

## FRANCHISE DISCLOSURE DOCUMENT



Team Up Enterprises, LLC  
a Utah limited liability company  
350 N. 650 W.  
Kaysville, Utah 84037  
(801) 224-4418  
franchise@teamupathletics.com  
<http://www.teamupathletics.com>

As a Team Up Athletics® franchisee, you will operate a home-based, 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 \$51,500 to \$129,500. This includes the \$35,000 to \$65,000 that must be paid to the franchisor or its affiliates.

We may also allow you to be awarded franchises in packs of between 2 and 5 franchises. The total investment necessary to begin operation of a 2-pack to 5-pack franchise is \$99,500 to \$483,500. These amounts include the \$66,500 to \$161,000 that must be paid to the franchisor or its affiliates.

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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.



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

Issuance Date: September 16, 2025

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit “C.”
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit “B” includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Team Up Athletics® business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a Team Up Athletics® franchisee?</b>	Item 20 or Exhibit “C” lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need to Know About Franchising Generally

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

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

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

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

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

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

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

### Some States Require Registration

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

**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.

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

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

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

**Unregistered Trademark.** The primary trademark that you will use in your business is not federally-registered. If the Franchisor's ability to use this trademark in your area is challenged, you may have to identify your business and its products/services by a different name. This change can be expensive and may reduce brand recognition of the product and services you offer.

**Mandatory Minimum Payments.** You must make mandatory royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

**Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both you and

your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

**STATE REGULATIONS  
FOR THE STATE OF MICHIGAN**

**(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY  
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents under a franchise:

1. A prohibition on the right of a franchisee to join an association of franchisees.
2. A requirement that a franchisee assent to a release, assignment notation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
3. A provision that permits a franchisor to terminate a franchise before the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure failure after being given written notice thereof and a reasonable opportunity, which in no event need to be more than 30 days, to cure failure.
4. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area after to the expiration of the franchise or the franchisee does not receive at least 6 months' advance notice of franchisor's intent not to renew the franchise.
5. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
6. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

7. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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

b. The fact that the proposed transferee is a competitor of the franchisor or sub franchisor.

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

d. The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

8. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchisor for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

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

Any questions regarding this notice may be directed to the following address:

Michigan Attorney General's Office  
Consumer Protection Division  
525 W. Ottawa Street  
Lansing, MI 48909  
Telephone: (517) 373-7117



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### EXHIBITS

- A. Franchise Agreement and its Exhibits
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- C. Schedule of Franchisees
- D. List of Agents for Service of Process
- E. List of State Agencies Responsible for Franchise Disclosure and Registration Laws
- F. Table of Contents for the Operations Manual
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### 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 “D.”

##### 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 awarding 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 home-based, 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.

## Multi-Unit Franchise Packages

If you are awarded a multi-unit franchise package, you will enter into a separate multi-unit agreement (see Exhibit “G”). Under the multi-unit agreement, you will be required to open at least 1 unit per year until you have developed the total number of units purchased.

For any multi-unit franchise award, 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. You will primarily sell to schools, clubs, leagues, municipalities, universities, and corporate teams. The business is a year-round business, and not seasonal, as different sports are played throughout the year.

## 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 franchise business. You should also be aware of federal, state, and local environmental laws about the disposal of waste materials and packaging. Some jurisdictions have passed laws that require businesses to pay their employees a higher minimum wage than what is required under federal law, which laws may disproportionately affect franchised businesses.

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](http://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 for determining 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.

### 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 for a standard franchise with a territory that includes up to 30,000 high school students. 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.

### Super Franchises

If available, you may be awarded a larger franchise territory referred to as a “super franchise.” The initial franchise fees for super franchises are listed below. Super franchise territories must be contiguous. If you want to be awarded any non-contiguous territories, you must purchase a multi-unit franchise package described later in this Item 5.

<b>Territory Size</b>	<b>Franchise Fee</b>
30,000 to 40,000 high school students	\$45,000
40,000 to 50,000 high school students	\$55,000
50,000 to 60,000 high school students	\$65,000

### Additional Franchise Awards

During the term of your franchise, you may be awarded additional franchises for the reduced franchise fee of 10% off the then-current franchise fee, and you must sign our 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 award you another franchise.

### Multi-Unit Agreement (Optional)

Qualified franchisees may be awarded multiple franchises upfront. If you are awarded a multi-unit franchise package, you must pay the initial franchise fees for each unit or territory in the package awarded 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 in the chosen multi-unit franchise package. You must sign a separate franchise agreement for each territory/unit.

<b>Franchise Package</b>	<b>Multi-Unit Franchise Fee</b>
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 “H”) to reserve a territory for up to 30 days. The non-refundable deposit fee is 10% of the initial franchise fee or multi-unit agreement, which is applied to the initial franchise fee if you are awarded 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.

### 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**

<b>TYPE OF FEE</b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Referral Fee <sup>1</sup>	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 for orders made within 90 days of the referral. 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. The 90-day time limit does not apply to the 5% referral fee for national accounts.
Territory Relocation Fee <sup>1,4</sup>	\$20,000	Upon demand	Paid at the time We approve the relocation
Successor Franchise Fee <sup>1</sup>	\$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 <sup>1</sup>	5% of gross sales (\$500 per month minimum after your first 6 months in operation)	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.
Marketing Fund Fee <sup>1,5</sup>	Up to 2% of gross sales (if implemented by us)	Payable monthly to be received by the 5th day of the following month	See Note 5.

Late Charges <sup>1,4</sup>	\$25 per day (up to a maximum of 2x the total amount owing per instance, per late payment and up to \$500 per late report)	Payable with royalty or on demand	Charges begin to accrue after the due date of any required payment or report.
Non-Sufficient Fund Fees <sup>1,4</sup>	\$50 per bounced check or insufficient or disputed draft	Payable with royalty or on demand	If this fee is higher than what is allowed under state law, the fee will be reduced to the maximum allowed by state law (see state specific addendum)
Interest on Late Fees and Reports <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	Cost of audit	On billing	Payable only if an audit shows an understatement of 2% or more of gross sales for the period audited, or if records are unorganized or unavailable.
Website and SEO Fee <sup>1,4</sup>	Currently, \$250 per month	Payable with royalty or on demand	This fee is to cover the cost of maintenance and SEO for the brand's website and your sub-domain. This fee is subject to change and will be updated periodically in our manuals to account for increased costs and new technologies, if applicable. This fee will be counted towards the \$5,000 you are required to spend 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 (cumulative during the term of the franchise agreement).
Technology Fee	Currently, \$0	Monthly	This fee is for use of our designated technology suite and will be updated periodically in our manuals to account for increased costs and new technologies, if applicable. We may implement this fee upon 30 days'

			written notice to you. We may charge up to \$499 per month as a technology fee during the initial term of the franchise agreement.
New Operating Principal or New Manager Training <sup>1,4</sup>	\$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 of your attendees or our representatives.
Additional Training <sup>1,4</sup>	\$250 per day per person	Upon billing	Depending on advanced notice and our availability, you may request additional training. 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 also be required to pay all the travel, lodging, food, and other expenses of your attendees or our representatives for additional training.
Insurance Reimbursement Fee <sup>1,4</sup>	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 if you fail to do so, we have the right to obtain insurance on your behalf.
PCI and DSS Audit Reimbursement Fee <sup>1</sup>	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.
Conference Fee <sup>1</sup>	\$750 to \$1,500 per attendee	At time of registering for the conference or seminar	You will also be required to pay all travel, lodging, food, and other expenses for each of your attendees.



Interim Management Fee <sup>1,4</sup>	\$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 <sup>1</sup>	Actual costs	The amount of expenses is due within 30 days of evaluation.	Payable if you want to have unapproved suppliers evaluated for our approval and is required whether or not the requested supplier is approved.
Replacement Costs	Our costs, plus \$75 per hour for our time	Upon demand	If you fail to replace equipment, furniture, tools, etc., that is outdated, damaged, obsolete, etc., and we determine to replace those items for you.
Additional Copies of Marketing Materials <sup>1</sup>	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. This fee is payable to obtain additional copies of the sample marketing and promotional materials we originally sent.
Fees on Default <sup>1</sup>	Our costs associated with your default	On demand, as incurred	Paid in addition to other payments to us.
Post-Termination Fees and Damages	Actual costs	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	Average royalty from the previous 12 months multiplied by the lesser of 24 months or the remaining term of your franchise agreement	Within 10 days of 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. The amount will be reduced to the present value as of the date of termination using an annual interest rate of 5%.

Transfer Review Deposit	\$1,500	At the time of notice of a potential transfer	You must pay us this non-refundable deposit if you would like us to review a proposed transfer. If the transfer is approved, the deposit will be applied towards the transfer fee.
Transfer Fee <sup>1</sup>	\$7,500	At time of approved transfer	Payable when you sell your franchise, substantially all your assets, or a controlling interest in your franchise and prior to our signing any approval or new agreement. Owners who own at least 10% of the franchise must personally guarantee the franchise agreement for us to approve the transfer. Subject to state law.
Multi-Unit Agreement Transfer Fee	\$7,500	At time of approved transfer	Payable when you sell your multi-unit agreement and prior to our signing any approval or new agreement with the transferee. Transferees owning at least 10% of the franchise must personally guaranty the franchise agreement for us to approve the transfer.
Minority Interest Transfer Fee <sup>1</sup>	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. Transferees owning at least 10% of the franchise must personally guarantee the franchise agreement for us to approve the transfer. Subject to state law.
Transfer Training Fee <sup>1,4</sup>	\$250 per day per person	On demand	The transferee must pay this initial training fee to have us train the transferee and is responsible for the cost of travel, food and lodging of our representatives or its attendees.
Indemnification <sup>1, 2</sup>	Our damages and costs	As incurred or on demand	See Note 2.
Non-Compete Violations <sup>1,3</sup>	\$300 per day for each competing business	Upon demand	See Note 3.
Dispute Resolution Fees <sup>1</sup>	Our legal fees and costs if we prevail	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

<sup>1</sup> **Royalty and Fees.** Except as shown in the remarks column, all fees are uniformly imposed and payable to us; however, some of our first franchisees are under different royalty models that we explored when we were developing the system. However, we are no longer offering different royalty models. All fees payable to us or an affiliate are non-refundable.

<sup>2</sup> **Indemnification.** You must indemnify us from damages and costs related to 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 our willful misconduct, gross negligence, strict liability, or fraud.

<sup>3</sup> **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.

<sup>4</sup> **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.

<sup>5</sup> **Marketing Fund Fee.** If implemented by us upon 30 days' notice to you, we may charge a marketing fund fee. The marketing fund fee may be used by us for one or more national or regional marketing and brand development programs, as we choose. In addition, you must spend at least \$5,000 per year to advertise your franchise business locally.

## ITEM 7 ESTIMATED INITIAL INVESTMENT YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	LOW AMOUNT	HIGH AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial franchise fee <sup>1</sup>	\$35,000	\$65,000	Lump sum	Upon signing the franchise agreement	Us
Initial training <sup>2</sup>	\$1,000	\$3,000	As incurred	Prior to and during training	Airlines, hotels and restaurants
Computer hardware, and software <sup>3</sup>	\$1,000	\$3,500	As incurred	As negotiated	Suppliers
Vehicle <sup>4</sup>	\$0	\$30,000	As incurred	As negotiated	Suppliers
Miscellaneous opening costs <sup>5</sup>	\$2,000	\$3,000	As incurred	As incurred	Suppliers, government departments,

					utilities, etc.
Grand opening marketing <sup>6</sup>	\$2,500	\$5,000	As incurred	As negotiated	Suppliers
Additional funds <sup>7</sup>	\$10,000	\$20,000	As incurred	As incurred	Suppliers, employees, etc.
Total <sup>8</sup>	\$51,500	\$129,500			

## NOTES

<sup>1</sup> Initial Franchise Fee. The initial franchise fee is non-refundable, and we do not finance any portion of the fee. The low amount of the initial franchise fee is for our standard franchise territory with approximately 30,000 high school students. The high amount of the initial franchise fee is for a super franchise with 40,000 to 60,000 high school students.

