.

20.2 No Third-Party Rights. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third parties will have any right or claims, benefit or right or a third-party beneficiary under this Agreement or any provision hereof. Similarly, You are not entitled to claim any rights or benefits, including those of a third-party beneficiary, under any contract, understanding or agreement between Us and any other person or entity, unless that contract, understanding or agreement specifically refers to You by name and specifically grant rights or benefits to You.

20.3 Authority. Where an entity is a party to this Agreement, the person or persons signing this Agreement on behalf of the entity warrant to Us that they have the requisite authority to sign this Agreement. At Our request, the concerned company signatory agrees to promptly provide Us with a certified copy of the resolution authorizing the execution of this Agreement and naming the officers, directors, members, or managers of the entity who are authorized to sign this Agreement on behalf of the entity. No field representative or salesperson has the right or authority to sign this Agreement or make oral representations or written modifications hereof on Our behalf.

20.4 No Partial Payments. No payment by You or receipt by Us of any amount less than that required to be paid under this Agreement, or otherwise, to Us or any person or entity affiliated with Us, will be deemed to be anything except payment on account, regardless of any endorsement to the contrary contained on any such payment or in any oral or written communication transmitted in connection therewith.

20.5 Joint and Several Liability. If more than one person, corporation, limited liability company, partnership or other entity, guarantor or any combination thereof, sign this Agreement on behalf of the franchisee, the liability of each will be joint and several. All members of a general partnership and all members of any association or other unincorporated entity, which is part of the franchisee hereunder, are jointly and severally liable for Your performance hereunder.

20.6 No Off-Set or Withholdings. You shall not offset or withhold the payment of any Fees, payments or other amounts due to Us or Our affiliates or suppliers on grounds of the alleged non-performance by Us of any of Our covenants or obligations hereunder, any Dispute of any nature or otherwise.

20.7 Disclosure. We can disclose, in disclosure documents or otherwise, information relating to Your Franchise Business, including Your name, address, phone numbers, financial information, copies or reports, and other information.

20.8 Binding Agreement. This Agreement is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

20.9 Force Majeure. Neither party will be liable by reason of any failure or delay in the performance of such applicable party's obligations hereunder on account of strikes, fires, flood, storm, explosion, or other similar causes which is beyond such party's reasonable control. This Section will not be interpreted to relieve You from Your obligation to pay Us when due all payments required to be made by You under this Agreement.

20.10 Entire Agreement. The parties intend this Agreement and all attached exhibits hereto to be the full and complete agreement between Us and You and the entire integration of all our understandings of every nature concerning the matters contained in this Agreement or in any way related thereto, whether oral or written, and whether occurring before or contemporaneously with the execution of this Agreement. You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further, or additional rights of either You or Us. Nothing in this Agreement, or in any related agreement, is intended to be a disclaimer of the representations We made to You in the franchise disclosure document. If any term of this or Agreement is determined as void and unenforceable, the remaining terms and duties under this Agreement will still be considered enforceable and severable as if it was its own separate agreement from the voided term.

20.11 Amendments. No amendment, change or variance from this Agreement will be binding on either party unless executed in writing and signed by both parties; however, the Manuals and policies and procedures may be modified by Us from time to time as set forth in this Agreement and are binding.

20.12 Effective Date. Delivery of a draft of this Agreement to You does not constitute an offer. This Agreement will become effective only when fully executed and accepted by Us at Our headquarters.

20.13 No Course of Dealing. No course of dealing between You and Us will affect Your or Our rights under this Agreement or otherwise.

20.14 No Representations. You understand that the success or failure of Your Franchise Business depends, in major part, upon Your efforts. You agree that We have not made nor have You received any promise, representation or warranty that: 1) any payments by You are refundable at Your option; 2) We will repurchase any rights granted hereunder; 3) You will achieve any particular sales, income or other levels of performance, or that You will be successful in Your Franchise Business licensed by this Agreement; 4) You will have any exclusive rights of any type other than as expressly set forth herein; 5) You will receive any level of Marketing assistance, site location, development or other services, operational assistance or otherwise other than as expressly set forth in this Agreement; 6) You will not be required to obtain any licenses or permits in order to operate Your Franchise Business; 7) any location or territory will be successful; or 8) that You will be awarded additional or further franchises or other rights, except as expressly set forth in a written document signed by Us.

20.15 Variances. You understand and agree that: 1) We may have offered franchises in the past, may currently be offering franchises or may offer franchises in the future, on economic or other terms, conditions and provisions which may significantly differ from those offered by this Agreement and any related documents; and 2) there may be instances where We have varied, or will approve exceptions to or changes in the uniform standards, or the terms on which We offer franchises, the charges We make, or otherwise deal with Our franchisees to suit the circumstances of a particular transaction as We believe necessary or desirable under particular circumstances. You have no right to object to such variances or to obtain the same variances for Yourself.

20.16 No Misrepresentations. You further represent to Us, as an inducement to Our entry into this Agreement, that You have made no misrepresentations in obtaining the award of this franchise.

20.17 Representations of Non-Violation. You represent and warrant that You can enter into this Agreement and that the execution and performance of this Agreement will not be in violation or breach, or cause the violation or breach, of any agreement or covenant between any third-party or the violation or breach of any order, decree or judgment of any court or administrative agency.

20.18 FDD Acknowledgement. You represent that You have had a copy of Our franchise disclosure document (“FDD”) for at least 14 calendar days or 10 business days, whichever is applicable in Your state, prior to signing this Agreement or making any payment to Us.

20.19 Waiver. We may, in writing, unilaterally waive any of Your obligations or requirements under this Agreement. Waiver by Us of any particular default by or obligation of You does not affect or impair Our rights with respect to any subsequent default by You or any of Our other rights to declare the same or subsequent acts a breach or default. Unless otherwise agreed to by Us in writing, Our acceptance of any payments due from You does not waive any prior defaults.

20.20 Counterpart and Electronic Signatures. This Agreement and its exhibits may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature with full legal force and effect and may be used for all purposes as if it were an original.

20.21 Owners of the Franchise. You represent and We rely upon Your representations in entering into this Agreement that the individuals in Exhibit “A-2” are the owners of and sole holders of a legal and beneficial interest the franchise entity and in Your Franchise Business.

20.22 Drafting. You acknowledge that You have read this Agreement, have had the opportunity to review it with an attorney of Your respective choice and to contribute to its substance and form, and have agreed to all of its terms. The rule of construction that a contract be construed against the drafter will not be applied in interpreting this Agreement.

ARTICLE XXI DEFINITIONS

“Competing Business” means a business, at wholesale or retail, or a business offering products or services the same as or substantially similar to those offered at Your Franchise Business or as part of the System during the term hereof or at the time of Termination in the sports athletics market. Such products and services include, the selling and offering of sports apparel and equipment, including name-brand sports apparel, custom team sports apparel for any kind of club, school, or entity. It also includes online sales, in-person sales, or sales through a commercial showroom. It also includes the delivery, installation, repair, refurbishment of sports equipment.

“Confidential Information” means any non-public information (through no fault of Yours) relating to Our products or services, or operation of a Team Up Athletics® business, the System, or relating to the System as a whole, including: (i) methods, techniques, formats, specifications, procedures, and systems; (ii) hardware, software, proprietary technology, and equipment; (iii) sales and Marketing programs, Marketing and sales techniques, pricing, bidding methods, etc.; (iv) the development and operation of Team Up Athletics® businesses; (v) knowledge of,

specifications for, and suppliers of, certain Team Up Athletics® products, materials, supplies, and equipment; (vi) operating results, margins, expenses, and financial performance of Team Up Athletics® businesses; (vii) Our strategic plans and concepts for the development, operation, or expansion of Team Up Athletics® businesses; (viii) the contents of Our Manuals; (ix) all Customer Data; (x) login, passwords, access information, etc., to Our email accounts, Social Media, Manuals or other internal sites or shared documents (xi) Our Intellectual Property that is generally deemed confidential; (xii) all Innovations; and (xiii) any other information obtained from Us in confidence at any time by virtue of the franchise or license relationship.

“Copyright Materials” means all writings, video and audio recordings, materials, Manuals, artwork, website, logos, Marketing materials, apps, and designs used with the Marks or in association with the System.

“Customer” and “Client” whether or not capitalized have interchangeable meanings in this Agreement.

“Customer Data” means any and all customers, and customer and prospective customer data and lists, including phone numbers, emails, mailing addresses, name and contact information for key personnel of the customer, Social Media followers’ information, etc., even if maintained by You or deemed to have arisen through Your activities. For clarity, a “prospective customer” does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

“Dispute” any claim, controversy, disagreement, or dispute of any type whatsoever.

“Fees” refers to those fees, payments, and costs You are required to pay to Us, as more fully set forth on Exhibit “A-3.”

“Franchise Assets” means this Agreement or any of its rights or privileges, or any shares or units in the ownership of Your entity, Your Franchise Business, or substantially all of Your assets.

“Gross Sales” Includes the total of all sales of all products, merchandise, equipment, goods, and services sold, traded, bartered, or rendered by You and income of every kind and nature, including the value of a trade or other bartering, arising from Your Franchise Business and tangible property of every kind sold by You during the term of this Agreement. “Gross Sales” excludes bona fide credits or returns and excludes amounts paid by You for sales or use taxes on the sale of any products or services.

“Immediate Family” refers to and Includes each of Your spouses, domestic partners, parents, stepparents, children, stepchildren, sons-in-law, and daughters-in law.

“Innovation” means any idea conceived or developed, or any actual improvement, change, modification, enhancement, or addition to the System, including to Your Franchise Business, Copyrighted Materials, Manuals, Confidential Information, website, Social Media, Marketing materials, apps or any other documents or information pertaining to or relating to the System, or any Intellectual Property related to the System, or any creative concepts, Marketing ideas, or inventions related to the System, and all derivatives thereof, whether implemented in the System or not.

“Including” or “Includes” means, “including but not limited to,” “including, without limitation,” and similar all-inclusive and non-exhaustive meanings.

“Intellectual Property” means all Marks, trade dress, names, Copyrighted Materials, systems, patents, patent applications, trade secrets, websites, Social Media, apps, and software.

“Interim Management Period” refers to the period of time during which We step in to manage Your Franchise Business as allowed under this Agreement.

“Internet” means any present or future interactive system for electronic communications, using lines, cables, wireless, satellite, radio or any other technology; and which involves one or more of the following: the system of interconnected computer networks that use the internet protocol suite (TCP/IP) or its successor; websites or similar remotely-accessible electronic information sources (whether password protected or not); use of domain names, other locators, or emails that use our trademarks; internet phone services; cellular or similar messaging; mobile applications; social networks or Social Media; or wikis, podcasts, online content sharing communities, or blogging.

“Lease” means a commercial lease or other document of occupancy of Your showroom or other commercial premises.

“Manuals” means one or more guides or manuals, Including an operations manual, brand standards manual, training manual, and/or policies and procedures manual, technical bulletins, online drives and portals, or other written materials as may be developed, modified and supplemented by Us periodically. The Manuals may be printed or in an electronic format.

“Marketing” or “Market” Includes advertising, brand development, promotion, public relations campaigns, content creation, influencer incentives or compensation, market research and other related processes.

“Marks” means the federally registered and common law trademarks and service marks owned by Us or licensed to Us, whether now or later developed. “Marks” also Include any and all names, trade names, trademarks, slogans, service marks, logos and/or other commercial property or symbols licensed to You pursuant to this Agreement or used in connection with the System or later added to the System.

“Operating Account” means that account into which all receipts of Your Franchise Business must be deposited.

“Operating Assets” means Your assets, contracts, inventory, supplies, furniture, equipment, signs, service vehicles, accessories, and other personal property relating to Your Franchise Business.

“Operating Principal” is: a) You if You as the franchisee are an individual; or b) if You are an entity, an individual that owns at least 25% of the ownership and voting interests in the franchisee entity (unless You obtain Our written approval of a lower percentage), has authority over all business decisions related to the Franchise Business, and has the power to bind You in all dealings with Us.

“Participant” means an owner, operator, shareholder, director, partner, member, manager, consultant, agent, employee, contractor, advisor, officer, lessor, lessee, licensor, or licensee.

“Principal” means shareholders, owners, partners, directors, members, managers, officers, and principal employees and contractors.

“Shall” when used in this Agreement (even if not capitalized) means must or other similar affirmative obligation, as the context requires.

“Social Media” means any and all websites, apps and web or Internet pages for social interaction, business operation, Marketing, and other online information communications, whether now or later developed.

“System” Includes the Franchise Business, specific Marks, interior design, store layout and décor, color schemes (if You have a commercial showroom), standards, Manuals, processes, services, know-how, operating procedures, Marketing concepts, business formats, and the use of proprietary and Confidential Information and other Intellectual Property.

“Termination” or “Terminate” Includes expiration, non-renewal, repurchase of Your rights, non-granting of a Successor Franchise, non-renewal, Transfer, or any other means by which this Agreement is no longer in effect, and You are no longer a franchisee of the Team Up Athletics® System.

“Transfer” Includes any direct or indirect assignment, transfer, division, trade, sale, gift, pledge, sublicense, mortgage, granting of any security interest, or sale at judicial sale or under power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the terms of any pledge, encumbrance, or security interest.

“We,” “Our(s)” or “Us” only as applied to Paragraphs 2.2.3 and 14.8.7, Sections 3.1, 3.5, 6.6, and 16.4, and Articles XI and XV, Includes Our predecessors, parents, affiliates, subsidiaries, successors, and assigns and Our officers, directors, shareholders, members, managers, employees, agents, development agents , or others with whose conduct We are chargeable, as applicable.

“You” or “Your” Includes all signers of this Agreement, all current and subsequent guarantors, all subsequent and current members, Operating Principals, owners, partners, shareholders, managers, directors, officers, agents, affiliates, principal employees and with those whose conduct You are chargeable.

[Signatures on the Following Page]

IN WITNESS WHEREOF, the parties have respectively signed this Franchise Agreement effective as of the day and year first written above.

FRANCHISOR:

TEAM UP ENTERPRISES, LLC

By: _____
(Signature)

Name: _____

Title: _____

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

If the franchisee is not an entity, each person must sign personally.

By: _____
(Signature)

Name: _____, personally

By: _____
(Signature)

Name: _____, personally

[Signature Page of the Franchise Agreement]

EXHIBIT "A-1"
TO THE FRANCHISE AGREEMENT

TERRITORY:
(Map may be attached)

1. Your Territory consists of the following area: _____

2. Annual Minimum Gross Sales Requirements. The following minimum Gross Sales targets must be met by the applicable deadlines. The years are anniversary years from the date of the Franchise Agreement. Failure to meet a minimum Gross Sales target by the indicated deadline is considered a default of the Franchise Agreement.

| Year | Minimum Gross Sales in Your Territory |
|------|---------------------------------------|
| 1 | None |
| 2 | \$100,000 |
| 3 | \$150,000 |
| 4 | \$300,000 |
| 5 | \$600,000 |

**Our approval of the Territory or a site is not a guarantee or a warranty
of the potential success of the Territory or a site.**

Franchisee Initial and Date

Franchisor Initial and Date

**EXHIBIT "A-2"
TO THE FRANCHISE AGREEMENT**

COMPANY REPRESENTATIONS AND WARRANTIES

You make the following additional warranties and representations:

You are a (check one):

- Partnership Corporation
 Sole Proprietorship Limited Liability Company

Name of your entity: _____

The state in which your entity was formed: _____

Date of formation: _____

EIN: _____

The names and addresses of each shareholder, partner, or member holding an ownership interest in the corporation, partnership, or limited liability company (please print or type the information and add extra lines if necessary):

| Name | Address | Percentage of Ownership* |
|------|---------|--------------------------|
| | | |
| | | |
| | | |
| | | |

*Corporation: Percentage owned of outstanding voting stock.

*Partnership: Percentage owned in voting and in capital and profits.

*Limited Liability Company: Percentage owned in membership interest.

The names of the officers of the company (please print or type the information and add extra lines if necessary):

| Name | Title |
|------|-------|
| | |
| | |
| | |

| | |
|--|--|
| | |
|--|--|

The address where Your corporate records are maintained is:

The name and address of the Operating Principal who has been approved by Us and who will be directly responsible for supervising Your business operations and who has authority to work with Us and make decisions relating to the operations of the Franchise Business:

Name: _____

Address: _____

Email: _____

Phone: _____

You must provide Us a copy of Your articles of organization and operating agreement or articles of incorporation and bylaws within one week of the date below.

Dated _____.

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

**EXHIBIT “A-3”
TO THE FRANCHISE AGREEMENT**

FEE CHART

The following Fees are more fully described in the Franchise Agreement.

| Type of Fee | Amount | Notes |
|---|---|---|
| Referral Fee | 5% of Gross Sales | See Sections 1.4 and 1.5 |
| Territory or Showroom Relocation Fee ¹ | Our costs to approve the new territory or showroom at \$50 per man hour, plus Our legal fees | See Section 1.6 and 4.5 |
| Successor Franchise Fee | \$1,500 | See Paragraph 2.2.4 |
| Initial Franchise Fee | \$35,000 | See Section 5.1 |
| Additional Franchise Purchases | 10% off the then-current franchise fee for each additional franchise | See Section 5.1.1 |
| Royalty | 5% of Gross Sales | See Section 5.2 |
| Local Marketing Requirement | \$5,000 per year | See Paragraph 5.3.1 |
| Grand Opening Marketing Fee | \$2,500 | See Paragraph 5.3.2 |
| Grand Opening Assistance Fee | \$2,500 | See Paragraph 5.3.3 |
| Late Charges ¹ | \$25 per late fee per day for each late fee or report up to \$500 per late fee | See Paragraph 5.4.4 |
| Non-Sufficient Fund Fees ¹ | \$50 per bounced check or insufficient or disputed draft, or the maximum allowed by state law | See Paragraph 5.4.4 |
| Interest on Late Fees and Reports | 18% interest or maximum rate permitted by state law, whichever is less | See Paragraph 5.4.5 |
| Sales or Use Tax | Sum equal to tax imposed | See Paragraph 5.4.6 |
| Audit Charge | Cost of audit | See Paragraph 5.5.2 |
| New Operating Principal or Management Training ¹ | \$250 per person/per day | See Paragraph 6.1.4(i) |
| Additional Training ¹ | \$250 per person/per day | See Paragraph 6.1.4(ii) and Section 7.3 |
| Insurance Reimbursement Fee ¹ | Varies, plus an administration fee of \$50 per man-hour | See Paragraph 6.1.9(ii) |
| PCI and DSS Audit Reimbursement Fee | Reasonable costs of the audit | See Paragraph 6.1.11(iii) |
| Interim Management Fee ¹ | \$250 per person/per day | See Paragraph 6.2.3 and Section 14.10 |
| Supplier Evaluation Fee | Reasonable costs of evaluation, at cost | See Section 8.3 |
| Additional Copies of Marketing Materials | Our reasonable costs, not to exceed 10% for shipping and handling | See Section 10.3 |

| | | |
|--------------------------------------|---|---|
| Fees on Default | Our costs associated with Your default | You must pay Us Our costs to enforce Your obligations under this Agreement. See Sec. 11.2 |
| Post-Termination Fees and Damages | Varies | See Section 12.1 |
| Early Termination Liquidated Damages | Average royalty from the previous 12 months multiplied by 24 months or the remaining term of the Franchise Agreement, whichever is less | See Section 12.5 |
| Franchise Agreement Transfer Fee | \$7,500 | See Section 14.5 |
| Minority Interest Transfer Fee | Legal and corporate fees and costs incurred | See Section 14.6 |
| Transfer Training Fee ¹ | \$250 per day/per person | See Paragraph 14.8.5 |
| Indemnification | Varies | See Section 15.2 |
| Non-Compete Violations ¹ | \$300 per day for each competing business | See Section 16.8 |
| Dispute Resolution Fees | Varies | See Section 17.2 and Section 19.3 |

¹ We may increase this Fee by up to 10% per year during the term of the Franchise Agreement to adjust to increased costs and other factors related to inflation. Costs charged by third parties are subject to change at any time and do not have an annual cap.

**EXHIBIT “A-4”
TO THE FRANCHISE AGREEMENT**

BRAND PROTECTION AGREEMENT FOR PRINCIPALS

This BRAND PROTECTION AGREEMENT FOR PRINCIPALS (the “Agreement”) is entered into and made effective as of the effective date listed below by TEAM UP ENTERPRISES, LLC (“Franchisor”) and the undersigned (“Principals”).

WHEREAS, Principals or his or her or their company entered into an agreement with Franchisor so as to be able to obtain the rights to operate a Team Up Athletics® Franchise Business using the System developed by Franchisor, Including certain Confidential Information of Franchisor (“Franchise Agreement”); and

WHEREAS, Principals recognize the value of the System and the intangible property rights licensed under the Franchise Agreement, and the importance of maintaining the Confidential Information, and recognize that the Franchisor’s entering into the Franchise Agreement is conditioned upon each Principal entering into this Agreement; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW THEREFORE, in consideration of Franchisor entering into the Franchise Agreement with Principals or his or her or their company, the recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgment. Principals individually acknowledge that he or she has obtained or may obtain access to Confidential Information and made available to Principals that is necessary and essential to the operation of the Franchise Business, without which information the Franchise Business could not efficiently, effectively, and profitably operate. Principals further acknowledge that such Confidential Information was not known to him or her prior to the association with Franchisor.

2. Non-Disclosure and Non-Use. Except as may be required or allowed under the Franchise Agreement, Principals and any of a Principal’s Immediate Family, shall not during the term of the Franchise Agreement and any Successor Franchise or Successor Franchise Agreement or any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use, any information relating to the Franchise Business or interest of Franchisor, Confidential Information, the System, or other information or materials that he or she knows, or reasonably should know, is regarded as confidential to Franchisor. Principals shall also adopt and implement all reasonable procedures prescribed by Franchisor, from time to time, to prevent unauthorized use and/or disclosure of the Proprietary Information, including restrictions on disclosure to employees and other third parties. The parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement constitutes Confidential Information and is subject to all the terms and conditions of this Agreement (Including the covenants protecting against disclosures) as if such information had been disclosed following the execution of this Agreement.

2.1 Duty to Notify. Principals agree to notify Franchisor of any reasonably suspected

attempts to violate the terms or purposes of this Agreement and further agree to require all personnel to report to it any reasonably suspected attempts to violate this Agreement. In the event it is discovered that Principals knew or had reason to know of any suspected attempts to violate this Agreement, Principals agree to indemnify Franchisor for all costs and fees associated with enforcement, and to reimburse Franchisor for those losses sustained due to such violation.

2.2 No Reverse Engineering. Principals shall not, either personally, in concert with others, or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile or deconstruct any portion of the Confidential Information, and shall not allow, encourage or permit any partner, owner, director, member, manager, agent, employee or other person to do so.