<sup>2</sup> 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.

<sup>3</sup> Computer Hardware, and Software. Included in this estimate are the cost of computers, a printer, office phone, cell phone, and required software.

<sup>4</sup> Vehicle. You must have a vehicle to operate your franchise. Your vehicle must be in good condition and repaired with no external damage or unreasonable wear and tear, must accommodate the transportation and delivery of customer items, and must be approved by us. The low estimate assumes you already own a vehicle that would be approved by us to accommodate the transportation and delivery of customer items.

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> 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 or have a \$10,000 line of credit 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.

<sup>8</sup> 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 (2 to 5 Unit Development)**

We have included the estimated costs to develop 2 to 5 units.

<b>TYPE OF EXPENDITURE</b>	<b>LOW AMOUNT</b>	<b>HIGH AMOUNT</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
2 to 5 unit franchise <sup>1,2</sup>	\$99,500	\$483,500	As incurred	Part upon signing the multi-unit agreement and the remainder paid as each unit is developed	Us and suppliers

#### NOTES

<sup>1</sup> Multi-Units. The low amount is the estimate to open 2 standard franchises on the Item 7 table with a 2-pack initial franchise fee of \$66,500, and the high amount is the estimate to open 5 franchises based on the Item 7 table with a 5-pack initial franchise fee of \$161,000.

<sup>2</sup> Total. These figures are estimates for the development of 2 to 5 units. 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 may 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

### 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
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	All workers' compensation and employment insurance on your employees as 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. 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 from your purchase of insurance. We recommend you consult with your insurance agent prior to signing the franchise agreement. We have the right to

require that you obtain from your insurance company, and subsequently provide to us for our review, a report of claims made and reserves set against your insurance (commonly known as “loss runs”).

### 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. 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., Salt Lacrosse, LLC 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, 2024, we generated \$20,250 of revenue from franchisee purchases from designated sources. Our affiliate(s), did not derive revenue in the last fiscal year ending on December 31, 2024 from the sale of required products or services to our franchisees.

### 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, or if you would like us to consider alternative goods, and if that supplier or good meets the specifications and requirements of our system, at our discretion, we may approve that supplier to become an approved supplier or for that good in our system.

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 (or if an alternative good will be approved): 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 or to purchase an alternative good, 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 or good meets our specifications. You must reimburse us for our costs and 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 or good has been approved or disapproved. We may make changes or alterations in the standards and specifications for approving suppliers and alternative goods. 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.

#### 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 you based on your 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.**

	<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
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 4.3 and 4.4 and Paragraph 5.3.3	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 of the franchise agreement and Section 2.1 of the multi-unit agreement	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	Paragraph 6.1.2 and Section 8.6	Item 11
k.	Territorial development and sales quotas	Section 1.1 of the franchise agreement and Article 3 of the multi-unit agreement	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 of the franchise agreement and Article 9 of the multi-unit agreement	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 of the franchise agreement and Article 8 of the multi-unit agreement	Item 17
u.	Renewal	Section 2.2	Item 17
v.	Post-termination obligations	Section 12.1 of the franchise agreement and Article 6 of the multi-unit agreement	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 paragraphs 6.1.1, 6.1.10, 12.1.13, and 16.1 and Section 4.1 of the multi-unit agreement	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 search area and your territory [franchise agreement section 1.1].
- 2) We allow you to operate your franchise business from your home, so we do not approve a site for your franchise.
- 3)
- 4) We will provide you with general guidance regarding our standards for selecting a site, but 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].
- 5) Make available general written specifications for necessary equipment, opening inventory, supplies and other items listed in Item 8. Unless we are an approved supplier of an item and you purchase the item directly from us, we do not provide these items to you directly, but we do provide you with the names of the approved suppliers for these items. For purchase, delivery and installation, you are required to work directly with the manufacturer or supplier of these items. We do not assist in the delivery or installation of any of these items [franchise agreement section 7.2 and paragraph 8.1.1].
- 6) Provide you with the names of approved suppliers [franchise agreement section 7.2].
- 7) 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. [franchise agreement section 4.2 and 7.1].
- 8) 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 control 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 “F” to this disclosure document. Our operations Manual is in electronic format and is equivalent to approximately 96 pages [franchise agreement article IX].

### Commencing Operations

1) You must begin operations of your franchise business within 60 days of signing the franchise agreement and you must give us not less than 15 days prior written notice of the opening date [franchise agreement sections 4.2]. We do not generally own and lease or sublease properties to you.

### 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 is 30 to 60 days. Factors affecting this length of time usually include training and local ordinance compliance [franchise agreement article IV].

Failure to meet these deadlines for any reason may result in the termination of the franchise agreement without a refund. However, you may be granted an extension at our discretion if you demonstrate a good faith effort in complying with the deadlines [franchise agreement section 4.4].

### 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)].

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 business [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 [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 cannot 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 invest in new or updated equipment and technology at any time. 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 paragraph 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, discipline, scheduling, management, compensation, supervision, assignment of duties, work rules, safety, or working conditions of your employees. That is your responsibility. We may provide you with a sample employee guide or manual, but if we do, it will only be an example of certain employment matters that you may adopt or not. 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 participate in all marketing programs as directed by us and to use all materials, mediums, and other information made available to you in doing so.

We are not obligated to conduct advertising for the franchise system or to spend any amount on advertising in your territory, but we may provide you with samples of marketing materials, which may be developed by us in-house or by a third party such as an advertising agency, and we may provide you with new marketing techniques as developed [franchise agreement section 10.4].

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 and 10.3].

### Marketing Fund

Although under the terms of the franchise agreement we are not obligated to conduct advertising for the franchise system or to spend any amount on advertising in your territory, we have the right to maintain and administer a national advertising, marketing and development fund (referred to as the “marketing fund” in the franchise agreement) for local, regional or national marketing or public relations program as we, in our sole discretion, may deem necessary or appropriate to advertise and promote the franchise system [franchise agreement section 10.1].

If implemented by us, and upon 30 days’ written notice to you, you must contribute up to 2% of your gross sales per month to the marketing fund. We and our affiliates do not contribute to this fund. Any franchisees that signed a franchise agreement before we implemented this into our franchise agreements would not contribute to this fund, but all other franchisees since then would be required to contribute to the fund. Contributions by our franchisees to the marketing fund may not be uniform [franchise agreement section 10.1].

We are responsible for administering the marketing fund, but we are not a fiduciary or trustee of the marketing fund. We will direct all uses of the fund, with sole discretion over: 1) the creative concepts, materials, endorsements and media used (that may include television, Internet, social media, radio, print, and other media and marketing formats as developed over time, as funds permit); 2) the source of the marketing or public relation efforts (that may be in-house or through an outside agency located locally, regionally or nationally); 3) the placement, timing, and allocation of these programs (that may be local or regional); and 4) the composition of all geographic territories and market areas for the development and implementation of these programs [franchise agreement paragraph 10.1.1].

We are not required to spend any amount on marketing directly in the area or territory where you are located. We make no representations that expenditures to the marketing fund will benefit you

or any other franchisee directly, on a pro-rata basis, proportionally, or at all. Funds may be used to solicit additional franchisees, but this will not account for more than 10% of the fund [franchise agreement paragraph 10.1.2] We do not have any franchises that do not pay advertising fees [franchise agreement section 10.1.

#### Advertising Expenditures in the Last Fiscal Year

The marketing fund is unaudited. Once each calendar year, you may send us a written request to receive an unaudited annual report of marketing expenditures from the previous fiscal year but such written request cannot be made until after 90 days of our fiscal year end [franchise agreement paragraph 10.1.2]. During the 2024 fiscal year, we did not collect any market funds.

#### Advertising Council

No franchisee advertising council is anticipated at this time.

#### 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 and Social Media

We may allow you to place pre-approved information concerning your franchise business on our website or a subdomain, as developed by us. We will own the social media accounts related to the brand, but we may decide to provide you with access to the social media account for your location for certain management responsibilities and functions. You must follow our policies regarding use of the internet and social media related to the brand and your franchise business [franchise agreement sections 10.7 and 10.8].

#### Computer / Point of Sale System

We do not currently require that you have hardware for a POS system, but we must approve of the POS system that you use.

You must also have an office computer and a smartphone 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. All data collected or provided by you, downloaded from your POS system, or otherwise collected from you by us or provided to us, is and will be owned exclusively by us, and we have the right to use the data in any manner without compensation to you. We estimate the annual costs to maintain, upgrade, and support your computer and POS system to be \$500 to \$1,000 above any sort of subscription fees. 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].

### Loyalty Programs

You are required to participate in the loyalty, gift card, memberships, subscription, and coupon programs we develop. You are not allowed to implement any sort of loyalty, coupon, membership, gift card or subscription model without our prior written permission [franchise agreement paragraph 6.2.2(ii)].

### Accounting

You must use the accounting software and/or businesses designated by us, and we can require that we have independent view-only access to your account. We currently require you to use our designated accounting and bookkeeping firm and accounting system. Generally, this service is about \$150 a month for up to 50 transactions a month or \$1,800 a year. Additionally, you may use only the standardized profit and loss statement templates, balance sheet templates and charts of accounts as designated by us [franchise agreement paragraph 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 [franchise agreement paragraph 6.1.11(ii)].

### 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 within 60 days of signing the franchise agreement and 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 for the costs 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 between \$1,000 and \$3,000.

Below is a table listing the subjects taught and the amount of classroom and onsite training provided as part of the initial training.

### **TRAINING PROGRAM<sup>1</sup>**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On – The - Job Training</b>	<b>Location</b>
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
<b>Totals:</b>	<b>18-30</b>	<b>14-23</b>	

<sup>1</sup> 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 people 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.

<b>Trainers</b>	<b>Subject(s) Taught</b>	<b>Length of Experience in the Field</b>	<b>Length of Experience with the Franchisor</b>	<b>Experience Relevant to Subject(s) Taught and Franchisor's Operations</b>
Jason Sant	Sales, customer service and operations	Since 2017	Since 2021	Owner and operator of a Team Up business for 7 years; 12+ years of direct sales experience
Damon Sant	Operations, finance	Since 2019	Since 2021	Owner and operator of a Team Up business for 4 years; 8 years product management, operations, policies and procedures for various companies
Molly Sant	Inksoft, Proposals, Team Stores, Production	Since 2022	Since 2021	Instructor, system champion



Melissa Taua	Inksoft, Proposals, Quotes	Since 2022	Since 2022	Instructor, system champion
Ashton Hanks	Artwork, Design, mock- ups, etc.	Since 2021	Since 2021	Graphic designer, jersey design master
Kent McCashland	Sales, customer service and operations	Since 1990	Since 2017	Manufacturer/Vendor Sales Rep in multiple states
Kevin Flores	Screen Print/Artwork /Decoration	Since 2005	Since 2023	Lead Screen Printer
Brooke Gardner	Team Up Threads Orders	Since 2023	Since 2023	Data input, business management

#### Materials Provided at the Initial Training

We will provide access to our manuals during training and other handouts to facilitate training. All attendees to any training must sign a non-disclosure agreement acceptable to us before attending training [franchise agreement paragraph 6.1.4(iii)].

#### 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 receive 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 so long as you are in strict compliance with your franchise agreement.

### 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. The franchise is for operation within a territory and not just for a specific location.

### 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. Standard franchise territories will generally have at least 30,000 high school students within the territory and super franchise territories may have up to 60,000 high school students.

### 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 the approximate number of high school students you had in the territory when you were awarded your franchise.