2.3 Limited Use. Principals shall limit their use of the Confidential Information, to the performance of their duties as described in the Franchise Agreement, the Manuals, and any policies and procedures implemented by Franchisor and shall not use the Confidential Information for any personal use or gain.

3. Non-Competition; Non-Solicitation. The following covenants will be enforced during and after the term of the Franchise Agreement:

3.1 In-Term Covenant. During the term of the Franchise Agreement and for any extensions or Successor Franchises thereof, except as permitted under the Franchise Agreement, Principals, and each Principal's Immediate Family, shall not be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity or location except with Franchisor's prior written consent. Principals understand and acknowledge that to violate this Section creates irreparable harm.

3.2 Post-Term Covenant. Upon Termination for any reason of the Franchise Agreement, and any extensions thereof, or upon any Transfer or repurchase of a Principal's rights under the Franchise Agreement or the franchise entity, or a Principal's dissociation from the Franchise Business, and for a continuous, uninterrupted period of three years thereafter, Principals, and Principal's Immediate Family, shall not, directly be a Participant, assist, or serve in any other capacity whatsoever or have any interest in a Competing Business in any capacity, territory, or location within the Territory or within 50 miles of the Territory or within 35 miles of the territory of any System franchise or Team Up Athletics® business operation at the time of Termination of the Franchise Agreement. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision. Principals agree that the Franchise Business attracts customers from up to 50 miles, and that such geographical restraint is not unreasonable.

3.3 Non-Solicitation of Customers. During the term of the Franchise Agreement and for three years after the Termination of the Franchise Agreement, Principal and each of Principal's Immediate Family shall not, directly or indirectly, contact any former or then-current customer of the Franchise Business, or any former, then-current customer of Franchisor or an affiliate of the Franchisor (with whom the Principal had contact during the term of the Franchise Agreement), or prospective customer for the purpose of soliciting such customer to a Competing Business. Customer Data belongs to Franchisor. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

4. Survival of Covenants; Tolling of Covenants. The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Franchisor, in the event a Principal violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled and extended for the period of that Principal's violation. Principal shall also pay Franchisor liquidated damages of \$300 per day for each Competing Business for violation of Sec. 3.1 or 3.2. These liquidated damages do not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. This Section does not preclude and is not inconsistent with a court granting Franchisor specific performance or any other equitable remedies, such as an injunction, to prevent future breaches.

5. Return of Materials. Upon the Termination of the Franchise Agreement, or a Principal's disassociation from the Franchise Business, each Principal agrees to deliver to Franchisor (and shall not keep a copy in his or her possession or deliver to anyone else) the Team Up Athletics® Manuals and any and all Confidential Information.

6. Irreparable Harm. Principals hereby acknowledge and agree that any breach by him or her of any portion of Sections 1 through 5 above, inclusive, will cause damage to Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisor may be entitled, Franchisor will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by any Principal of any of the terms of Section 1 through 5 above, inclusive, without proof of actual damages that have been or may be caused to Franchisor by such breach and without the requirement of posting bond. Additionally, Principals agree that the existence of any claims a Principal may have against Franchisor, whether or not arising from this Agreement or the Franchise Agreement, will not constitute a defense to Franchisor's ability to enforce the covenants set forth in this Agreement.

7. Reasonableness and Enforceability. Principals agree that the terms of this Agreement are fair and reasonable in light of the circumstances and were in part, based on the perceived or potential value of the System and the business relationship that Principals and/or his or her or their company have and will have with Franchisor. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will include the feminine and neuter and the singular will include the plural and conversely. Principals understand that a separate action may be brought or prosecuted against a Principal whether or not the action is brought or prosecuted against any other Principal or against the franchisee, or any or all of them, or whether any other Principal or the franchisee is or are joined in the action.

8. Governing Law and Jurisdiction. The validity, enforcement, construction, rights and liabilities of the parties and provisions of this Agreement will be governed by and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. If for any reason court action is filed, Principals individually consent to the jurisdiction of the courts of record in the state of Utah, and unless the enforcement of this Agreement is brought in connection with a Dispute under the Franchise Agreement (in which case this matter may be handled through arbitration as set forth in the Franchise Agreement), each Principal agrees that proper jurisdiction and venue for all Dispute resolution will be exclusively in the state and federal courts of Salt Lake County, Utah.

9. Attorney's Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

10. Binding Agreement. This Agreement will bind the successors and assigns of a Principal and his or her heirs, personal representative, successors and assigns. No rights under this Agreement are assignable by any Principal, and any purported assignment will be null and void and of no force or effect.

11. Survival of Covenants. All covenants made in this Agreement by Principals survive the Termination of this Agreement or the Franchise Agreement or Principal's disassociation with the Franchise Business or the System in any way.

12. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.

13. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

[Signatures on the Following Page]

PRINCIPALS INDIVIDUALLY ACKNOWLEDGE THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date below.

DATED _____.

FRANCHISOR:

TEAM UP ENTERPRISES, LLC

By: _____

(Signature)

Name: _____

Title: _____

PRINCIPALS:

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

[Signature Page of the Brand Protection Agreement for Principals]

**EXHIBIT “A-5”
TO THE FRANCHISE AGREEMENT**

EMPLOYEE BRAND PROTECTION AGREEMENT

This EMPLOYEE BRAND PROTECTION AGREEMENT (“Agreement”) is entered into as of _____, between _____ (“Franchisee”) and _____ (“Employee”), residing at _____.

A. Franchisee is the holder of a Team Up Athletics® franchise developed by Team Up Enterprises, LLC (“Franchisor”).

B. Franchisor has developed certain confidential and proprietary information for the operation of a Team Up Athletics® franchise, including without limitation, processes, methods, trade secrets, systems, software, pricing, financial information, customer data and lists, manuals, marketing techniques, and procedures (“Proprietary Information”).

NOW, THEREFORE, in consideration of the employment of Employee by Franchisee, the parties hereto agree as follows:

1. Acknowledgement. Employee acknowledges that during the course of his or her employment by Franchisee he or she has obtained or may obtain knowledge of the Proprietary Information and other confidential matters and procedures developed, licensed to or owned by Franchisor and made available to Franchisee, which are necessary and essential to the operation of the business of Franchisee, which without such information, Franchisee could not efficiently, effectively and profitably operate its Team Up Athletics® franchise. Employee further acknowledges that such Proprietary Information was not known to him or her prior to the association with Franchisee or its Team Up Athletics® franchise.

2. Non-Use, Non-Disclosure. Except as may be required in the performance of duties for Franchisee, Employee shall not, during the course of his or her employment or at any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use any portion of the Proprietary Information, and agrees not to copy, transmit, recreate or otherwise reproduce all of any part of the Proprietary Information at any time.

3. Limited Use. Employee shall not use the Proprietary Information at any time, place, or circumstance, except as directed by Franchisee or its authorized representatives. In no event shall Employee use the Proprietary Information, whether in part or in whole, outside of Employee’s specific employment duties.

4. Duty to Notify. Employee agrees to notify Franchisor or Franchisee or Employee’s immediate superiors of any reasonably suspected attempts to violate the terms or purposes of this Agreement or to otherwise disclose, copy or reproduce any part of the Proprietary Information. In the event it is discovered that Employee knew or had reason to know of any suspected attempts to violate this Agreement and fails to report such knowledge, Employee agrees to indemnify Franchisor and Franchisee for all costs and fees associated with enforcement, and to reimburse Franchisor and Franchisee for those losses sustained due to such

violation. Employee agrees to cooperate with Franchisor and Franchisee in its or their attempts to enforce the terms of this Agreement and to otherwise protect the Proprietary Information, and to cooperate with Franchisee and Franchisor to the extent Franchisee is obligated to cooperate with Franchisor's attempts to enforce its rights in and to the Proprietary Information.

5. Return of Materials. Immediately upon the termination of employment, Employee agrees to deliver to Franchisee (and shall not keep in his or her possession or deliver to anyone else whether in hard or electronic soft copy) any and all records, data, photographs, notes, manuals, lists, correspondence, specifications, materials, other documents or property, or reproductions relating to, directly or indirectly, to the Proprietary Information.

6. Management and Supervisor Employees. This Section 6 shall only apply if Employee is a management employee and/or acts in a supervisory role over other employees.

6.1 Non-Competition. Employee shall not, during the course of his or her employment by Franchisee, and for one year thereafter, directly or indirectly in any capacity, without Franchisee's prior written consent, engage in a business, or plan for or organize a business, or have any financial interest in, or become and owner, officer, director, shareholder, partner, associate, employee, contractor, agent, representative or consultant in any offering or selling products or services the same or substantially similar to a Team Up Athletics® business. Without limiting the generality of the foregoing, the minimum area of competitive nature will be that area within a 25-mile radius of Franchisee's place of business. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision.

6.2 Non-Solicitation of Customers. Employee shall not, during the course of his or her employment and for two years thereafter, directly or indirectly, contact any customer or former customer of Franchisee for the purpose of soliciting such customer to be a customer of a business that is the same as or similar to a Team Up Athletics® business.

7. Irreparable Harm. Employee hereby acknowledges and agrees that any breach by him or her of any portion of Sections 1 through 6 above, inclusive, will cause damage to Franchisee and Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisee may be entitled, either Franchisee or Franchisor will be entitled to enforce this Agreement and to seek temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by Employee of any of the terms of Section 1 through 6 above, inclusive, without proof of actual damages that have been or may be caused to Franchisee or Franchisor by such breach, and without the requirement of posting bond. The existence of a claim against Franchisee or Franchisor will not constitute a defense to enforce the covenants of this Agreement.

8. Modification. Employee hereby agrees that, without limitation, any modifications, alterations, changes, or improvements conceived, designed, devised, developed, perfected or made by Employee, whether alone or in conjunction with others, and related in any manner to the actual or anticipated operation of the Franchisee, or the Team Up Athletics® system, or to any area of research and development related to the operation of the business, must be promptly disclosed to the Franchisee and will become the property of Franchisor, and Employee hereby irrevocably assigns, transfers, and conveys any such to Franchisor.

9. Enforceability. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will include the feminine and neuter and the singular will include the plural and conversely.

10. Survival of Covenants. All covenants made in this Agreement by Employee survive the termination of Employee's employment with Franchisee or the expiration, transfer, or termination of this Agreement.

11. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by both parties.

12. Attorneys' Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

13. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

14. Third-party Beneficiary. It is agreed and acknowledged that Franchisor is a third-party beneficiary to this Agreement.

EMPLOYEE ACKNOWLEDGES THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first herein above written.

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

EMPLOYEE (if a minor, see next page):

By: _____

Name: _____

Title: _____

Date: _____

Age: _____

For persons under 18 years of age, a parent or legal guardian must sign and complete the following section.

I, _____ (Parent/Guardian), the undersigned and the parent and natural guardian of _____ (minor's name), hereby acknowledge that I have executed the foregoing Employee Brand Protection Agreement for and on behalf of the minor named herein. I represent that I have legal capacity and authority to act for and on behalf of the minor named herein. As the natural or legal guardian of such minor, I hereby bind myself, the minor, and our successors and assigns to the obligations and liabilities of the foregoing Employee Brand Protection Agreement.

DATED _____.