### 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 territory. 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, you must pay us a territory relocation fee of \$20,000. 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 try to broker the sale of your franchise. You are also allowed to sell your franchise to an approved buyer during this time. If we broker the sale of your franchise, we will be entitled to a fee equal to 10% of the sales price to compensate us for time and expenses to broker the sale of 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 we have not 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.

#### 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 referral fee of 5% of the gross sales of orders made by customers that you refer to other franchisees or to us. Additionally, you will pay a referral fee 5% of the gross sales for orders made by customers referred to you by us, our affiliates, or other franchisees. This fee is incurred for all orders made within 90 days of the referral. The referral fee will be paid to us, and we will pay that amount to the referring franchisee, if applicable.

## National Accounts

We reserve the right to sell, market and distribute the Team Up Athletics® products services to national accounts in your territory. If we or our affiliates service a national account in your territory, no compensation is due to you. We also reserve the right to allow you to manage a national account in your territory. If we allow you to manage a national account that we or our affiliate referred to you, you will pay us a referral fee equal to 5% of gross sales on orders placed under that account. 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.

## Multi-Unit Agreements

If you are awarded a multi-unit franchise package, you will enter into a separate multi-unit agreement with us. Under the multi-unit agreement, you are not granted any sort of reserved development area for the development of the franchises awarded. However, you will be granted the applicable territorial protection once you sign a franchise agreement for the applicable territory.

As part of the multi-unit agreement, you will pre-pay for the number of territory purchased. However, you will only designate the territory once you sign a franchise agreement for the applicable territory.

You will have up to 5 years from signing your first franchise agreement to open each of your awarded units, but you must develop at least 1 unit each year. After the term ends, you will forfeit any unused/unopened franchise licenses you have purchased including any portion of the multi-unit fee paid for those undeveloped franchises.

The multi-unit agreement terminates once you develop your last unit to be developed or upon your breach and failure to timely cure. Upon termination, you will cease to have any ongoing development rights.

## 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 Holdings LLC and us in 2022, we were granted the right to use and sublicense the trademark for 50 years, which license will automatically renew for one-year terms up to 25 additional 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 the mark has not been registered, but we claim common rights in the mark. 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 principal 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](http://www.teamupathletics.com); [www.teamupsports.team](http://www.teamupsports.team); [www.team-up.shop](http://www.team-up.shop); [www.team-up.team](http://www.team-up.team); and [www.teamupsports.shop](http://www.teamupsports.shop). You may not register or own a domain name, social media account, email account, etc., using our trademark or any derivative of our trademark in a domain name, and you may not create or register any domain name, social media, email, etc., in connection with your franchise business or the franchise system without our prior written permission.

### Use of the Trademark

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, or we require you to use a different trademark.

### 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 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 have the right to control any administrative proceedings or litigation involving the trademarks, and you must proceed in strict coordination and oversight by us. We will have the discretion to take the action we deem appropriate. The franchise agreement does not require us to take any affirmative action when we are notified of such uses or claims.

If you use our trademarks in accordance with the franchise agreement, 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 (consequential damages include but are not limited to damages such as 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 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 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. If so, we claim copyright protection on all such items.

You must modify or discontinue the use of any copyright, at your cost, if we modify or discontinue it, at our reasonable discretion.

#### Proprietary Information

You can use the proprietary information in our manuals but only in connection with the system and only during the term of your franchise agreement. 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 Holdings 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, or challenge to your use of any of our other proprietary information. The franchise agreement does not require us to take any action when we are notified of such uses or claims, but we 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.

### Government Determinations Regarding Patents and Copyrights

There are presently no effective determinations by the United States Patent and Trademark Office, the United States Copyright Office, or any court regarding a patent or trademark. There are no agreements currently in effect that significantly limit our rights to use or license the use of any patent or copyright.

### Infringing Uses

There are presently no known infringements of the copyrights or patents.

## **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 be your primary point of contact with us and 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, spouses of owners, 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. 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 respective 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.

#### Multi-Unit

If you have a multi-unit agreement and are a legal entity, you are required to designate one of your owners as your operating principal. Your operating principal will be principally responsible for communicating and coordinating with us regarding business, operational and other ongoing matters concerning the multi-unit agreement and all the units that you develop as part of the multi-unit agreement. Your operating principal will have the full authority to act on your behalf in regard

to performing, administering or amending the multi-unit agreement and all franchise agreements executed as a result of your exercising your rights under the multi-unit agreement. The operating principal may be the same person as the operating principal of one of your units.

## **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.**

	<b>Provision</b>	<b>Section in Franchise or other Agreement</b>	<b>Summary</b>
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	In order to renew, you must, among other things, not be in default, pay a successor franchise fee, modernize your franchise business to our 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).  You are required to give us notice of your intent to renew between 6 and 12 months

			<p>prior to the expiration of your franchise agreement (subject to state law).</p> <p>If at the time for renewal we are not offering franchises in the U.S. or cannot by law offer a renewal franchise to you, your existing franchise agreement will be extended for a one-year period. If, at the end of the one-year extension we still are not or cannot offer a renewal franchise to you, the franchise agreement will automatically expire, and you will not have any further renewal or extension rights.</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-L	You have between 5 and 30 days to cure certain material defaults of the franchise agreement.
h.	"Cause" defined - non-curable defaults	Paragraphs 11.1 M-V	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 your assets, etc.
l.	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	<p>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.</p> <p>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 your rights and interests in and under the franchise agreement and your franchise business at fair market value.</p>
p.	Death or disability of franchisee	Section 14.10	Within 180 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 a 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

			<p>Athletics® business (including after assignment).</p> <p>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.</p>
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). No provision in the franchise agreement is intended to disclaim the 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 applicable 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).

### Multi-Unit Agreement

	Provision	Multi-Unit Agreement	Summary
a.	Length of the multi-unit agreement	Section 3.1 & Schedule 1	The term of the agreement will be 1 year per unit that you commit to open. For example, if you commit to open 5 units, the term of the multi-unit agreement will be 5 years.
b.	Renewal or extension of the term	Not Applicable	
c.	Requirements for developer to renew or extend	Not Applicable	
d.	Termination by developer	Not Applicable	Rights to terminate are subject to state laws.
e.	Termination by franchisor without cause	Not Applicable	We must have cause to terminate the multi-unit agreement.
f.	Termination by franchisor with cause	Section 6.1	We can terminate only if you are in default of your agreement.
g.	“Cause” defined – curable defaults	Paragraphs 6.1.2 and 6.1.3	You have 30 days to cure certain other material defaults of the area development agreement.
h.	“Cause” defined – non-curable defaults	Paragraph 6.1.1 (1 – 6) and Section 6.2	Non-curable defaults: insolvency, repeated defaults even if cured, abandonment, your obligations under the multi-unit agreement; if you, for 30 consecutive days, or any shorter period that indicates an intent by you to discontinue your development of units, and termination of any of your franchise multi-unit agreements, etc.
i.	Developer’s obligations on termination/non-renewal	Section 7	You may continue as a franchisee pursuant to your signed franchise agreements.
j.	Assignment of contract by franchisor	Article 8	No restrictions on our right to assign
k.	“Transfer” by developer - defined	Article 8	Includes assignment and transfer of contracts, security interests and ownership change

	<b>Provision</b>	<b>Multi-Unit Agreement</b>	<b>Summary</b>
l.	Franchisor approval of transfer by developer	Article 8	We have the right to approve all transfers but will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Article 8	You are not in default, the transferee is trained and signs the then-current multi-unit agreement, and a release signed by you.
n.	Franchisor's right of first refusal to acquire developer's business	Article 9	We can match any offer for your business within 30 days of written notice to us of the offer.
o.	Franchisor's option to purchase franchisee's business	Not Applicable	
p.	Death or disability of developer	Article 8	The heirs or personal representative will have the right to continue to fulfill your multi-unit obligations under the agreement; provided that a personal representative be approved or multi-unit agreement must be assigned to an approved buyer within a reasonable time, not to exceed 160 days. (Subject to state law).
q.	Non-competition covenants during the term of the multi-unit agreement	Article 9	No involvement in a competing business. Non-competition provisions are subject to state law.
r.	Non-competition covenants after the developer is terminated, transferred or expires	Article 9	No competing business for 3 years within 50 miles of another then-existing Team Up Athletics® franchise or company or affiliate owned business (including after assignment). If you compete within the restricted period, then this non-compete period will be tolled and extended for the period of your competition. Non-competition provisions are subject to state law.

	Provision	Multi-Unit Agreement	Summary
			For a period of 3 years from termination, transfer, or expiration of your multi-unit agreement, you cannot divert or attempt to divert any business or customer from us, an affiliate, or our franchisees, or injure our goodwill.
s.	Modification of the agreement	Article 9 of the multi-unit agreement and Section 20.11 of the franchise agreement	Modifications must be made in writing and signed by both parties; policies and procedures are subject to change by us.
t.	Integration / merger clause	Article 9 of the multi-unit agreement and Section 20.10 of the franchise agreement	Only the terms of the multi-unit agreement are binding (subject to state law). All representations and promises outside the disclosure document and multi-unit development agreement may not be enforceable. No provision in the multi-unit agreement is intended to disclaim the express representations made in this franchise disclosure document.
u.	Dispute resolution by arbitration or mediation	Article 9 of the multi-unit agreement and Section 17.2 of the franchise agreement	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	Article 9 of the multi-unit agreement and Section 19.2 of the franchise agreement	Arbitration must be in Salt Lake City, Utah. Litigation, if any, must be in Salt Lake City, Utah (subject to state law – see state specific addenda).
w.	Choice of Law	Article 9 of the multi-unit agreement and Section 19.1 of the franchise agreement	Utah law, the Federal Arbitration Act and the United States Trademark Act apply (subject to state law – see state specific addenda).

## 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** **2024**

The table below represents an historic performance representation of company-owned Team Up Athletics® outlets from 2017 to 2024. We did not have any other company-owned outlets during this time, and we sold our only company-owned outlet in June of 2024.

<b>Year</b>	<b>Location/Territory</b>	<b>Gross Sales</b>
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
2023	Davis County, Utah	\$801,363.54
2024 <sup>1</sup>	Davis County, Utah	\$803,331

<sup>1</sup>This outlet was sold to a franchisee in June of 2024, and we do not currently have any affiliate-owned outlets.

[Item 19 continues on the following page]

**FRANCHISE-OWNED OUTLETS**  
(Operated for a full 12 months in 2024)

**2024**

The table below represents an historic performance representation of our 15 franchise-owned outlets that operated for all of 2024. We have an additional 7 franchise-owned outlets that are not listed in the table below because they did not operate for a full 12 months in 2024.

<b>Territory</b>	<b>Year</b>	<b>Gross Sales</b>	<b>Gross Profit</b>	<b>Gross Profit Margin</b>
001 - UT-Davis <sup>1</sup>	2024	\$803,331.66	\$286,328.78	36%
015 - UT-Logan	2024	\$310,867.08	\$66,656.98	21%
002 - UT-SLC <sup>2</sup>	2024	\$231,772.01	\$115,568.64	54%
003 - UT-Alpine <sup>2</sup>	2024	\$231,772.01	\$115,568.64	54%
006 - UT-Red Rock <sup>2</sup>	2024	\$231,772.01	\$115,568.64	54%
005 - UT-Weber	2024	\$215,012.86	\$71,649.02	33%
004 - UT-Uintah	2024	\$190,753.50	\$45,886.69	24%
007 - UT-Provo <sup>3</sup>	2024	\$147,517.78	\$66,714.62	45%
008 - UT-Central <sup>3</sup>	2024	\$147,517.78	\$66,714.62	45%
010 - ID-Central	2024	\$89,139.75	\$37,781.04	42%
011 - WI-Green Bay	2024	\$82,869.34	\$15,937.31	19%
009 - UT-Granite	2024	\$79,014.56	\$27,180.73	28%
014 - CO-Denver/Aurora	2024	\$24,387.41	\$22,405.31	92%
012 - CO-Fort Collins <sup>4</sup>	2024	\$22,158.23	\$7,912.96	36%
013 - TX-Denton <sup>4</sup>	2024	\$1,059.02	\$423.60	40%

<sup>1</sup> This outlet was sold to a franchisee in June of 2024.

<sup>2</sup> These 3 territories are owned by the same franchisee. The books for these 3 territories were combined in 2024, so the franchisee took the total gross sales for all 3 territories and divided that total (\$695,316.03) by 3 to calculate the 2024 totals for its 3 territories.

<sup>3</sup> These 2 territories are owned by the same franchisee. The books for these 2 territories were combined in 2024, so the franchisee took the total gross sales for the 2 territories and divided that total (\$295,035.56) by 2 to calculate the 2024 totals for its 2 territories.

<sup>4</sup> These franchises were operational for all of 2024, but these franchisees did not work the business on a full-time basis.

[Item 19 continues on the following page]

### January 2025 through May of 2025

The table below represents an historic performance representation of our 22 franchisees that operated from January 1, 2025 through May 31, 2025. We have 7 franchisees that are not listed in the table below because they did not operate for the entire period of January 1, 2025 through May 31, of 2025.

<b>Territory</b>	<b>Jan – May 2025</b>	<b>Gross Sales</b>	<b>Gross Profit</b>	<b>Gross Profit Margin</b>
001 - UT-Davis	2025	\$473,727.41	\$137,340.98	29%
015 - UT-Logan	2025	\$220,994.19	\$56,998.32	26%
002 - UT-SLC	2025	\$145,174.00	\$115,568.64	54%
003 - UT-Alpine	2025	\$128,779.43	\$18,162.36	14%
005 - UT-Weber	2025	\$103,000.67	\$26,581.50	26%
009 - UT-Granite	2025	\$98,769.89	\$27,881.33	28%
008 - UT-Central	2025	\$87,722.35	\$44,311.59	51%
011 - WI-Green Bay	2025	\$78,475.48	\$3,923.77	12%
022 - WV, Ohio Valley	2025	\$69,240.00	\$35,380.66	51%
007 - UT-Provo	2025	\$59,127.75	\$28,164.29	48%
019 - MA-Boston	2025	\$49,271.50	\$23,894.43	48%
006 - UT-Red Rock	2025	\$47,297.72	\$30,381.00	64%
014 - CO-Denver/Aurora	2025	\$41,600.37	\$15,496.96	37%
021 - CO-Denver North <sup>1</sup>	2025	\$41,600.37	\$15,496.96	37%
017 - AZ-Tucson	2025	\$35,166.06	\$6,218.52	18%
016 - KS-Kansas City	2025	\$28,149.09	\$13,636.84	48%
010 - ID-Central	2025	\$22,503.55	\$16,488.81	73%
004 - UT-Uintah	2025	\$21,481.77	\$5,040.00	23%
020 - FL, Jacksonville	2025	\$20,969.70	\$6,339.50	31%
012 - CO-Fort Collins <sup>2</sup>	2025	\$7,281.65	\$(666.49)	-9%
018 - UT-Canyons <sup>1</sup>	2025	\$5,055.00	\$0	0%
013 - TX-Denton <sup>2</sup>	2025	\$0	\$0	0%

<sup>1</sup> These 2 territories are owned by the same franchisee. The books for these 2 territories were combined in 2025, so the franchisee took the total gross sales for the 2 territories and divided that total (\$83,200.74) by 2 to calculate the Jan-May 2025 totals for its 2 territories.

<sup>2</sup> These franchises were operational for all of 2025, but the franchisees have only worked sparingly on the business.

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

#### Notes

1. Gross Sales. 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. Gross Profit. Gross profit means pre-taxed revenue less COGS. These figures do not list all expenses.
3. Gross Profit Margin. Gross profit margin is calculated by dividing the gross profit by the gross sales.
4. Company-owned Outlet. Our company-owned outlet operated from a showroom but otherwise did not differ materially to the characteristics of our franchise-owned outlets. Our affiliate offered products and services similar to what our franchisees offer and followed the same Team Up Athletics® system that our franchisees are required to follow.
5. Franchises. The franchises reflected in the tables above operate from their homes.
6. Other Expenses. 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.

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](mailto: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 2022 to 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	5	+5
	2023	5	14	+9
	2024	14	25	+11
Company Owned	2022	1	1	+0
	2023	1	1	+0

	2024	1	0	-1
Total Outlets	2022	1	6	+5
	2023	6	15	+9
	2024	15	25	+10

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners**  
**(other than the Franchisor)**  
**For Years 2022 to 2024**

State	Year	Number of Transfers
Utah	2022	0
	2023	1
	2024	0
Total	2022	0
	2023	1
	2024	0

**Table No. 3**  
**Status of Franchised Outlets**  
**For Years 2022 to 2024**

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
Arizona	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Colorado	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	3	0	0	0	0	5
Florida	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Idaho	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Kansas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

	2024	0	1	0	0	0	0	1
Massachusetts	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Michigan	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Ohio	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Texas	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Utah	2022	0	5	0	0	0	0	5
	2023	5	5	0	0	0	1	9
	2024	9	1	0	0	0	0	10
West Virginia	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Wisconsin	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Total	2022	0	5	0	0	0	0	5
	2023	5	10	0	0	0	1	14
	2024	14	11	0	0	0	0	25

**Table No. 4**  
**Status of Company-Owned Outlets<sup>2</sup>**  
**For Years 2022 to 2024**

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	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	1	0	0
Total	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	1	0	0

**Table No. 5**  
**Projected Openings as of December 31, 2024**

<b>State</b>	<b>Franchise Agreements Signed But Outlet Not Opened</b>	<b>Projected New Franchised Outlet In The Next Fiscal Year</b>	<b>Projected New Company-Owned Outlet In the Next Fiscal Year</b>
Florida	3	0	0
Idaho	1	0	0
Illinois	2	0	0
Missouri	0	3	2
North Carolina	1	0	0
Oklahoma	0	1	0
Pennsylvania	1	0	0
Tennessee	0	1	0
Texas	1	3	0
<b>Total</b>	<b>9</b>	<b>8</b>	<b>2</b>

#### List of Franchisees

Exhibit “C” 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, 2024, December 31, 2023, and December 31, 2022, and our unaudited interim financials dated July 31, 2025 are attached as Exhibit “B.” 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; including Exhibit “A-10” as the Franchisee’s Report; as Exhibit “G,” the Multi-Unit Agreement; as Exhibit “H,” the Deposit Agreement; and as Exhibit “I,” 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](mailto: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 at least 14 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 14 days prior to the receipt of any consideration, whichever occurs first, a copy of the disclosure document, together with a copy of all proposed agreements relating to the sale of the franchise.
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. This provision may not be enforceable under California law. You may want to consult an attorney to understand the impact of out-of-state governing law on the franchise agreement.
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](http://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](http://www.dfpi.ca.gov)

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

**13. 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.

14. California's Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

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

16. Franchisees owning 10% 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.

17. 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., 2<sup>nd</sup> 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 \_\_\_\_\_

## **ADDENDA TO THE FDD FOR THE STATE OF ILLINOIS**

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor or its affiliates.

Illinois law governs the franchise agreement(s).

ITEM 5 of the Disclosure Document is amended to add the following: Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

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

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

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

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

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

## **STATE REGULATIONS FOR THE STATE OF INDIANA**

Notwithstanding anything to the contrary set forth in the disclosure document, the following provisions shall apply to all franchises offered and sold in the State of Indiana:

1. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, shall apply to the franchise agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

2. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the disclosure document and franchise agreement are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

“Notwithstanding any such termination, and in addition to the obligations of the Franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the Franchisee nevertheless shall be, continue and remain liable to Franchisor for any and all damages which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired Term of the Franchise Agreement.

At the time of such termination of the Franchise Agreement, the Franchisee covenants to pay to Franchisor within 10 days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney’s fees) incurred by Franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the Franchisee’s right to a trial on any of the above matters.”

3. No release language set forth in the disclosure document or franchise agreement, shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

4. To the extent required by the franchise laws of the State of Indiana, the franchise agreement will be construed in accordance with the franchise laws of the State of Indiana.

5. The provisions of the franchise agreement pertaining to litigation jurisdiction and venue shall be amended to be within the scope of the requirements of the Indiana Franchise laws.

## **STATE FDD ADDENDUM FOR THE STATE OF MARYLAND**

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

- The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its rights to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legal enforceable.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law.
- No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.



## **STATE REGULATIONS FOR THE COMMONWEALTH OF VIRGINIA**

By statute under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right give to him by any provision contained in the franchise. Accordingly, the Division requests that the franchisor add a Virginia Addendum to the FDD containing the following statements:

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

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Team Up Enterprises, LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following statements are added to Item 17.h:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement and area developer agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the franchise agreement and area developer agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

**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)

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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 ATHLETICS® 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 or have been licensed 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 high school 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 not result in You having less than the approximate number of high school students in Your Territory as listed on Exhibit "A-1".

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. You cannot operate any other business other than the Franchise Business at Your business premises.

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 or affiliate-owned territory, but You may Market and sell products and services outside of Your Territory if such territory has not been granted to another franchisee or is within Our affiliate's territory. 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 on any orders made by that referred customer made within 90 days of the referral. Additionally, You shall pay a referral fee of 5% of Gross Sales for orders made within 90 days 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. The 90-day time limit does not apply to the 5% referral fee for National Accounts.

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. If We or Our affiliates service a National Account in Your Territory, no compensation is due to You. We also reserve the right to allow You to manage a National Account in Your Territory. If We allow You to manage a National Account that We or Our affiliate referred to You, You shall pay Us a referral fee equal to 5% of Gross Sales on orders placed under that account. 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. 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 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 sign 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 (existing at that time) 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. You must sign and return to Us the Successor Franchise Agreement at least 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. **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 Update Your Franchise Business 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 Updates 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 business location through the Successor Franchise term(s) unless We give written permission to relocate Your premises.

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.

2.2.7 Unable to Offer Successor Franchise. Notwithstanding the preceding paragraphs of this Section, if at the time You provide Your notice of desire to enter into a Successor Franchise Agreement, We are no longer offering franchises in the United States, or We are not able by law to offer a successor agreement to You, then this Agreement will automatically be extended for a period of one year. If at the end of the one-year extension We are still not offering franchises in the United States, or We are unable by law to offer a successor franchise to You, this Agreement will automatically terminate unless further extended by mutual consent, which consent We can withhold for any reason.

### **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 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.

**3.3.1 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.

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

**3.3.3 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.

**3.3.4 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, abbreviation, acronym, or phonetic or visual variation of the Marks, 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.

**3.4 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 Copyright Materials except as allowed under this Agreement.

3.5 Infringement. We are not required to take any affirmative action when We are notified of such uses or claims, but We agree to indemnify You against and to reimburse You for all direct damages (but not consequential damages, which consequential damages include loss of revenue and/or profits, etc.), 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. You agree to execute any and all documents and do such acts and things as may, in the opinion of Our counsel, be necessary to carry out such defense or prosecution. If We fail to undertake action within a reasonable time after receipt of Your notice regarding any such claim, demand or suit, then You may, with Our prior written consent, undertake the defense of any such proceeding and will do so in strict coordination and oversight with Us. You shall not do any act or make any claim which is contrary to or in conflict with Our rights in Our Confidential Information or Intellectual Property.

3.6 Goodwill. All goodwill associated with the Marks and the System belongs exclusively to Us. 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.

3.6.1 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.

3.7 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.

3.8 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 Personnel 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.

3.9 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 sign (or have the creator sign) 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.