Signature of Parent/Guardian: _____

Name of Parent/Guardian: _____

Address: _____

Phone: _____

[Continuation of the Signature Page to the Employee Brand Protection Agreement]

EXHIBIT "A-6"
TO
FRANCHISE AGREEMENT

LANDLORD'S CONSENT TO ASSIGNMENT

_____ ("Landlord") hereby consents to an assignment of the lease agreement ("Lease Agreement") to Team Up Enterprises, LLC ("Franchisor") for the purpose of securing the obligations of _____ ("Lessee" and Franchisor's franchisee) to Franchisor. In the event of Lessee's breach of the Lease Agreement, Landlord agrees to provide Franchisor with written notice of any breach of the Lease Agreement that Landlord is required to provide to Lessee. Further, Landlord agrees it will not take any action to terminate said Lease Agreement without first giving Franchisor an opportunity, but not the obligation, to cure said breach for an additional 10 days beyond the applicable cure period granted to the Lessee under the Lease Agreement.

Landlord agrees to provide Franchisor with all information relating to amounts owing, settlement agreements, and all matters related to the Lease Agreement within five days of written request from Franchisor.

Landlord agrees that if the Lease Agreement or franchise agreement is terminated, Franchisor will have the right, but not the obligation, within 45 days after termination of the Lease Agreement or franchise agreement, to take possession of the premises, and to assume or reassign the Lease Agreement, or sublet the premises to another franchisee for the remaining term of the Lease Agreement; provided that Landlord will have the right to reasonably approve such reassignment or subletting.

Landlord further covenants that so long as Franchisor has not entered into possession of the leased premises, Franchisor will not be liable for rent or any other obligation under the Lease Agreement, but that Landlord will look to Lessee for all obligations under the Lease Agreement.

Notices to Franchisor will be sent to: _____
_____.

Landlord Contact Information:

LANDLORD:

Contact Person: _____

By: _____

Mailing Address: _____

Title: _____

Email: _____

Name: _____

Phone: _____

Date: _____

EXHIBIT "A-7"
TO FRANCHISE AGREEMENT

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Business Name: _____

I hereby authorize Team Up Enterprises, LLC hereinafter called ("Company"), to initiate debit entries to my checking account or savings account as indicated below at the depository financial institution named below, hereinafter called ("Depository"), and to debit the same to such account. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of United States law.

Depository Name: _____ Branch: _____

Phone: _____

City: _____ State: _____ Zip Code: _____

Routing Number: _____ Account Number: _____

Type of Account Checking/Savings: _____

This authorization is to remain in full force and effect until the Company has received written notification from me of its termination in such time and in such manner as to afford the Company and Depository a reasonable opportunity to act on it.

Name: _____
(please print)

Title: _____

Signature: _____ Date: _____

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

**EXHIBIT “A-8”
TO FRANCHISE AGREEMENT**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

This GUARANTY AND ASSUMPTION OF OBLIGATIONS (“Guaranty”) is entered into and made effective as of _____ by and between TEAM UP ENTERPRISES, LLC (“We,” “Us” or “Our”) and the undersigned Guarantor(s) (“Guarantor(s)”) owners of _____ (the “Business Entity”) and their spouses or legal domestic partner (collectively and individually referred to as “spouse”).

1. Scope of Guaranty. In consideration of and as an inducement to Our signing and delivering the Franchise Agreement dated _____ (the “Franchise Agreement”), each Guarantor(s) signing this Guaranty personally and unconditionally: (a) guarantees 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 Franchise Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, any provision in the Franchise Agreement, including confidentiality and the non-competition provisions. Each Guarantor acknowledges and agrees no subsequent amendment, modification, and/or extension of the Franchise Agreement by and between Franchisor and the franchisee thereunder will affect the enforcement or validity of this Guaranty.

2. Waivers. Each Guarantor waives: (a) acceptance and notice of acceptance by Us of Guarantor(s) obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (d) any right Guarantor(s) may have to require that an action be brought against the Business Entity or any other person as a condition of Guarantor(s) liability; (e) all rights to payments and claims for reimbursement or subrogation which Guarantor(s) may have against the Business Entity arising as a result of Guarantor(s)’ execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which Guarantor(s) may be entitled in Guarantor(s)’ capacity as guarantors.

3. Consents and Agreements. Each Guarantor consents and agrees that: (a) Guarantor(s)’ direct and immediate liability under this Guaranty are joint and several; (b) Guarantor(s) must render any payment or performance required under the Franchise Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) Guarantor(s)’ liability will not be contingent or conditioned upon Our pursuit of any remedies against the Business Entity or any other person; (d) Guarantor(s)’ 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 of the compromise or release of any claims (including the release of other guarantors) 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 Franchise Agreement and, where required by the Franchise Agreement, after its termination or expiration.

4. Enforcement Costs. If We must enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor(s) must reimburse Us for Our enforcement costs. Enforcement costs include reasonable fees from accountants, attorneys, attorney’s assistants, arbitrators, and

expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. Disputes. Guarantor(s) and its spouse acknowledge and represent that Guarantor(s) and its spouse have had an opportunity to review the Franchise Agreement and agree that the provisions of Article XVII (disputes and arbitration) of the Franchise Agreement have been reviewed by Guarantor(s) and its spouse and by reference are incorporated herein and will govern this Guaranty and any disputes between Guarantor(s) and/or its spouse and Us. Each Guarantor(s) and its spouse irrevocably submits to the exclusive jurisdiction and venue of said arbitration and listed courts. Nevertheless, Guarantor(s) agree that We may also enforce this Guaranty and awards in the courts of the state or states in which a Guarantor(s) or a spouse is domiciled. Each Guarantor will be held personally, jointly, and severally liable. Any settlement made between Us and the Business Entity or any determination made pursuant to this Agreement will be binding upon the Guarantor(s).

6. Spouse’s Signature. By signing below, the undersigned spouse acknowledges and consents to Guarantor(s) execution and performance under this Guaranty and the undersigned spouse also consents to his or her personal and marital assets securing the Business Entity’s performance under the Franchise Agreement and Guarantor(s)’ performance under this Guaranty.

7. Counterparts. This Guaranty may be signed in counterparts including by electronic signatures and other electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

IN WITNESS WHEREOF, the Guarantor(s) and its spouse have respectively signed this Guaranty effective as of the day and year first written above.

| Guarantor(s)'s Signature | Spouse Signature | Contact Information for Notice |
|---------------------------------|-------------------------|---------------------------------------|
| By: _____ | By: _____ | _____ |
| Name: _____ | Name: _____ | _____ |
| By: _____ | By: _____ | _____ |
| Name: _____ | Name: _____ | _____ |
| By: _____ | By: _____ | _____ |
| Name: _____ | Name: _____ | _____ |
| By: _____ | By: _____ | _____ |
| Name: _____ | Name: _____ | _____ |

**EXHIBIT “A-9”
TO THE FRANCHISE AGREEMENT**

DIGITAL, SOCIAL MEDIA, AND LISTINGS AUTHORIZATION FOR ASSIGNMENT

This DIGITAL, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION (“Assignment”) is made and entered into as of the Effective Date (defined below), by and between the undersigned Franchisee and TEAM UP ENTERPRISES, LLC (“Franchisor”).

RECITALS

WHEREAS, Franchisee has entered into a franchise agreement with (“Franchise Agreement”); and

WHEREAS, as part of the Franchise Agreement, Franchisee is granted limited rights to use the Team Up Athletics® trademark, trade names, trade dress, and other associated intellectual property (collectively, the “Marks”) in conjunction with Franchisee’s Franchise Business; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

1. Franchisee hereby assigns all rights and interest, including all associated goodwill, in the Social Media and other digital media accounts used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks, including, Franchisee’s Facebook, Instagram, Tik-Tok, Pinterest, Google listings, Twitter, LinkedIn, Tumblr, email accounts, and the like (collectively the “Social Media Accounts”). Franchisee shall take all action necessary to grant exclusive access of the Social Media Accounts to Franchisor, including providing all passwords and administrative access to such Social Media Accounts.

2. Franchisee hereby assigns and transfers, (or in Franchisor’s sole discretion disconnects) the telephone listings, telephone numbers, including the telephone number(s) listed on Marketing and Social Media Accounts, URL’s, Internet sites, and web pages used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks to Franchisor (collectively “Listings”).

3. Franchisee represents, warrants, and covenants the following with regard to the Social Media Accounts and Listings:

- a. Franchisee has the right to assign the Social Media Accounts and Listings, and they are free and clear of all liens and encumbrances.
- b. Franchisee shall not, after Termination of the Franchise Agreements attempt to access, control, interfere with, or obstruct the Social Media Accounts and/or Listings.

- c. Franchisee shall not prevent or hinder Franchisor from enforcing its rights in or to the assigned Social Media Accounts or Listings.
- d. Franchisee has not taken, or permitted, and shall not take or permit any action that would prevent Franchisor from enjoying the full benefits of assignment of the Social Media Accounts and Listings to Franchisor hereunder whether during the term or after the Termination of the Franchise Agreement.

4. Franchisee hereby directs and authorizes each company associated with, or in control of, the Social Media Accounts and/or Listings to assign, transfer, set over and otherwise authorize Franchisor to take over and control the Social Media Accounts and Listings. If necessary, Franchisee shall execute all documents required by Franchisor to give effect to the assignment of the Social Media Accounts and Listings to Franchisor hereunder.

5. This Assignment applies to all Social Media Accounts and Listings regardless of whether Franchisee is allowed to manage under the Franchise Agreement or was allowed to create, use, manage, or even own Social Media Accounts and/or Listings in the past. To the extent Franchisor does not currently have administrative access to a Social Media Account or Listing of Franchisee, Franchisee shall immediately grant Franchisor such access.

6. Franchisor hereby appoints Franchisor as its attorney-in-fact for the above transfers, which appointment is coupled with an interest.

7. This Assignment is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

8. This Assignment is governed, construed, and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions.

9. This Assignment may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

FRANCHISOR:

TEAM UP ENTERPRISES, LLC.

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

EXHIBIT "A-10"
TO FRANCHISE AGREEMENT
STATE SPECIFIC ADDENDA

**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA**

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
2. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
3. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be fully enforceable under California law.
4. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. The franchise agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
6. The franchise agreement requires application of the laws of Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.
7. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
8. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.
9. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.
10. Late Fees in Exhibit "A-3" is amended to include the following: "The highest interest rate allowed in California is 10% annually."

**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN**

The following shall apply to Franchise Agreements in the State of Wisconsin:

- a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the “Act”), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
- b. The Act’s requirements, including that in certain circumstances a Franchisee receive ninety (90) days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act’s requirements.

EXHIBIT "B"
TO THE FDD

STATEMENT OF PROSPECTIVE FRANCHISEE

STATEMENT OF PROSPECTIVE FRANCHISEE(S)

NOTE: If more than one person is a part of the franchisee, all must initial and sign.