3.10 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.

3.11 Consent to Use of Likeness and Your Franchise Business. You agree that We have the right to use the likeness (including photographs or videos containing images) of: (a) You; and Your Franchise Business for any purposes relating to the Marketing of the System or Marks. You agree that no compensation will be due to You for such use.

## **ARTICLE IV CONSTRUCTION, COMMENCING OPERATIONS AND LEASE**

4.1 Location. You may operate the Franchise Business from Your home.

4.2 Commencing Operations. You are required to commence operations not later than 60 days from the date of this Agreement. 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 must give Us not less than 15 days prior written notice of the opening date.

4.3 Relocation. You are not allowed to relocate Your Territory 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. Additionally, You shall pay Us a relocation Fee (see Exhibit “A-3”). We have the right to deny a request for relocation in Our sole discretion.

4.4 Failure to Meet Deadlines. If You fail to meet a deadline listed in this Article 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 fee amount is dependent on the size of Your Territory. 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 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 allocate and spend the amount 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 cumulative during the term of this Agreement.

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. If elected by You, 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 identified in Exhibit “A-3.” We will cover the costs for travel, food, and lodging for Our representatives.

5.3.4 Marketing Fund. If implemented by Us, Upon 30 days’ notice to You, You shall pay Us the monthly Marketing Fund fee listed in Exhibit “A-3” for Our Marketing programs as further described in Section 10.1 below. This fee is payable on the same terms as the royalty. We may increase this amount up to 2% of Your Gross Sales. This increase may be done at one time or in stages.

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 5<sup>th</sup> 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-6” and may be modified by Us at any time at Our sole discretion. You must have an active ACH agreement with Us at all times. Before terminating or canceling any active ACH agreement, You must provide a new ACH agreement to Us so that there is no time in which We do not have the ability to automatically withdraw or debit all payments and Fees due and owing to Us. You shall pay all service charges and fees charged to You by Your bank so that We may electronically debit Your bank account. 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 may 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 or have a \$10,000 line of credit 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. You are required to provide Us with view-only access to Your Operating Account.

5.4.4 Late Fees; Insufficient Funds Fee. 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, 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 that otherwise exceeds or violates 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 that 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 <sup>th</sup> of each month, or as otherwise designated by Us	You must submit this report in a form we approve or require.
Gross Sales Report	The 5 <sup>th</sup> day of the following month, or as otherwise designated by Us	You must submit this report in a form we approve or require.
Monthly Financial Statements	5 <sup>th</sup> of each month, or as otherwise designated by Us	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 <sup>th</sup> day of the following quarter, or as otherwise designated by Us	This report must be submitted in the format 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 sales and cost data and analyses, advertising budget, expenditures, etc.

**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. We are not required to give You advanced written notice of an audit.

**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 Website and SEO Fee. You shall pay Us the Fee listed in Exhibit “A-3” to cover the cost of maintenance and SEO for the brand’s website and Your sub-domain (if applicable). This fee is subject to change and will be updated periodically in our manuals to account for increased costs and new technologies, if applicable. Website and SEO fees paid will be counted towards Your annual local Marketing obligation.

5.7 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.

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

5.9 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.

5.10 Technology Fee. If implemented by Us upon 30 days’ written notice to You, You shall pay Us a technology fee for utilization of Our technology suite. We can designate You to pay all or a portion of this Fee directly to the supplier. We may increase this Fee to account for new substituted technologies and increased costs.

## **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. As between Us and You, You are solely responsible for the safety and well-being of Your Personnel and the customers of the Franchise Business.

(i) Permits and Licensing. You shall obtain and maintain all required permits and licenses for 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. 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. You must promptly respond to all complaints received from Your customers or other individuals and to resolve the complaint in a reasonable business manner. If We are contacted by a customer of Your Franchise Business who lodges a complaint, We reserve the right (but are not required) to address the customer’s complaint to preserve goodwill and prevent damage to the Marks, and You must reimburse Us for any costs We incur to resolve a complaint, including providing refunds. Nothing in this Section or in any other provision



of this Agreement is to be construed to impose liability upon Us to any third party for any of Your actions or obligations.

6.1.3 Signage. 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 although 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 within 60 days of signing this Agreement and 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 (at least 40 hours per week), attention, and best efforts to the management and operation of Your Franchise Business. You must have at least one trained employee available for customers 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 acts 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. Your Operating Principal must be Your primary contact person with Us.

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 Updates (if applicable); and (vi) 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 Upgrades. You are required to Update Your Franchise Business from time to time as We may reasonably direct, but not more often than every five years, and 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 (except for required changes to the Marks, or changes due to health or government mandates, guidelines, or public concerns, which We may require at any time). We may also require You to invest in new or updated equipment and technology at any time. You acknowledge that this obligation is reasonable and necessary to ensure continued public acceptance and patronage to Our brand and to avoid deterioration or obsolescence in connection with the operation of Your Franchise Business. You must complete all such Updates 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.

6.1.8 Your Personnel. You, Your principals, and Your Personnel are not Our employees or independent contractors. You are solely responsible for the hiring, firing, discipline, scheduling, management, compensation, supervision, assignment of duties, directions governing the manner, means, and methods of the performance of duties, work rules, safety, working conditions, and training of Your Personnel. 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 Personnel or their employment. We may provide You with an employee guide or manual, but it will only be a sample of certain employment matters that You may choose to adopt or not. You must use Your own discretion on what policies to implement for Your Personnel based on Your own circumstances and management decisions. The sample manual is not edited or reviewed frequently to stay up to date with current or state specific employment laws and some policies may be outdated or conflict with current existing state or federal employment laws. You must seek Your own legal counsel to determine those policies that are legally compliant with current employment laws in Your state to draft Your own employee handbook. It is Your responsibility to comply with local and federal labor and employment laws. You further agree that

in any office, break room, or other non-public area accessed by Your Personnel, You will post a sign or other document containing language We require explaining the differences between You, their employer or contractor, and Us, Your franchisor.

Your Personnel must execute Our Employee Brand Protection Agreement (see Exhibit “A-5”). Although We provide You this form, You are responsible to conform it to the laws and regulations of Your state. You shall promptly deliver a copy of all such agreements to Us within 10 days of hiring of the respective Personnel. You must also have each of Your Personnel sign Our then-current form of the Franchise Relationship Acknowledgement attached as Schedule “A-5.1” to Exhibit “A-5.”

#### 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
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	All workers’ compensation and employment insurance on Your employees as 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. Your insurance is primary and non-contributory. Any insurance obtained by Us is solely for Our benefit and not for the benefit of You or Your Franchise Business. These policies must include a waiver of the insurer’s right of subrogation against Us and provide coverage for Your indemnification obligations under this Agreement. 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.

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 coverage amounts required and/or require different or additional coverage. We have the right to require that You obtain from Your insurance

company, and subsequently provide to Us for Our review, a report of claims made and reserves set against Your insurance (commonly known as “loss runs”).

(iii) Continuation of Policy. Regardless of the amounts We state above, it is Your responsibility to maintain adequate insurance coverage at all times during the term of and after the expiration of this Agreement, so that coverage, including any policies that are on a “claims made” basis, which through the purchase of an extended reporting endorsement (i.e., “tail” insurance) will be in effect for acts or omissions that occurred prior to the termination of the policy and are reported within a 24-month period following the end of the policy period.

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. You must purchase or lease at least one office computer or a smartphone. We must approve Your POS system prior to use, and We can designate a specific POS system that You must use. 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. We can require You to obtain a static IP address from Your internet provider. 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. 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 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. Any data collected or provided by You, downloaded from Your POS System, or otherwise collected from You by Us or provided to Us, is and will be owned exclusively by Us, and We have the right to use the data in any manner without compensation to You. During the term of this Agreement, You are licensed, without additional compensation, to use such data solely for the purpose of operating Your Franchise Business. This license will automatically and irrevocably expire, without additional notice or action by Us, when this Agreement Terminates.

(ii) Accounting Systems. You must use and pay for the accounting software and/or businesses designated by Us. We currently require You to use Our designated accounting

and bookkeeping firm and accounting system. You are required to follow Our accounting procedures, line items, and templates and charts of accounts as provided and updated in Our Manuals. You shall provide Us with independent, view-only access to Your account.

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

(iv) 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 supplier 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, at least one member of your franchise is required to attend at We may designate who is required to attend. You must also pay registered Fees (see Exhibit “A-3”) and all travel, lodging, food, and other expenses for each of Your attendees.

6.1.13 Required Software; Technology. You must use and pay for all software and other technology platforms as required by Us, which may be changed from time to time. You must timely input all required information into Our designated software and platforms 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, which You must use as the sole email for all Franchise Business-related communications and accounts. If We provide You with an email



account/address, such email account belongs to Us and 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, 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, fundraising program, gift card program, etc., without Our prior written permission. The method of sales and pooling and reconciling the funds for all such programs will be determined by Us at Our sole discretion as set forth in the Manuals.

(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 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. 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. We may conduct inspections without prior notice to You. Our inspections may include Your, business records, bank accounts, Venmo (and the like), operating procedures, reports, computer drives, electronic storage devices, POS system, account records, tax records, etc., related to the Franchise Business. We also have the right to speak with and interact with Your Personnel, 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 business 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 at Our sole discretion (but not the obligation) to step in to manage Your Franchise Business for up to six months, as We deem advisable, for a Fee. See Exhibit "A-3." This Fee reflects the estimated fair market value of Our services. You shall 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 and 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 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 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 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. Each Owner of Your Franchise Business, respectively, who owns 10% or greater interest, and their spouses or domestic legal partner, must each personally sign the Guaranty and Assumption of Obligations is attached as Exhibit “A-7” to this Agreement.

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 in the day-to-day operation of Your Franchise Business.

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 Personnel.

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 make any negative, disparaging, false or misleading statements, published or made orally, in any form or medium about Us, Our officers, owners, partners, directors, members, managers, representatives, agents or employees, the brand, the System, Our products and services, or other franchisees.

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.

6.8 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 try to broker the sale of Your franchise. If We broker the sale of Your franchise, We are entitled to a fee equal to 10% of the sales price to compensate Us for time and expenses to broker the sale of 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 We have not 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.

## **ARTICLE VII FRANCHISOR’S OPERATIONAL ASSISTANCE**

7.1 Layout and Design. We shall provide You with general specifications for Your Franchise Business, signs and equipment.

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 initial training and the opening assistance (if elected by You), 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. 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.

7.4 Initial Training. We shall provide an initial training program for Your Operating Principal and any designated managers in the various practices, policies, and procedures for operating a 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. If elected by You, We shall 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.”



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.

7.7 Website Maintenance. We shall maintain a website for the Team Up Athletics® brand that will include Your business information for Your Territory, which may be included on a sub-domain.

## **ARTICLE VIII PURCHASE OF PRODUCTS AND EQUIPMENT**

8.1 Approved Products and Services; Suppliers. You shall purchase, use, provide, carry, and sell only those goods and services that meet Our specifications and/or that are purchased from 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 goods or services 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 require 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 charged 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, or if You would like Us to consider alternative goods, 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 or goods meet Our specifications. We will notify You in writing and within 30 days of completing Our evaluation as to whether that supplier or good 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 or good is approved. A supplier or good that is able to meet Our specifications may, as determined in Our sole discretion, become an approved supplier (or good). We may make changes in the standards and specifications for approved suppliers and/or goods. At Our discretion, We may revoke Our approval of an approved supplier and/or good upon 30 days' prior written notice.

8.4 Maintenance. You shall maintain all inventory, vehicles, tools, and equipment of Your Franchise Business in good working order. If You fail to replace equipment, inventory, tools, etc.,

that We reasonably feel is outdated, damaged, in need of repair, obsolete, etc., at Our sole discretion, We may replace those items for You, and You would be required to reimburse Us Our costs, plus \$75 per hour for Our time within 15 days of invoicing.

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 for providing the required licenses, insurance, maintenance, and upkeep for all vehicles used in Your Franchise Business.

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 control in the event of a dispute relative to the contents of the Manuals.

## **ARTICLE X MARKETING**

10.1 Marketing Fund. We have the right to institute, maintain and administer a Marketing and brand development fund “Marketing Fund” for Marketing activities as We, in Our sole discretion, may deem necessary or appropriate to Market the System. The Fees for the Marketing Fund are listed in Exhibit “A-3.” We can terminate, suspend, or postpone the Marketing Fund at any time. Upon termination of the Marketing Fund, the unused funds will either be returned to those that contributed the funds, or We will cease to collect new funds while We spend the remainder of funds.

10.1.1 Marketing Fund Administration. We will direct all such programs, with sole discretion over: 1) the creative concepts, materials, endorsements and media used in connection with such programs; 2) the source of the Marketing or public relation efforts; 3) the placement, timing, and allocation of such programs; and 4) the composition of all geographic territories and market areas for the development and implementation of such programs. The Marketing Fund can be operated through an entity separate from Us that has all Our rights and duties relating to the Marketing Fund. We are not liable for any act or omission with respect to the Marketing Fund or otherwise that is consistent with this Agreement, or which is done in subjective good faith. The Marketing Fund may be used, in Our reasonable discretion, to reimburse Us for costs related to the administration of the Marketing Fund and Marketing efforts intended to benefit the System. We have the right to loan money to the Marketing Fund to cover any deficits. The Marketing Fund

is not in the nature of a trust, fiduciary relationship or similar special arrangement, and We disclaim any such relationship.

**10.1.2 Use of Marketing Fund Fees.** We may use the Marketing Fund to offset a portion of direct costs to manage and maintain the Marketing Fund, including the payment of staff salaries and other expenses for those groups who may be involved in Marketing Fund activities. We may receive payment for providing goods or services to the Marketing Fund. We reserve the right to use fees from the Marketing Fund to place Marketing in national or regional media. We are not required to spend any amount on Marketing directly in Your area or Territory, and We do not have any obligation to ensure that expenditures are or will be used equally in each region or that they will be equivalent or proportionate to contributions to the fund by other franchisees operating in any geographic area. We make no representations that Marketing expenditures will benefit You or any other franchisee directly, on a pro-rata basis, proportionally, or at all. We will not use the Marketing Fund contributions for Marketing that is principally a solicitation for the sale of franchises, but We reserve the right to include a notation in any Marketing or website indicating “franchises available” or similar phrasing. We reserve the right to use Marketing Fund fees to solicit additional franchisees not to exceed 10% of the total contributions to the fund. Additionally, We reserve the right to include a notation in any Marketing or website indicating “franchises available” or similar phrasing. Any unused Marketing funds in any calendar year will be applied to the following year’s fund. You may request (in writing) an unaudited annual report of the previous year’s Marketing expenditures once each calendar year. We will provide the report within 90 days of request, so long as the request is made at least 90 days after the end of the calendar year.

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

**10.3 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 implementation. 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.

**10.4 Sample Marketing Materials.** We may provide You samples of Marketing materials developed by Us from time to time. We will provide additional copies to You for an additional fee which is reimbursement of Our costs in preparing the additional Marketing materials, plus an additional 10% of Our total cost amount. In addition, You must also pay the cost of shipping and handling for the Marketing materials We send to You. You must pay this fee at the time the Marketing materials are to be shipped to You.

**10.5 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.

**10.6 Marketing Compliance.** All Your Marketing 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.

10.7 Use of the Internet. You may not create a website for Your Franchise Business or use or obtain a domain name consisting of all or any part of the Marks, or that would be confusingly similar to all or any part of the Marks without Our prior written permission. However, You may be allowed to place pre-approved information concerning Your Franchise Business on Our website or a subdomain of 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.

10.8 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 to Your 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. We reserve the right to restrict Your use of Social Media in the future. Additionally, You must sign the Digital, Social Media and Listings Assignment Authorization attached as Exhibit "A-8."

10.9 Territory Marketing. Neither We nor You are restricted from Marketing Your Franchise Business in the Territory. Except for the rights expressly given to You, there will be no limitation on Our rights to deal with potential or actual customers located anywhere. You are not permitted to Market in 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.

## **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 all defaults 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 and Termination.

No Cure Period:

A. Insolvency; Receivership; Levy or Foreclosure. 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, or a bill in equity or other proceeding for the appointment of a receiver of: (1) You; (2) Your Franchise Business; or (3) another custodian for Your Franchise Business or Operating Assets, is filed or consented to by You, or if a receiver or other custodian (permanent or temporary) of Your Operating Assets or property, or any part

of them, is appointed by any court of competent jurisdiction, or the real or personal property of Your Franchise Business is sold after levy by any sheriff, marshal, or constable, or a suit is filed to foreclose a lien or mortgage against any of Your Operating Assets and it is not dismissed within 30 days.

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 and as authorized by Us.

D. 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.

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

F. Unauthorized Transfer. You Transfer or attempt to make an unapproved 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.

G. 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.

H. 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, or a crime involving moral turpitude or dishonesty, 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, Personnel, 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.

I. 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.

J. Termination of Lease Agreement. Your Lease is terminated.

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

L. 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 uncurable breach of such agreement.

5-Day Cure Period:

M. 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.

N. 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 without Our prior written approval.

O. Failure to Use or Provide Access to a Designated Account; Failure to Allow an Inspection or Audit. 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; or You refuse to allow Us or Our designated representatives to conduct an inspection or audit, or You refuse to provide access to fully perform an inspection or audit.

P. Failure to Obtain or Maintain Insurance. You fail to obtain or maintain all required insurance.

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. Owner Deadlock. Your Owners are engaged in a Dispute with one another (deadlock) that materially affects the operation of Your Franchise Business or that We reasonably believe will materially affect the operation of Your Franchise Business if left unresolved.

V. 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 Our costs and expenses arising from such default(s), including reasonable legal fees and reasonable costs for Our Personnel'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, at 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, Our pursuit of any one remedy will not be deemed an election or waiver by Us to pursue any other additional remedies:

11.3.1 Our Pre-Termination Options. We have the right to 1) suspend all services provided to You under this Agreement or otherwise, including training, Marketing assistance, access to Our software platform and accounts, and the sale of products and supplies; or 2) eliminate listing You in any Marketing materials, including any directory listings, approved or published by Us, and Our principal website or Social Media platforms. We may continue taking these actions until You comply with the requirements of any default notice that We have sent to You, and We acknowledge Your compliance in writing. The options in this paragraph 11.3.1 will have no effect on, and will not release You from, any obligation You owe to Us or to Our affiliates.

11.3.2 Actionable Claim. Bring an action or claim against You 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 against You for the balance of any outstanding installment obligation due hereunder.

11.3.3 Injunctive Relief. Bring an action against You 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.

11.3.4 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.

11.3.5 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. If We do not exercise Our right to purchase Your Operating Assets, then You shall alter, modify and change both the exterior and interior appearance of the premises as applicable 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 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 Prepaid Services Reimbursement Fee. Upon Termination, You shall provide Us with an accounting of all outstanding, Prepaid Services as of the date of Termination, and You shall refund all Prepaid Services amounts (less royalties and other fees paid to Us on the Prepaid Services) to Us or an affiliate (if We or an affiliate decide to service that customer) to Your customers as required under Your state's applicable laws. In the event We or an affiliate are required to or elect to provide or fulfill those Prepaid Services to any customer, You shall pay Us or Our affiliate the amount of the service or reimbursement (less royalties and other fees paid to Us on the Prepaid Services), 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. In addition to any other remedy We may have under this Agreement and under law, in the event You fail to comply promptly with any of Your post-termination obligations, We may hire a third party or use Our own Personnel to de-identify Your Premises and/or to carry out any other post-termination obligations on Your behalf, for which costs You will be responsible. These costs will include any attorneys' fees and costs incurred and associated with enforcing Your post-termination obligations. We have the right to automatically debit by EFT or other electronic withdrawal means, Your bank account for these payments. Your reimbursement of Our costs will not affect Our right to obtain appropriate injunctive relief and other remedies to enforce this Article XII, Our trademark rights, or the covenants to not compete.

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 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 System Available to Us. In addition to those obligations set forth above, upon Termination, You shall make the computer systems accessible and available for Us to examine and verify Your compliance with Your post-termination obligations (see Paragraph 13.1.1(i) below) if We, at Our sole discretion, choose to do so.

12.5 Liquidated Damages. If this Agreement is Terminated, other than for an approved transfer, 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 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 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. 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, 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.

13.1.2 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. You acknowledge that We maintain a staff to manage and operate the System and that staff members can change as Our owners, directors, officers, and Personnel come and go. You represent that You have not signed this Agreement in reliance on any shareholder, director, officer, or Personnel remaining with Us in that capacity. 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, and We will no longer have any performance or other obligations under this Agreement. We may be sold, or We may sell any part of or all 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 shall fully cooperate with any such proposal, merger, acquisition, conversion, sale or financing. However, We will not, re-brand any such businesses that are located inside Your Territory by allowing them to use the Marks.

**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 and consummated by signing a consent agreement as approved by Us. 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. Any 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.

**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 Deposit and Transfer Fee.** In consideration of Our reviewing the proposed Transfer, You shall pay to Us a non-refundable deposit (see Exhibit "A-3"). Additionally, if the Transfer is approved, You shall pay Us the non-refundable Transfer Fee listed in Exhibit "A-3" at the time the consent agreement to approve of the Transfer is fully executed by all applicable parties. If the Transfer is approved, the deposit will be applied towards the Transfer Fee..

**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. 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 a direct or indirect ownership of 10% or more in Your Franchise Business or Your entity is required to sign Our then-current form of the Guaranty and Assumption of Obligations attached as Exhibit "A-7" hereto. Furthermore, all applicable provisions of Section 14.8 below apply to minority interest Transfers as well.

**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 Franchisee Application; Written Proposal.** The transferee must complete and submit all application documents required by Us from prospective franchisees at the time of Transfer and be approved in writing by Us. 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, negatively impact the future viability of the Franchise Business. If any part of the sale price is financed, You must agree that all obligations of the transferee under any promissory note, other payment agreement, or financing statement will be subordinate to the obligations of the transferee to pay the Fees owing to Us and our affiliates pursuant to this Agreement.

**14.8.3 Assumption of Obligations.** All Your obligations in connection with the Franchise Assets must be assumed by the transferee, in a form acceptable to Us, and the transferee(s) must provide personal guarantees approved by Us. See Section 6.33 above.

**14.8.4 New Franchise Agreement; Updates; Consent.** 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, or for minority interest transfers, You and We must amend this Agreement and its exhibits as necessary to reflect the change in ownership. And You must also fully Update the Franchise Business, to the level required of new franchisees. Additionally, You shall sign the appropriate paperwork to consummate Our consent to the Transfer.

14.8.5 Training. Unless We have previously trained the transferee, 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" or reimburse Our legal fees for minority interest Transfers as set forth in Section 14.6 above.

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

14.8.8 Pre-paid Services. If applicable, You must provide Us and the proposed transferee, with an accounting of all outstanding Prepaid 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 concerning Your Franchise Business, financials, Personnel information, lease information etc. We will have 45 days 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. Our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration Includes promissory notes, We or Our designee may provide promissory notes with the same terms as those offered by the proposed 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; for no more than 180 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 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 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, 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 to verify ownership and control of the entity; and 3) own all equity and voting securities of the corporation or limited liability company. Any owner with a direct or indirect ownership of 10% or more in Your entity is required to sign Our then-current form of the Guaranty and Assumption of Obligations attached as Exhibit “A-7” hereto. There is no Fee for this kind of Transfer, but You must reimburse Our legal fees to complete the Transfer the amount of which is due upon Our demand of the incurred expenses.