The undersigned Prospective Franchisee(s) (“We,” “Us,” “Our” or “Prospective Franchisee”), and Team Up Enterprises, LLC (“Franchisor”), each have an interest in making sure that no misunderstandings exist between them, and understanding that the Franchisor is relying on Our statements, We represent as follows:

Representations and Other Matters:

1. No oral, written, visual or other claim, guarantee or representation of any sort, has been made to Us which stated or suggested any specific level or range of actual or potential sales, income, expenses, profits, cash flow, by any person or entity, except for information (if any) expressly set forth in Item 19 of the Franchisor’s Disclosure Document (or an exhibit referred to therein). _____
2. We are not relying on the Franchisor or any other entity to provide or arrange financing of any type, except as expressly set forth in the Franchise Agreement or a written Addendum/Appendix thereto to be signed by Us and the President of the Franchisor. _____
3. We constitute all of the executive officers, partners, shareholders, investors and/or principals of the Prospective Franchisee and each of Us individually has received the Franchise Disclosure Document and all exhibits and has carefully read, discussed, understands and agrees to the Franchise Agreement, each written Addendum/Appendix and any Personal Guarantees. _____
4. We have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and the Franchisor has strongly recommended that We obtain such independent professional advice. _____
5. We confirm that We have had the opportunity to discuss the proposed purchase of, or investment in, a Team Up Athletics® franchise with existing Team Up Athletics® franchisees. _____
6. If there are any matters inconsistent with the statements in this document, or if anyone has suggested that We sign this document without all of its statements being true, correct and complete, We will (a) **immediately** inform the Franchisor’s President; and (b) make a written statement regarding such next to my signature below so that the Franchisor may address and resolve any such issue(s) at this time before going forward. _____
7. We acknowledge that the law governing the franchise relationship is Utah law and that the exclusive venue for any dispute will be in Salt Lake City, Utah (subject to state law). _____

8. We are also a franchisee in the following system(s):

_____ (write "NONE" if not a franchisee for another franchise system) _____

That franchise was first purchased on _____.

We understand and agree to all the foregoing and represent and warrant that all of the above statements are true, correct and complete.

DATED _____.

PROSPECTIVE FRANCHISEE ENTITY:

By: _____
(Signature)

Name: _____

Title: _____

INDIVIDUALS: (individual owners)

By: _____
(Signature)

Name: _____

By: _____
(Signature)

Name: _____

By: _____
(Signature)

Name: _____

EXHIBIT "C"
TO THE FDD

FINANCIAL STATEMENTS
(Attached)

Audited Financial Statements Dated December 31, 2022

Unaudited Opening Balance Sheet Dated March 28, 2022

Unaudited Interim Financials Dated August 9, 2023

TEAM UP ENTERPRISES, LLC
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
AS OF DECEMBER 31, 2022



TEAM UP ENTERPRISES, LLC

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| Notes to the financial statements | 8 |



Independent Auditor's Report

To the Member
Team Up Enterprises, LLC
Kaysville, Utah

Opinion

We have audited the accompanying financial statements of Team Up Enterprises, LLC, which comprise the balance sheet as of December 31, 2022, and the related statements of operations, member's interests, 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 Team Up Enterprises, LLC as of December 31, 2022, and the results of its operations and its cash flows for the 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 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 available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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.

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezas & Dunbar

St. George, Utah
July 27, 2023

TEAM UP ENTERPRISES, LLC

BALANCE SHEET

As of December 31, 2022

| Assets | <u>2022</u> |
|---|--------------------|
| Due from related party | \$ 36,977 |
| Total assets | <u>\$ 36,977</u> |
| Liabilities and Member's Interests | |
| Current liabilities | |
| Accounts payable | \$ 2,321 |
| Total current liabilities | <u>2,321</u> |
| Members' interests | <u>34,656</u> |
| Total liabilities and member's interests | <u>\$ 36,977</u> |

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

TEAM UP ENTERPRISES, LLC
STATEMENT OF OPERATIONS AND MEMBER'S INTERESTS
For the year ended December 31, 2022

| | 2022 |
|------------------------------------|-------------|
| Operating revenue | |
| Franchise fees | \$ 154,000 |
| Royalty fees | 6,921 |
| Total operating revenue | 160,921 |
| Operating expenses | |
| Guaranteed payments | 108,288 |
| Professional fees | 15,175 |
| General and administrative expense | 2,802 |
| Total operating expense | 126,265 |
| Net income | \$ 34,656 |
| Beginning member's interests | \$ - |
| Net income | 34,656 |
| Ending member's interests | \$ 34,656 |

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

TEAM UP ENTERPRISES, LLC
STATEMENT OF CASH FLOWS
For the year ended December 31, 2022

| | 2022 |
|--|-------------|
| Cash flows from operating activities: | |
| Net income | \$ 34,656 |
| Changes in operating assets and liabilities | |
| Due from related party | (36,977) |
| Accounts payable | 2,321 |
| Net cash used by operating activities | - |
| Net change in cash and cash equivalents | - |
| Cash and cash equivalents at beginning of period | - |
| Cash and cash equivalents at end of period | \$ - |
| Supplemental disclosures of cash flow: | |
| Cash paid for interest and taxes | \$ - |

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

TEAM UP ENTERPRISES, LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Team Up Enterprises, LLC (the “Company”) was formed on August 3, 2021. The Company was organized as a limited liability company under the laws of the State of Utah. The Company was formed for the purpose of offering franchise opportunities to entrepreneurs who desire to own and operate a “Team Up Athletics” franchise. Team Up Athletics offers custom sports apparel and equipment, selling primarily to schools, clubs, leagues, municipalities, universities, and corporate teams.

The Company has one existing related party owned territory, which provides similar services to the offered franchise concept, and one affiliate. The affiliate supplies sports apparel and equipment to the Company’s franchisees. The Company’s related party and affiliate do not offer franchises in any line of business.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. The Company does not maintain a bank account separate from its related party through common ownership, and therefore does not have a cash balance at December 31, 2022.

(e) Revenue Recognition

The Company’s revenues consist of initial franchise fees and royalties based on a percentage of gross revenues.

Upon commencement of operations, the Company adopted ASC 606, *Revenue from Contracts with Customers*. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluates all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For each franchised territory, the Company enters into a formal franchise agreement that clearly outlines the transaction price, which includes an initial franchise fee, ongoing royalties, advertising fees, and the Company’s performance obligations.

TEAM UP ENTERPRISES, LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

Upon evaluation of the five-step process, the Company has determined that this standard does not impact the recognition of royalties and advertising which are based on a percentage of gross revenue and recognized at the time the underlying sales occur. ASC 606 does have an effect on the process management uses to evaluate the recognition of the initial franchise.

In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. ASC 952-606 identifies the following general pre-opening services (which the Company may or may not provide) as eligible for inclusion in the single distinct performance obligation:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services.
- Training of the franchisee’s personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee’s records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee’s business
- Inspection, testing, and other quality control programs

The Company has determined that the fair value of pre-opening services exceeds the initial fees received; as such, the initial fees are allocated to the pre-opening services, which are recognized as revenue upon commencement of operations.

The Company sold five territories during the year ended December 31, 2022.

(f) Income Taxes

The Company is structured as a limited liability company under the laws of the State of Utah. Accordingly, the income or loss of the Company will be included in the income tax returns of the member. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under Accounting Standards Codification (“ASC”) Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company’s financial statements.

The Company’s income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2022, the 2021 tax year was subject to examination.

(g) Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases, which creates ASC 842, Leases, and supersedes ASC 840, Leases. ASC 842 requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement, and presentation of expenses will depend on classification as a finance or operating lease. The new guidance will be effective for private companies with annual reporting periods beginning after December 15, 2021 and is to be applied retrospectively. The Company had no leases as of December 31, 2022.

TEAM UP ENTERPRISES, LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

(h) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, the carrying amounts approximate fair value due to their short maturities.

(i) Concentration of Risk

The Company's related party maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Franchise Agreements

The Company's franchise agreements generally provide for a payment of initial fees as well as continuing royalties, technology fees, and marketing fees to the Company based on a percentage of sales. Under the Company's revenue recognition policy, the Company allocates the initial franchise fee to initial training, operations manual, and website which is recognized when the franchisee begins operations. In the event revenue recognition criteria is not met, the associated initial franchise fees and any corresponding commissions are deferred. As of December 31, 2022, the Company did not have any deferred revenue.

(3) Due from Related Party

During the year end of December 31, 2022, all of the Company's cash transactions flowed through its parent's bank account. Accordingly, the difference between the revenue collected on behalf of the Company and the expenses paid by the parent on behalf of the company, is reflected in the Company's financial statements as either a net related party payable or receivable. As of December 31, 2022, the company had a net related party receivable from the parent in the amount of \$36,977. The receivable is unsecured and bears no interest. The Company has not recorded any allowance for doubtful accounts related to this receivable.

(4) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(5) Subsequent Events

Management has reviewed and evaluated subsequent events through July 27, 2023, the date on which the financial statements were issued.

Team Up Enterprises
Balance Sheet
As of March 28, 2022

| | Total |
|--|--------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| AFCU Savings | 5,000.00 |
| QuickBooks Checking Account | 0.00 |
| Total Bank Accounts | \$ 5,000.00 |
| Accounts Receivable | |
| Accounts Receivable (A/R) | 0.00 |
| Total Accounts Receivable | \$ 0.00 |
| Other Current Assets | |
| Inventory Asset | 0.00 |
| Prepaid Expenses | |
| Total Prepaid Expenses | \$ 0.00 |
| Uncategorized Asset | 0.00 |
| Undeposited Funds | 0.00 |
| Total Other Current Assets | \$ 0.00 |
| Total Current Assets | \$ 5,000.00 |
| Other Assets | |
| Accumulated Amortization of Other Assets | 0.00 |
| Total Goodwill Robbins Sports | \$ 0.00 |
| Security Deposits | 0.00 |
| Total Other Assets | \$ 0.00 |
| TOTAL ASSETS | \$ 5,000.00 |
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| Accounts Payable (A/P) | 0.00 |
| Total Accounts Payable | \$ 0.00 |
| Total Credit Cards | \$ 0.00 |
| Other Current Liabilities | |
| Payroll Liabilities | |
| Total Payroll Liabilities | \$ 0.00 |
| Utah State Tax Commission Payable | 0.00 |
| Total Other Current Liabilities | \$ 0.00 |
| Total Current Liabilities | \$ 0.00 |
| Long-Term Liabilities | |
| Notes Payable | |
| Total Notes Payable | \$ 0.00 |
| Total Long-Term Liabilities | \$ 0.00 |
| Total Liabilities | \$ 0.00 |

| | |
|-------------------------------------|--------------------|
| Equity | |
| Opening Balance Equity | 5,000.00 |
| Total Partner Contributions | <u>\$ 5,000.00</u> |
| Total Partner Distributions | <u>\$ 0.00</u> |
| Retained Earnings | 0.00 |
| Net Income | 0.00 |
| Total Equity | <u>\$ 5,000.00</u> |
| TOTAL LIABILITIES AND EQUITY | <u>\$ 5,000.00</u> |

Monday, Mar 28, 2022 03:10:58 PM GMT-7 - Accrual Basis

Team Up Enterprises

Balance Sheet

As of August 9, 2023

| | TOTAL |
|--|-------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| Checking ****7594 - 1 | 2,526.15 |
| Total Bank Accounts | \$2,526.15 |
| Accounts Receivable | |
| Accounts Receivable (A/R) | 4,510.87 |
| Total Accounts Receivable | \$4,510.87 |
| Total Current Assets | \$7,037.02 |
| TOTAL ASSETS | \$7,037.02 |
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Other Current Liabilities | |
| Utah State Tax Commission Payable | 0.00 |
| Total Other Current Liabilities | \$0.00 |
| Total Current Liabilities | \$0.00 |
| Total Liabilities | \$0.00 |
| Equity | |
| Retained Earnings | |
| Net Income | 7,037.02 |
| Total Equity | \$7,037.02 |
| TOTAL LIABILITIES AND EQUITY | \$7,037.02 |

Team Up Enterprises

Profit and Loss

January 1 - August 9, 2023

| | TOTAL |
|-----------------------|-------------------|
| Income | |
| Services | 7,167.25 |
| Total Income | \$7,167.25 |
| GROSS PROFIT | \$7,167.25 |
| Expenses | |
| Total Expenses | |
| NET OPERATING INCOME | \$7,167.25 |
| NET INCOME | \$7,167.25 |

**EXHIBIT “D”
TO THE FDD**

**SCHEDULE OF FRANCHISEES:
(as of December 31, 2022)**

| State | Location | Owner | Address | Phone |
|--------------|-----------------|---------------------------|---|--------------|
| Utah | Weber | Robert Boys Athletics LLC | 670 W. Young St. Morgan, Utah 84050 | 385-317-8395 |
| Utah | Uintah | Robert Boys Athletics LLC | 670 W. Young St. Morgan, Utah 84050 | 385-317-8395 |
| Utah | Salt Lake City | KW Sports LLC | 104 W. 2700 S. Bountiful, Utah 84010 | 801-928-3850 |
| Utah | Red Rock | KW Sports LLC | 104 W. 2700 S. Bountiful, Utah 84010 | 801-928-3850 |
| Utah | Alpine North | KW Sports LLC | 104 W. 2700 S. Bountiful, Utah 84010 | 801-928-3850 |

The following are franchisees who have had an outlet transferred, terminated, cancelled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year, or who have not communicated with us within 10 weeks of the disclosure document issuance date:

None

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

**EXHIBIT “E”
TO THE FDD**

LIST OF AGENTS FOR SERVICE OF PROCESS

If a state is not listed, Team Up Enterprises, LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which Team Up Enterprises, LLC has appointed an agent for service of process.

| STATE | CONTACT | DEPARTMENT | ADDRESS | PHONE NUMBER |
|--------------|---|---|--|----------------------------------|
| California | Commissioner of Financial Protection and Innovation | Department of Financial Protection and Innovation | 2101 Arena Blvd., Sacramento, CA 95834 | (916) 445-7205 (866) 275-2677 |
| Georgia | Secretary of State of Georgia | Corporations Division | 2 Martin Luther King Jr. Dr., SE, Suite 315, West Tower, Atlanta, GA 30334 | |
| Hawaii | Commissioner of Securities | Department of Commerce and Consumer Affairs Business Registration Division, Securities Compliance Branch | 335 Merchant Street, Room 203, Honolulu, HI 96813 | (808) 586-2722 |
| Illinois | Chief, Franchise Division | Office of Attorney General | 500 South Second Street, Springfield, IL 62706 | (217) 782-4465 |
| Indiana | Indiana Secretary of State | | 210 State House, Indianapolis, IN 46204 | |
| Maryland | Maryland Securities Commissioner | Division of Securities; Office of Attorney General | 200 St. Paul Place, 20 th Floor, Baltimore, MD 21202-2020 | (410) 576-6360 |
| Michigan | Antitrust and Franchise Business | Michigan Department of the Attorney General’s Office; Franchise Administrator; Consumer Protection Division | 6546 Mercantile Way, Lansing, MI 48910 | (517) 373-7117 |
| Minnesota | Commissioner of Commerce | Minnesota Department of Commerce | 85 7 th Place East, Suite 280, St. Paul, MN 55101 | (651) 539-1500 |

| | | | | |
|-----------------|---|---|---|----------------|
| New York | New York Department of State | | 99 Washington Avenue, 6 th Floor, Albany, NY 12231 | (518) 473-2492 |
| North Dakota | North Dakota Securities Department | | 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414, Bismarck, ND 58505-0510 | (701) 328-4712 |
| Oregon | Director of Insurance & Finance | Business Service Division of Finance and Corporate Securities Labor and Industries Building | Salem, OR 97310 | (503) 378-4387 |
| Rhode Island | Chief Securities Examiner of Business Regulation | Department of Business Regulation Securities Division | 1511 Pontiac Avenue, John O. Pastore Complex – Building 69-1, Cranston, RI 02920 | (401) 462-9527 |
| South Dakota | Division of Insurance | Securities Regulation | 124 South Euclid Avenue, 2 nd Floor, Pierre, SD 57501- 3185 | (605) 773-3563 |
| Virginia | Clerk of the State Corporation Commission | | 1300 East Main Street, 1 st Floor, Richmond, VA 23219 | |
| Washington | Director of Financial Institutions | | 150 Israel Road SW, Tumwater, WA 98501 | (360) 902-8760 |
| Wisconsin | Wisconsin Commissioner of Securities | Franchise Investment Division | 101 East Wilson Street, Fourth Floor, Madison, WI 53702 | |

**EXHIBIT "F"
TO THE FDD**

**LIST OF STATE AGENCIES RESPONSIBLE FOR
FRANCHISE DISCLOSURE/REGISTRATION LAWS**

| STATE | CONTACT | DEPARTMENT | ADDRESS | PHONE NUMBER |
|--------------|--|---|--|--|
| California | | Department of Financial Protection and Innovation | <u>Sacramento:</u> 2101 Arena Blvd., Sacramento, CA 95834 <u>San Diego:</u> 1455 Frazee Road Suite 315, San Diego, CA 92108 <u>San Francisco:</u> One Sansome Street, Ste. 600, San Francisco, CA 94101 <u>Los Angeles:</u> 320 West 4 th Street, Ste. 750, Los Angeles, CA 90013-2344 | <u>Sacramento:</u> (916) 445-7205 <u>San Diego:</u> (619) 525-4233 <u>San Francisco:</u> (415) 972-8559 <u>Los Angeles:</u> (213) 576-7500 <u>Toll Free:</u> (866) 275-2677 |
| Connecticut | Securities and Business Investment Division | Connecticut Department of Banking | 260 Constitution Plaza, Hartford, CT 06103-1800 | (860) 240-8233 |
| Florida | Division of Consumer Services | Department of Agriculture and Consumer Services | P.O. Box 6700, Tallahassee, FL 23214-6700 | (805) 488-2221 Fax: (805) 410-3804 |
| Georgia | Secretary of State of Georgia | Corporations Division | 2 Martin Luther King Jr. Dr., SE, Ste. 315, West Tower, Atlanta, GA 30334 | |
| Hawaii | Business Registration Division, Commissioner of Securities | Department of Commerce and Consumer Affairs | P.O. Box 40, Honolulu, HI 96810 | (808) 586-2744 |
| Illinois | Franchise Bureau | Office of Attorney General | 500 South Second Street, Springfield, IL 62706 | (217) 782-4436 |
| Indiana | Franchise Section | Indiana Securities Division, Secretary of State | 302 West Washington Street, Room E-111, | (317) 232-6681 |

| | | | | |
|-----------------|--|--|--|---|
| | | | Indianapolis, IN 46204 | |
| Iowa | Iowa Securities Bureau | | 340 Maple, Des Moines, Iowa 50319- 0066 | (515) 287-4441 |
| Maryland | Office of the Attorney General | Division of Securities | 200 St. Paul Place, 20 th Floor, Baltimore Maryland 21202- 2020 | (410) 576- 6360 |
| Michigan | Michigan Attorney General's Office | Consumer Protection Division; Attn: Franchise Section | 525 West Ottawa Street, Williams Building, 6 th Floor, Lansing, MI 48933 | (517) 373-7117 |
| Minnesota | Minnesota Department of Commerce | Securities – Franchise Registration | 85 7 th Place East, Suite 280, St. Paul, Minnesota 55101- 2198 | (651) 539-1600 |
| Nebraska | Bureau of Securities/Financial Institutions Division | Department of Banking and Finance | 1526 K Street, Suite 300, Lincoln, NE 68508-2732 | (402) 471-3445 |
| New York | NYS Department of Law | Investor Protection Bureau | 28 Liberty St. 21 st Floor, New York, NY 10005 | (212) 416-8222 Fax: (212) 416- 6042 |
| North Dakota | Franchise Examiner | North Dakota Securities Department | 600 East Boulevard Avenue, State Capital 5 th Floor, Dpt 414, Bismarck, ND 58505-0510 | (701) 328-4712 |
| Oregon | Division of Finance and Corporate Securities | Department of Consumer and Business Services | Labor and Industries Building | (503) 378- 4140 Fax: (503) 947- 7862 |
| Rhode Island | Securities Division | Department of Business Regulation | 1511 Pontiac Avenue, John O. Pastore Complex 69-1, Cranston, RI 02920- 4407 | (401) 462-9527 |
| South Dakota | Division of Insurance | Securities Regulation | 124 S. Euclid 2 nd Floor, Pierre, SD 57501-3185 | (605) 773- 3563 Fax: (605) 773- 5953 |
| Texas | Secretary of State | Registration Division | P.O. Box 13193, Austin, TX 78711- 3193 1719 Brazos, Austin, TX 78707 | (512) 475-1769 |

| | | | | |
|--------------------------|---------------------------------|---|--|---------------------------------------|
| Utah | Division of Consumer Protection | Utah Department of Commerce | 160 East 300 South, SM Box 146704, Salt Lake City, UT 84114-6704 | (801) 530-6601 Fax: (801) 530-6001 |
| Virginia | State Corporation Commission | Division of Securities and Retail Franchising | 1300 East Main Street, 9 th Floor, Richmond, VA 23219 | (804) 371-9051 |
| Washington | Securities Division | Department of Financial Institutions | P.O. Box 9033, Olympia, WA 98507-9033 | (360) 902-8760 |
| Wisconsin | Division of Securities | Department of Financial Institutions | P.O. Box 1768, Madison, WI 53701 | (608) 266-2801 |
| Federal Trade Commission | Division of Marketing Practices | Bureau of Consumer Protection | Pennsylvania Avenue at 6 th Street, NW, Washington DC 20580 | (202) 326-3128 |

**“EXHIBIT “G”
TO THE FDD**

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**EXHIBIT "H"
TO THE FDD**

MULTI-UNIT AGREEMENT

MULTI-UNIT AGREEMENT

THIS MULTI-UNIT AGREEMENT (“Agreement”) is made and entered into effective as of the effective date written on the signature page by and between **TEAM UP ENTERPRISES, LLC**, a Utah limited liability company (“We,” “Us,” or “Franchisor”), and _____ (“You” or “Franchisee”).

RECITALS:

WHEREAS, You desire to acquire the right to purchase multiple Team Up Athletics® franchises pursuant to the terms and conditions of this Agreement; and

WHEREAS, You have entered into a separate Franchise Agreement with Us for the right to operate Your first Team Up Athletics® franchise, which was signed contemporaneously with this Agreement.

NOW THEREFORE, in consideration of the mutual and reciprocal covenants, promises, recitals, terms and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereby agree as follows:

Article 1 - Definitions

1.1 The following terms have the following described meanings. Additionally, unless otherwise clearly required by the context, when used in this Agreement, all capitalized terms used but not defined herein have the respective meaning assigned to them pursuant to the Franchise Agreement signed contemporarily with this Agreement.

“Franchise Agreement” means Our agreement which licenses the right to use Our Marks and System for the operation of a Team Up Athletics® franchise and within a set territory.

Article 2 – Multi-Unit Purchase

2.1 Multi-Unit Franchise Fee. You shall pay the non-refundable Multi-Unit Franchise Fee as listed on Schedule 2.1 hereto, payable upon execution of this Agreement. This fee includes the initial franchise fees for each of the Team Up Athletics® franchises indicated on Schedule 2.1.

2.2 Franchise Locations and Territories. The territory and showroom location (if applicable) for each franchise will be selected by You but must be approved in writing by Us, as further set forth in Your Franchise Agreements and subject to territories that are available for purchase at the time You determine to open a franchise in a prospective area.