## **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 Personnel, 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 Personnel will be deemed to be Our Personnel and each Personnel 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 Personnel, and other laws regarding public accommodations for persons with disabilities. You agree not to file any crossclaim or counterclaim 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, gross negligence, strict liability, or fraud. 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.”

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 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 shall 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, and government authorities.

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, participate 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. 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.

16.10 Immediate Family. You acknowledge and agree that the restrictions on Your Immediate Family is necessary because Your disclosing Our Confidential Information or Intellectual Property to Immediate Family or assisting Immediate Family in a Competing Business could potentially circumvent the purpose of this Agreement, and You also acknowledge that it would be difficult for Us to prove whether You disclosed Our Confidential Information or Intellectual Property to Immediate Family or assisted Immediate Family in a Competing Business. You agree to make Your Immediate Family aware of the non-compete, non-solicitation and confidentiality provisions in this Agreement.

## **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. Mediation will not defer or suspend Our exercise of any right, including termination right under Article XI. All aspects of the mediation process will be treated as confidential, may not be disclosed to others, and may not be offered or admissible in any other proceeding or legal action whatsoever. Should a party refuse to pay its share of the costs and fees in advance of mediation, that party will be in default of this Agreement, and the Dispute may proceed directly to arbitration without mediation.

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. Any procedural or evidentiary issues that are not covered by the federal arbitration act or this Agreement, will be supplemented by the federal rules of civil procedures and evidence, limited to the arbitration restrictions and procedures. 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 except for breach of the Intellectual Property covenants set forth in Article III herein. Notwithstanding the above, nothing shall be construed to limit Our ability to collect liquidated damages.

(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 that requests such appeal must pay all costs and fees of the arbitrators and arbitration proceedings, subject to reimbursement as set forth below.

(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, that party will be in default of this Agreement, and the non-defaulting party will have

the following options: 1) to proceed directly to arbitration without mediation or proceed to litigation if the failure is to pay arbitration fees; or 2) the other party has the right to cover the costs of the mediator or arbitrator; Nonetheless, 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:
<p>Team Up Enterprises, LLC 350 N. 650 W Kaysville, Utah 84037 (or Our then-current headquarters) Email: <a href="mailto:franchise@teamupathletics.com">franchise@teamupathletics.com</a></p> <p>With a courtesy copy to (which will not act as notice or service to Team Up Enterprises, LLC): The Franchise &amp; Business Law Group Attn: Christian Thompson 222 South Main Street, Suite 500 Salt Lake City, Utah 84101 Email : <a href="mailto:cthompson@fbglaw.com">cthompson@fbglaw.com</a></p>	<p>_____, LLC/Inc.</p> <p>_____</p> <p>Email: _____</p>

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 and subject matter 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, government shutdown or mandate, or other similar causes which are 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, 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" all owners of and sole holders of a legal and beneficial interest the franchise entity and in Your Franchise Business.

20.22 Drafting; Rules of Construction. 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 its terms. The rule of construction that a contract be construed against the drafter will not be applied in interpreting this Agreement. Terms used in this Agreement that are not defined must be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision must be given the meaning that renders it enforceable.

## **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 the delivery, installation, repair, and 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) strategic plans and concepts for the development, operation, or expansion of Team Up Athletics® businesses; (viii) the contents of the Manuals; (ix) all Customer Data; (x) login, passwords, access information, etc., to email accounts, Social Media, Manuals or other internal sites or shared documents (xi) 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, even if it is not federally registered, writings, manuals, designs, blueprints, schematics, drawings, artwork, Marketing materials, agreements, contracts, scripts, pamphlets, instructions, books, literary works, documents, photographs, images, audio, music and jingles affiliated with the brand, videos, recordings, Social Media posts, software, websites and website data, apps, or any other work We, You, other franchisees, or Our affiliates make that is in a fixed tangible medium as part of the Team Up Athletics® franchise system and authorized for use under 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 as well as payment activity, demographic information, product and services purchases and use, and their frequency as well as any feedback and reviews and any other information You or We may collect on such customers through Our system and processes either electronically or on paper or other means that You are legally allowed to collect and share with Us under state or federal law and under this Agreement. 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” means 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 rights or privileges associated with this Agreement, or any shares or units in the ownership of Your entity, Your Franchise Business, or substantially all Your assets.

“Gross Sales” Includes the total of all sales of 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 also Includes insurance proceeds and/or condemnation awards for loss of sales, profits, or business. 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” means 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, Copyright Materials, systems, patents, patent applications, and trade secrets.

“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.

“Manuals” means one or more guides or manuals, Including an operations manual, brand standards manual, training manuals, 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 names, trade names, trademarks, slogans, catchphrases, service marks, colors, font schemes, logos and/or other commercial

property or symbols owned by Us or licensed to Us, whether now or later developed, used in connection with 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.

“Owner” means a shareholder, member, partner, general partner, limited partner, and the like.

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

“Personnel” means employees, independent contractors, temporary workers, consultants, agents, subcontractors, interns, volunteers, and other similar positions, whether compensated or uncompensated.

“Prepaid Services” means gift cards, gift certificates, event deposits, prepaid services, etc., sold at or through Your Franchise Business for which We allow You to manage the accounting and pooling on such gift cards, gift certificates, prepaid services, etc.

“Principal” means each Owner and the spouses of each Owner, directors, members, managers, officers, and principal employees and contractors.

“Shall” when used in this Agreement (even if not capitalized) means must, mandatory, 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, 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.

“Update” Includes renovations, remodeling, redecorating, redesigning, refixturing, upgrading, refurbishing, modernizing, etc.

“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, Owners, managers, Personnel, 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 Owners, Operating Principals, managers, directors, officers, agents, affiliates, principal Personnel 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:

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2. The approximate population of high school students in Your Territory is:

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3. The initial franchise fee is dependent upon the size of Your Territory as follows:

\$35,000 for a territory with up to 30,000 high school students  
\$45,000 for a territory with 30,000 to 40,000 high school students  
\$55,000 for a territory with 40,000 to 50,000 students  
\$65,000 for a territory with 50,000 to 60,000 students

Your initial franchise fee is: \$\_\_\_\_\_

4. 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 is not a guarantee or a warranty  
of the potential success of the Territory.**

\_\_\_\_\_  
Franchisee Initial and Date

\_\_\_\_\_  
Franchisor Initial and Date

**Schedule “A-1.1” to Exhibit “A-1”**

**Map of the Territory**



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

**COMPANY REPRESENTATIONS AND WARRANTIES**

You make the following additional warranties and representations:

You are a (check one):

- |  |  |
|--|--|
| <input type="checkbox"/> Partnership         | <input type="checkbox"/> Corporation               |
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> 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. Your entity documents must state that Your entity will be used solely for the purpose of operating the Franchise Business.

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 Relocation Fee <sup>1</sup>	\$20,000	See Section 1.6 and 4.3
Successor Franchise Fee	\$1,500	See Paragraph 2.2.4
Initial Franchise Fee	\$35,000 for a territory with up to 30,000 high school students; \$45,000 for a territory with 30,000 to 40,000 high school students; \$55,000 for a territory with 40,000 to 50,000 students; and \$65,000 for a territory with 50,000 to 60,000 students	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 (minimum of \$500 per month starting after Your 6 <sup>th</sup> month in operations).	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
Marketing Fund Fee	Up to 2% of Gross Sales	See Paragraph 5.3.4
Late Charges <sup>1</sup>	\$25 per late fee per day (up to a maximum of 2x the total amount owing per instance, per late payment and up to \$500 per late report)	See Paragraph 5.4.4
Non-Sufficient Fund Fees <sup>1</sup>	\$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
Website and SEO Fee	Currently, \$250 per month	See Section 5.6
Technology Fee	Currently, \$0 but We may charge up to \$499 per month during the initial term of	See Section 5.10

	this Agreement	
New Operating Principal or Management Training <sup>1</sup>	\$250 per person/per day	See Paragraph 6.1.4(i)
Additional Training <sup>1</sup>	\$250 per person/per day	See Paragraph 6.1.4(ii) and Section 7.3
Insurance Reimbursement Fee <sup>1</sup>	Varies, plus an administration fee of \$50 per man-hour	See Paragraph 6.1.9(ii)
PCI and DSS Audit Reimbursement Fee <sup>1</sup>	Reasonable costs of the audit	See Paragraph 6.1.11(iv)
Conference Fee <sup>1</sup>	\$750 to \$1,500 per attendee	
Interim Management Fee <sup>1</sup>	\$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
Replacement Costs	Our costs, plus \$75 per hour for Our time	See Section 8.4
Additional Copies of Marketing Materials	Our reasonable costs, not to exceed 10% for shipping and handling	See Section 10.4
Fees on Default	Our costs associated with Your default	See Section 11.2
Post-Termination Fees and Damages <sup>1</sup>	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
Transfer Review Deposit	\$1,500	See Section 14.5
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 <sup>1</sup>	\$250 per day/per person	See Paragraph 14.8.5
Indemnification	Varies	See Section 15.2
Non-Compete Violations <sup>1</sup>	\$300 per day for each competing business	See Section 16.8
Dispute Resolution Fees	Varies	See Section 17.2 and Section 19.3

<sup>1</sup> We may increase this Fee by up to 10% per year during the term of the Franchise Agreement (cumulative) to adjust to increased costs and other inflation-related factors. 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 (individually and collectively, the “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 time thereafter, in perpetuity, 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 make its Immediate Family aware of this Agreement as well as the non-compete, non-solicitation and confidentiality provisions in the Franchise Agreement. 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 Confidential Information, including restrictions on disclosure to employees and other third parties.

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 or Successor Franchise Agreements 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 such Termination or Transfer. 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, or 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. Violation of Non-Competition, Non-Solicitation Provisions; Tolling of Covenants. 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. Non-Disparagement. Principals shall not, during and after the term of this Agreement, make any negative, disparaging, false or misleading statements, published or made orally, in any form or medium about Franchisor, Franchisor's officers, owners, partners, directors, members, managers, representatives, agents or Personnel, the brand, the System, Franchisor's products and services, or other franchisees.

7. Irreparable Harm. Principals hereby acknowledge and agree that any breach by him or her of any portion of Sections 1 through 6 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 6 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.

8. 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. Principals acknowledge and agree that the restrictions related to Immediate Family is necessary because a Principal's disclosing the Confidential Information or Intellectual Property to Immediate Family or assisting Immediate Family in a Competing Business could potentially circumvent the purpose of this Agreement and that it would be difficult for Franchisor to prove whether a Principal disclosed Confidential Information or Intellectual Property to Immediate Family or assisted Immediate Family in a Competing Business.

9. 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.

10. 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.

11. Binding Agreement. This Agreement will bind each Parties' respective heirs, personal representative, successors and assigns. No rights under this Agreement are assignable by any Principal without Franchisor's written approval, and any purported assignment will be null and void and of no force or effect.

12. 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.

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

14. 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.

15. Prior Disclosures. 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 as if such information had been disclosed following the execution of this Agreement.

[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 \_\_\_\_\_ (“Disclosed Party”), 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, bidding information, financial information, customer data and lists, manuals, marketing techniques, and procedures (“Proprietary Information”).

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

1. Acknowledgement. Disclosed Party 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. Disclosed Party 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 authorized by Franchisee and only in the performance of duties for Franchisee, Disclosed Party 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 or any part of the Proprietary Information at any time.

3. Duty to Notify. Disclosed Party agrees to notify Franchisor or Franchisee or Disclosed Party 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 Disclosed Party knew or had reason to know of any suspected attempts to violate this Agreement and fails to report such knowledge, Disclosed Party 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. Disclosed Party 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.