2.3 Franchise Agreement. Each franchise You open will be governed by Our then-current Franchise Agreement. You must sign a separate Franchise Agreement for each applicable franchise territory as developed. You must sign Our then-current Franchise Agreement for the applicable franchise prior to Marketing, commencing business, construction or improvements, and prior to the acquisition, or lease of any related real property for a commercial office and/or

showroom, or any other development activity or operations for the applicable franchise.

2.4 Modification of the Franchise Agreement. We reserve the right, from time-to-time, to amend, change, or modify Our form Franchise Agreement which modifications will apply to those Franchise Agreements signed after such modifications are made.

2.5 First Franchise Unit. You acknowledge that the Franchise Agreement governing Your first franchise is being executed concurrently with this Agreement.

Article 3 – Development Period

3.1 5-Year Development Period. You have five years from the date of this Agreement to have opened and operating all of Your chosen franchises listed on Schedule 2.1. Any franchises not developed within said five years will be forfeited, including any portion of the Multi-Unit Fee paid for those undeveloped franchises. Time is of the essence.

3.2 No Development Area Granted. You are not granted any sort of reserved development area for the development of the franchises listed on Schedule 2.1. However, You will be granted the applicable territorial protection once You sign a Franchise Agreement for the applicable franchise.

3.3 Cross Default. If any Franchise Agreement for one of Your franchises is terminated for cause, We will have the right to terminate this Agreement upon written notice to You.

Article 4 - Operating Standards and Covenants

4.1 Compliance. You shall, at Your expense, comply with all applicable laws, ordinances, rules, and regulations pertaining to the development of Your franchises as contemplated herein.

4.2 Cost of Doing Business. You shall be responsible for all Your costs of doing business and other costs and expenses in connection with Your obligations herein.

Article 5 – Transfer

Article XIV of the Franchise Agreement signed contemporarily with this Agreement applies to and is hereby fully incorporated into this Agreement as if fully set forth herein unless otherwise set forth in this Agreement or unless clearly required by the context. Terms such as “Franchise Business” and other terms specific to the Franchise Agreement are adjusted to apply to this Agreement. However, the transfer fee to Transfer this Agreement is \$5,000.

Article 6 – Integration of the Various Articles of the Franchise Agreement

Article XV through Article XXI of the Franchise Agreement signed contemporarily with this Agreement applies to and is hereby fully incorporated into this Agreement as if fully set forth herein unless otherwise set forth in this Agreement or unless clearly required by the context. Terms such as “Franchise Business” and other terms specific to the Franchise Agreement are adjusted to apply to this Agreement.

IN WITNESS WHEREOF, We and You have respectively signed and sealed this Agreement as of the effective date written below.

Effective as of _____.

FRANCHISOR:

FRANCHISEE:

TEAM UP ENTERPRISES, LLC

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

[Signature Page to the Multi-Unit Agreement]

**SCHEDULE 2.1
TO THE MULTI-UNIT AGREEMENT**

Multi-Unit Franchise Fee and Selected Multi-Unit Package

You shall pay Us a multi-unit franchise fee based on the number of franchises purchased as follows:

| Franchise Package | Multi-Unit Franchise Fee |
|-------------------|--------------------------|
| 2-Pack | \$66,500 |
| 3-Pack | \$98,000 |
| 4-Pack | \$129,500 |
| 5-Pack | \$161,000 |

1. Franchise package purchased: _____
2. Multi-Unit Franchise Fee due at the time of signing this Agreement: \$_____

FRANCHISOR:
TEAM UP ENTERPRISES, LLC

By: _____
(Signature)
Name: _____
Title: _____

FRANCHISEE:

By: _____
(Signature)
Name: _____
Title: _____

**ADDENDUM TO THE MULTI-UNIT AGREEMENT
FOR THE STATE OF CALIFORNIA**

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the area development agreement contains a provision that is inconsistent with California law, California law controls.
2. The multi-unit 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 multi-unit agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
4. The multi-unit agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. The multi-unit agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of an area development agreement restricting venue to a forum outside the State of California.
6. The multi-unit agreement requires application of the laws of Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.
7. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
8. The multi-unit agreement provides for waiver of a jury trial. This may not be enforceable in California.
9. **Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy.** Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:
 - (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
 - (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
 - (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
 - (d) Violations of any provision of this division.

10. Franchisees owning 20% or greater must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

11. Late Fees is amended to include the following: "The highest interest rate allowed in California is 10% annually."

**ADDENDUM TO THE MULTI-UNIT AGREEMENT
FOR THE STATE OF WISCONSIN**

The following shall apply to Area Developer Agreements in the State of Wisconsin:

- a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the “Act”), shall apply to and govern the provisions of Area Developer Agreements issued in the State of Wisconsin.
- b. The Act’s requirements, including that in certain circumstances a Franchisee receive ninety (90) days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section 9 of the Area Developer Agreement to the extent they may be inconsistent with the Act’s requirements.

EXHIBIT "I"
TO THE FDD
DEPOSIT AGREEMENT

PROSPECTIVE FRANCHISE DEPOSIT AGREEMENT

This DEPOSIT AGREEMENT (“Agreement”) is made and entered into on _____, by and between **TEAM UP ENTERPRISES, LLC** (“Franchisor,” “We,” “Us” or “Our”) and _____ (“You,” “Your” or “Prospective Franchisee”). The parties are individually referred herein as a “Party” and collectively as “Parties.”

A. You have applied for and desire to acquire an option to purchase a Team Up Athletics® franchise; and

B. You declare that You have fully reviewed the Team Up Athletics® Franchise Disclosure Document and have had such FDD for at least 14 days and familiarized Yourself with the essential aspects of owning a Team Up Athletics® franchise and desire to enter into this Agreement as a result of such independent investigation and not as a result of any separate representations by Us, or Our agents officers or employees, and You further expressly acknowledge that no separate representations, promises or warranties of any kind, express or implied, have been made by Us, Our agents, officers or employees, to induce You to execute this Agreement.

NOW THEREFORE, in consideration of the mutual and reciprocal covenants, promises, recitals, terms and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, the Parties hereby agree as follows:

1. **Grant of Option.** We hereby grant to You an option (“Option”) to acquire a Team Up Athletics® franchise under the terms and conditions of the franchise agreement and in accordance with this Agreement within the area set forth on Exhibit “A” attached hereto and by reference made a part hereof (“Area”). The final boundaries of Your franchise territory will be determined upon exercise of Your Option and set forth in Your franchise agreement. The Option granted herein will expire at 5:00 P.M., Mountain Time, 30 days from the date hereof unless extended by mutual written consent of the Parties (“Option Period”).

2. **Deposit.** Upon execution of this Agreement, You will pay to Us a non-refundable deposit of \$3,500. If You exercise Your Option, this sum will be credited against the initial franchise fee set forth in the franchise agreement, and the value of the deposit is to compensate us for an opportunity lost in the event you do not purchase a franchise in the Area.

3. **Exercise.** This Option is exercisable by You as follows: 1) Your written notice to Us of Your exercise of the Option; 2) Your execution of the franchise agreement; and 3) payment by You of the full initial franchise fee, all within the Option Period. **Time is of the essence for this Agreement.**

4. **Arbitration of Disputes.** In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to this Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah, and the laws of the state of Utah will govern without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, will be entitled to recover the administrative costs of the arbitration proceeding and

the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association. The award and findings of the arbitrators will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

5. **Notices.** All notices permitted or required under this Agreement must be in writing and must be delivered as follows with notice deemed given as indicated (i) by personal delivery when delivered personally, (ii) by overnight courier upon written verification of receipt, (iii) by telecopy, email or facsimile transmission when confirmed by telecopier, email or facsimile transmission, or (iv) by certified or registered mail, return receipt requested, three days after deposit in the mail addressed as follows:

| FRANCHISOR: | FRANCHISEE: |
|---|---|
| Team Up Enterprises, LLC 350 N. 650 W. Kaysville, Utah 84037 Email: franchise@teamupathletics.com | _____ _____ _____ Email: _____ |

6. **Binding Effect.** This Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

7. **Amendment.** This Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

8. **Authority.** The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

9. **Costs & Expenses.** Each Party will pay its own costs and expenses in connection with this Agreement.

10. **Entire Agreement.** This Agreement and exhibits contain the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements between the Parties are hereby terminated with no continuing duties or obligations on the part of the other Party.

11. **Interpretation of Agreement.** Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers. The paragraph headings and title of this Agreement are not part of this Agreement, having been inserted for convenience of reference only, and will have no effect upon the construction or interpretation of this Agreement.

IN WITNESS WHEREOF, the Franchisor and Prospective Franchisee have respectively signed this Agreement as of the day and year first above written.

FRANCHISOR:

TEAM UP ENTERPRISES, LLC

By: _____
(Signature)

Name: _____

Title: _____

PROSPECTIVE FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

EXHIBIT "A"

Prospective Franchise Deposit Agreement

OPTION BOUNDARIES

Your franchise will be located within the following area upon signing the franchise agreement:

**EXHIBIT "J"
TO THE FDD**

RELEASE AGREEMENT (FORM)

**RELEASE AGREEMENT
(Form)**

This RELEASE AGREEMENT ("Agreement") is made and entered into as of _____ by and between Team Up Enterprises, LLC ("Franchisor") and _____, LLC/INC., _____, AND _____ (jointly and severally "Franchisee"). The above will collectively at times be referred to as "Parties" and individually as "Party." Capitalized terms used herein will have the meanings set forth in the Franchise Agreement, unless defined otherwise herein.

RECITALS

WHEREAS, Franchisee entered into a Team Up™ franchise agreement on _____, 20__ with Franchisor ("Franchise Agreement"); and

WHEREAS, the Franchise Agreement was personally guaranteed by _____ and _____ ("Personal Guarantor(s)"); and

WHEREAS, the Franchise Agreement has been terminated effective as of the ___ day of _____, 20__.

NOW THEREFORE, in consideration of the recitals, premises and other provisions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Franchisor, Franchisee and Personal Guarantor(s) hereby agree as follows:

1. Franchisee and Personal Guarantor(s) hereby, fully and irrevocably, release, acquit and forever discharge Franchisor and its successors, affiliates, directors, officers, members, managers, employees, shareholders, representatives and agents and each of them, individually and collectively, of and from any and all claims, demands, obligations, causes of action, suits or liabilities of any kind and nature, whatsoever, whether known or unknown, suspected or unsuspected, and in whatever legal theory or form which Franchisee and Personal Guarantor(s) have or claim to have, or at any time heretofore, had or claimed to have had, or which may hereafter accrue or arise, against Franchisor, its successors, affiliates, directors, officers, members, managers, shareholders, employees and agents, and each of them, by reason of, or in any way connected with the Franchise Agreement, the relationship described therein and any business transaction, agreement or occurrence, act or omission relating thereto prior to the date hereof. Franchisee and Personal Guarantor(s) further waive any and all state law provisions limiting the effect of a general release.

2. Franchisee and Personal Guarantor(s) hereby covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim against any person or entity released under Section 1 above with respect to any claim released under Section 1.

3. Franchisee and Personal Guarantor(s) represent that each of them fully understands the broad coverage of the release provisions of this Agreement, and that they execute the same with respect to all claims, causes of action and demands, as set forth above, they have or may have against the Franchisor, fully intending that the provisions hereof be given the broadest interpretation permitted by law or the English language. Franchisee and Personal Guarantor(s) acknowledge and expressly agree that they will make no claim, and hereby waive any right they may now have, or may hereafter have, based upon any alleged oral or written alteration, amendment, or modification of this Agreement, fully waiving any right they may have to refer to extrinsic matters in the interpretation hereof, whether to establish fraud, duress, mistake, undue influence, or for any other purpose.

These releases are intended to waive, release and discharge all claims, other than those expressly reserved herein, with the express waiver of any statute, legal doctrine or other similar limitation upon the effect of general releases. In particular, the parties waive the benefit of any applicable statutory provision such as by illustration, California Civil Code Section 1542, which states:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

The parties, with the advice of their respective counsel, waive the benefit of both statute and other legal doctrine or principle of similar effect in any jurisdiction.

4. This Agreement may be pleaded as a full and complete defense to, and may be used as the basis for, an injunction against any action, suit or other proceeding which may be instituted, prosecuted or maintained in breach of this Agreement.

5. Nothing in this Agreement releases Personal Guarantor(s) or Franchisee from their obligations under the non-competition clauses of the Franchise Agreement or their Non-Competition Agreements signed with Franchisor.

6. Miscellaneous.

6.1 Cooperation. Franchisee and Personal Guarantor(s) will make, execute and deliver to Franchisor, promptly upon request and without additional consideration, any document or instrument necessary to carry out and effectuate the purposes of this Agreement.

6.2 Choice of Law and Jurisdiction. This Agreement will be construed in accordance with, and all disputes hereunder will be governed by, the laws of the state of Utah without giving effect to its conflicts of law provisions. Franchisee, Personal Guarantor(s), and Franchisor hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and we both agree that Salt Lake County, Utah will be the exclusive venue for any litigation between us. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.

6.3 Arbitration. In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to the provisions hereof, the relationship of the Parties hereto, or the validity of this Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Salt Lake County, Utah, and the laws of the state of Utah will govern, without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, will be entitled to recover the administrative costs of the arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association, unless otherwise waived by the Parties. The award and findings of the arbitrators will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any Court of competent jurisdiction.

6.4 Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

6.5 Amendment. This Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

6.6 Company Authority. The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

6.7 Binding Agreement. This Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

6.8 Confidentiality. Franchisee and Personal Guarantor(s) agree to maintain this Agreement, the terms hereof, and any and all information obtained or provided by either Party in order to initiate a contractual relationship, in the strictest of confidence.

6.9 Counterparts. This Agreement, and those contemplated herein, may be executed in counterparts, including by means of telefaxed, emailed pdf or other electronically delivered signature page, each of which will be deemed an original, but all of which together will constitute one and the same document.

6.10 Entire Agreement. This Agreement contains the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements with

between the Parties regarding the subject matter hereof are hereby terminated with no continuing duties or obligations on the part of the other Party.

6.11 Paragraph Headings. The paragraph headings appearing in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, construe or describe the scope, interpretations or extent of such paragraph or in any way affect such paragraph or this Agreement. Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers.

6.12 Enforceability. Any provision of this Agreement, which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, not be effective to the extent of such prohibition, but such prohibition will not invalidate the remaining provisions hereof or affect the validity or enforceability of such provisions in any other jurisdiction.

7. This Agreement will be effective when all the parties have signed it. The date of this Agreement will be the date this Agreement is signed by the last party to sign it as provided in the signature block below.

8. The Franchisee and Personal Guarantor(s) acknowledge that they have carefully read the foregoing Agreement and know and understand the contents of this Agreement, have been represented by counsel, or had the opportunity to be represented by counsel, and sign this Agreement as their own free act, fully intending to be legally bound thereby.

IN WITNESS WHEREOF, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be executed as of the date provided below written with the full authority of the company principal they represent.

FRANCHISOR:

FRANCHISEE:

TEAM UP ENTERPRISES, LLC

_____, LLC/INC.

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

PERSONAL GUARANTOR(S):

By: _____
(print name)_____, personally

By: _____
(print name)_____, personally

Date: _____

Date: _____

By: _____
(print name)_____, personally

By: _____
(print name)_____, personally

Date: _____

Date: _____

**EXHIBIT "K"
TO THE FDD
SIGNING CHECKLIST**



Franchise Documents Signing Checklist

The following items need to be filled out, signed, or dated by the party indicated

1. When you receive the FDD

| DOCUMENT | PAGE OR SECTION NUMBER | INSTRUCTIONS | CHECK WHEN COMPLETED |
|---|---|---|----------------------|
| FDD Receipt pages | (last 2 pages of the entire FDD packet) | There are two receipt pages at the very end of the FDD. You must sign and date <u>both</u> copies. You will keep the copy labeled "Franchisee Copy" and return the other copy ("Franchisor Copy") to the franchisor ("Team Up"). | _____ |
| Prospective Franchisee Deposit Agreement (if applicable) | Exhibit I (pages 1-4) | If the franchisor allows you to reserve a territory before signing the Franchise Agreement, you need to sign this agreement. 1. On the first page, you will fill out the date and your name or your company's name if you will have a company be the franchisee. 2. Fill in your or your company's contact information on page 2. 3. You and the franchisor will fill out page 4. | _____ |

2. When you sign the Franchise Agreement and other documents

| DOCUMENT | PAGE OR SECTION NUMBER | INSTRUCTIONS | CHECK WHEN COMPLETED |
|---------------------|------------------------|--|----------------------|
| Franchise Agreement | (page 1) | Fill in the franchisee name | _____ |
| Franchise Agreement | (page 3) | In first paragraph fill in date and franchisee name. | _____ |
| Franchise Agreement | (page 40) | Fill in the franchisee name, address, and email | _____ |

| | | | |
|---|-----------------------------|---|---|
| Franchise Agreement | (page 48) | <p>1. If the franchisee is an entity, (1) fill in the entity name on the line before LLC/INC., and have the president, manager, etc. sign on behalf of the entity.</p> <p>2. If there is no entity, the franchisee will sign on the lower lines and print his or her name on the line before “personally.”</p> | — |
| Territory | Exhibit A-1 (page 49) | If the premises is not already known, this will be filled out and initialed later. | — |
| Company Reps. and Warranties | Exhibit A-2 (page 50-51) | The franchisee must fill in the appropriate fields, date, and sign. | — |
| Brand Protection Agreement for Principals | Exhibit A-4 (page 54-58) | Each owner and principal manager of the franchisee must fill out and sign and date a separate form. | — |
| Employee Brand Protection Agreement | Exhibit A-5 (page 59-62) | <p>All your management level employees need to fill out and sign separate non-compete agreements.</p> <p>1. On the first page, the management employee will fill in the date the document is signed and will list you or your company as the franchisee, and the employee will fill in their address.</p> <p>2. Each of your management employee must sign this document.</p> | — |
| Landlord’s Consent to Assignment | Exhibit A-6 (page 63) | Landlord fills in the blanks, dates, and signs. | — |
| ACH Agreement | Exhibit A-7 (page 64) | This must be filled out with all the appropriate bank information and signed. | — |
| Guaranty of Assumption of Obligations | Exhibit A-8 (page 65-66) | Franchisee must fill in the date, the name of its entity and the date of the franchise agreement on the first page. The owners of the franchisee must sign the second page and each of their signatures must be notarized. | — |
| Digital and Social Media Authorization for Assignment | Exhibit A-9 (page 67-68) | Franchisee and franchisor must sign this. | — |

3. Exhibits to the FDD

| DOCUMENT | PAGE OR SECTION NUMBER | INSTRUCTIONS | CHECK WHEN COMPLETED |
|-------------------------------------|------------------------|--|----------------------|
| Statement of Prospective Franchisee | Exhibit – B | The franchisee must fill in, initial, sign, and date where indicated. | — |
| Form Release Agreement | Exhibit – J | This does <u>not</u> get signed at the time of signing the franchise agreement. This agreement or a form thereof will only be signed upon the termination, non-renewal or transfer of the franchise. | — |

4. Items to complete after you sign the franchise agreement.

| DOCUMENT | INSTRUCTIONS | CHECK WHEN COMPLETED |
|-------------------------------|---|----------------------|
| Proof of insurance | The franchisee must get and maintain insurance and provide proof of insurance that lists the franchisor as an additional insured. The franchisee must provide this annually . | — |
| Franchisee's d.b.a. | In the state where your franchise is located, you need to file for a dba or "doing business as" under the name "Team Up _____." The blank line will be the city or neighborhood where your franchise is located or as assigned by the franchisor. For example, if your franchise is located in Irvine, California, your filed dba could be "Team Up – Irvine." The franchisor must approve your dba before you file it. You must send a copy of the dba filing to the franchisor after it is filed. Please note that a dba is different from your company name if you have a company that is the franchisee. Please note that also you <u>cannot</u> use the name "Team Up" as part of your company name. | — |
| Franchisee's entity documents | Articles of incorporation/organization along with bylaws or operating agreement sent to franchisor. | — |

State Effective Dates

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

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

| <u>State</u> | <u>Effective Date</u> |
|--------------|-----------------------|
| California | _____ |
| Hawaii | _____ |
| Illinois | _____ |
| Indiana | _____ |
| Maryland | _____ |
| Michigan | _____ |
| Minnesota | _____ |
| New York | _____ |
| North Dakota | _____ |
| Rhode Island | _____ |
| South Dakota | _____ |
| Virginia | _____ |
| Washington | _____ |
| Wisconsin | _____ |

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

RECEIPT
(Franchisee's Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Team Up Enterprises, 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.

If Team Up Enterprises, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator listed in Exhibit "F." Team Up Enterprises, LLC authorizes the respective state agencies identified on Exhibit "E" to receive service of process for it in the particular state.

The issuance date of this disclosure document is August 11, 2023.

Team Up Enterprises, LLC, is located at 350 N. 650 W., Kaysville, Utah 84037. Its telephone number is (801) 224-4418. The names, business addresses, and phone numbers of each franchise seller offering this franchise is as follows:

| Name | Address | Phone Number |
|------------|--------------------------------------|----------------|
| Jason Sant | 350 N. 650 W., Kaysville, Utah 84037 | (801) 837-0647 |
| Damon Sant | 350 N. 650 W., Kaysville, Utah 84037 | (801) 897-0405 |
| Ted Lucas | 350 N. 650 W., Kaysville, Utah 84037 | (801) 682-9707 |

I received a disclosure document dated August 11, 2023 that included the following Exhibits:

- | | |
|--|---|
| <ul style="list-style-type: none"> A. Franchise Agreement and Its Exhibits B. Statement of Prospective Franchisee C. Financial Statements D. Schedule of Franchisees E. List of Agents for Service of Process F. List of State Agencies Responsible for Franchise Disclosure and Registration Laws | <ul style="list-style-type: none"> G. Table of Contents for Operations Manual H. Multi-Unit Agreement I. Deposit Agreement J. Release Agreement K. Signing Checklist |
|--|---|

Date: _____
(Do not leave blank)

By: _____
(Signature)

Title: _____

Name: _____
(Print name)

Please keep this copy for your records.

RECEIPT
(Franchisor's Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Team Up Enterprises, 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.

If Team Up Enterprises, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator listed in Exhibit "F." Team Up Enterprises, LLC authorizes the respective state agencies identified on Exhibit "E" to receive service of process for it in the particular state.

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|--|---|

Date: _____
(Do not leave blank)

By: _____
(Signature)

Title: _____

Name: _____
(Print name)

If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt by mailing it to Team Up Enterprises, LLC at 350 N. 650 W., Kaysville, Utah 84037, or by emailing a copy of the signed and dated receipt to franchise@teamupathletics.com.