4. Return of Materials. Immediately upon the termination of employment or its contracted labor, Disclosed Party agrees to deliver to Franchisee or to destroy at Franchisee or Franchisor's instruction and to provide evidence of such destruction (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 to which Disclosed Party has in its possession whether in hard or electronic soft copy.

5. Management and Supervisor Personnel/Contractors. Subject to applicable law, this Section 5 will only apply if Disclosed Party is in a management position with Franchisee and/or acts in a supervisory role over other Personnel. "Personnel" in this Agreement means any individual or entity engaged by the Franchisee to perform work or services in connection with the Franchised Business, including but not limited to employees, independent contractors, temporary workers, consultants, agents, subcontractors, interns, and volunteers, whether compensated or uncompensated.

5.1 Non-Competition. Disclosed Party 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 an owner, officer, director, shareholder, partner, associate, Disclosed Party (management-level or higher), contractor, agent, representative or consultant in any sports apparel and equipment business or a business offering or selling products or services the same or substantially similar to a Team Up Athletics® business (collectively, a "Competing 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. Non-Solicitation of Customers. Disclosed Party shall not, during the course of his or her employment or contracted labor 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 Competing Business.

6.1 Non-Solicitation of Personnel. Disclosed Party shall not, during the course of his employment or contracted labor and for two years thereafter, directly or indirectly, solicit any Personnel of Franchisee that is then-currently an employee or contractor of Franchisee, or who has been an employee or contractor of Franchisee within 12 months of solicitation, for employment (whether as an employee, contractor, consultant, or otherwise), in a Competing Business.

7. Non-Disparagement. Disclosed Party shall not make any negative, disparaging, false or misleading statements, published or made orally, in any medium about Franchisee and/or Franchisor (including their respective owners, officers, and Personnel), or the Team Up Athletics® brand.

8. Irreparable Harm. In addition to other remedies available to Franchisee, and/or Franchisor, in the even Disclosed Party violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of Disclosed

Party violation, Additionally, Disclosed Party 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 and/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 Disclosed Party of any of the terms of Section 1 through 7 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.

9. Modification. Disclosed Party hereby agrees that, without limitation, any modifications, alterations, changes, or improvements conceived, designed, devised, developed, perfected or made by Disclosed Party, 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 Disclosed Party hereby irrevocably assigns, transfers, and conveys any such to Franchisor.

10. 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.

11. Survival of Covenants. All covenants made in this Agreement by Disclosed Party survive the termination of Disclosed Party's employment with Franchisee or assignment or termination of this Agreement.

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

13. 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.

14. 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.

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

16. Prior Disclosures. Disclosed Party acknowledges and agrees that prior to the execution of this Agreement, Disclosed Party may have received information Franchisee, Franchisor and/or their representatives, and that any such Proprietary Information obtained or received is subject to the protection and restrictions of this Agreement.

**DISCLOSED PARTY 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 date listed below.

Effective as of \_\_\_\_\_.

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

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

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

DISCLOSED PARTY (if a minor, see next page):

\_\_\_\_\_

By: \_\_\_\_\_

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

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

Age (if under 18): \_\_\_\_\_

**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 Personnel 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 Personnel Brand Protection Agreement.

DATED \_\_\_\_\_.

Signature of Parent/Guardian: \_\_\_\_\_

Name of Parent/Guardian: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

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

**SCHEDULE “A-5.1” TO EXHIBIT “A-5”  
FRANCHISE RELATIONSHIP ACKNOWLEDGEMENT**

Because you are becoming a part of the Team Up Athletics® franchise system, it is important that you understand and acknowledge who is your employer (or the party that hired you as an independent contractor), and who is not.

You have been hired by \_\_\_\_\_ (Legal Name of Franchisee) (“Franchisee”), which is an independent franchise owner in the Team Up Athletics® franchise system (which we call the “System”). Although Franchisee looks the same, has the same name, and is operated the same way as other Team Up Athletics® outlets in the System, Franchisee is not part of the same company as those other Team Up Athletics® outlets in the System. Team Up Enterprises, LLC is a completely separate company that owns the name and created the System. Team Up Enterprises, LLC has devised rules, systems of operation, and policies and procedures that all of its franchisees must follow, including Franchisee, which makes each independent franchise Team Up Athletics® outlet look and operate the same way as one another. This way, Team Up Enterprises, LLC manages a System composed of many different franchisee owners, each of whom is independently responsible for operating its own Team Up Athletics® outlet.

It is important that you understand that Franchisee is your **only** employer (or is the only party associated with the Team Up Athletics® franchise system that hired you as an independent contractor). If you are Personnel of Franchisee, then Franchisee gives you your paycheck, establishes your hours, and is responsible for all decisions relating to your employment relationship. If you are an independent contractor, then Franchisee compensates you, hires you for certain hours or tasks, and provides you with the job description for your services to Franchisee. Team Up Enterprises, LLC is **not** your employer and has not hired you to provide services related to the Team Up Athletics® franchise system. If Team Up Enterprises, LLC representatives ever give you direction, training, or advice, it is intended only to ensure that the experience of all customers of Team Up Athletics® is the same at or through your place of work as it is at other Team Up Athletics® outlets in the Team Up Athletics® system. The fact that you are trained, or given direction or advice, by Team Up Enterprises, LLC representatives does not mean that Team Up Enterprises, LLC is your employer.

If you have any questions about your employment relationship or your contracted relationship or about this Franchise Relationship Acknowledgement, please direct them to your employer (or the party that hired you as an independent contractor), Franchisee.

I have read this Franchise Relationship Acknowledgement, and I understand it. I have had the opportunity to ask any questions that I have about this Franchise Relationship Acknowledgement, and those questions have been answered fully to my satisfaction.

SIGNED: \_\_\_\_\_

DATE: \_\_\_\_\_

**EXHIBIT "A-6"**  
**TO THE 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 on a recurring basis, commencing as of the date below, and continuing for the term of my franchise agreement with the Company. 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: \_\_\_\_\_

I agree to provide accurate banking information and authorize the Company to verify account ownership through a test deposit or other verification methods as required by NACHA rules.

I understand that this authorization will remain in full force and effect through the term of my franchise agreement until I notify the Company in writing that I wish to revoke this authorization. I understand that the Company requires at least 15 days' written notice prior to the proposed effective date of termination to cancel this authorization. Notice shall be provided to be Company at both [franchise@teamupathletics.com](mailto:franchise@teamupathletics.com) and 350 N. 650 W Kaysville, Utah 84037.

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-7”  
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)”) who are the 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 that no subsequent amendment, modification, and/or extension of the Franchise Agreement by and between Us and the Business Entity will affect the enforcement or validity of this Guaranty. Each Guarantor agrees that upon the death of a Guarantor, the estate of such Guarantor will be bound by the obligations 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 between Us and another Guarantor, or any other 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-8”  
TO THE FRANCHISE AGREEMENT**

**DIGITAL, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION**

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

**RECITALS**

WHEREAS, Franchisee has entered into a franchise agreement with Franchisor of even date herewith (“Franchise Agreement”); and

WHEREAS, as part of the Franchise Agreement, Franchisee is granted limited rights to use the Team Up Athletics® trademarks, 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 (individually a “Listing” and collectively the “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 and/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/or 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.

IN WITNESS WHEREOF, the parties have respectively signed this Assignment effective as of the Effective Date written below.

Dated effective as of \_\_\_\_\_.

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

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

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

**FRANCHISOR:**

TEAM UP ENTERPRISES, LLC

By: \_\_\_\_\_  
(Signature)

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

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



**EXHIBIT "A-9"**  
**TO THE FRANCHISE AGREEMENT**

**FRANCHISEE REPORT**

**We will not ask You to complete the Franchise Report, and We will disregard any answers from You, if You live or plan to operate Your Franchise Business in the states of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin. Washington Franchisees cannot complete, fill out, or sign this Franchisee Report.**

Please review each of the following questions carefully and provide honest responses to each question.

1. If You have received any oral, written, visual or other claim, guarantee or representation of any sort by 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), please describe what You received and if known, from whom You received the information. If none, please write "none."

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2. If You have received any information or representations inconsistent with the statements in the FDD or Franchise Agreement, please list those below. If none, please write "none."

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**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_

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 FOR THE STATE OF ILLINOIS**

Illinois law governs the franchise agreement.

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

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

Section 5.1 is modified to add the following language to the end of the paragraph:

“Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until after all initial obligations owed to the franchisee under this Agreement or other agreements have been fulfilled by the franchisor and the franchisee has commenced doing business.”

**IN WITNESS WHEREOF**, the Franchisor and Franchisee have respectively signed and sealed this Franchise Agreement as of \_\_\_\_\_.

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

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

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

**FRANCHISOR:**

TEAM UP ENTERPRISES, LLC

By: \_\_\_\_\_  
(Signature)

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

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

## **ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF INDIANA**

This Rider amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”) between Team Up Enterprises, LLC (“Franchisor”) and \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Indiana Acts” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

**2. Certain Provisions Deleted.** Any provision of the Agreement which would have any of the following effects is hereby deleted:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the Franchisor or sources designated by the Franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the Franchisor. However, the publication by the Franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the Franchisor does not constitute designation of a source nor does a reasonable right of the Franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the Franchisor.

(2) Allowing the Franchisor to establish a Franchisor-owned outlet engaged in a substantially identical business to that of the Franchisee within the exclusive territory granted the Franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the Franchisor to compete unfairly with the Franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the Franchisor without the consent in writing of the Franchisee.

(4) Allowing the Franchisor to obtain money, goods, services, or any other benefit from any other person with whom the Franchisee does business, on account of, or in relation to, the transaction between the Franchisee and the other person, other than for compensation for services rendered by the Franchisor, unless the benefit is promptly accounted for, and transmitted to the Franchisee.

(5) Requiring the Franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the Franchisee and the Franchisor to be referred to any person, if referral would be binding on the Franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the Franchisor which the Franchisee had ordered for private retail consumers prior to the Franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused



by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the Franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the Franchisee meets certain conditions specified in the agreement.

(9) Requiring a Franchisee to covenant not to compete with the Franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the Franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the Franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the Franchisee may be required to pay.

**3. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

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

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

Date: \_\_\_\_\_

FRANCHISOR:

Team Up Enterprises, LLC

By: \_\_\_\_\_

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

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

Date: \_\_\_\_\_

## **ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF MARYLAND**

This Addendum dated \_\_\_\_\_, by and between Team Up Enterprises, LLC, a Utah limited liability company, hereinafter referred to as “Franchisor” and ##, LLC/Inc., hereinafter referred to as “Franchisee.”

1. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

3. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

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

7. Section 20.14 of the franchise agreement regarding representations and Section 20.18 of the franchise agreement regarding acknowledgement of receipt of the FDD are not applicable to franchisees in Maryland.

Except as expressly amended or modified herein, all terms, provisions and conditions of the original Franchise Agreement shall remain in full force and effect. In the event of a conflict or inconsistency between the provisions of this Addendum and any provisions of the original Franchise Agreement, the provisions hereof shall in all respects govern and control.

**IN WITNESS WHEREOF**, and by their signatures below, the Parties hereto have caused this Agreement to be effective as of the date listed above with the full authority of the Company principal they represent.

**FRANCHISOR:**

**TEAM UP ENTERPRISES, LLC**

By: \_\_\_\_\_  
(Signature)

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

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

**FRANCHISEE:**

**##, LLC/INC.**

By: \_\_\_\_\_  
(Signature)

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

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

## **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**

**FINANCIAL STATEMENTS  
(Attached)**

Audited Financial Statements Dated December 31, 2024  
Audited Financial Statements Dated December 31, 2023  
Audited Financial Statements Dated December 31, 2022

Unaudited Interim Financials Dated July 31, 2025\*

**\*THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.**



# TEAM UP ENTERPRISES, LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

AS OF DECEMBER 31, 2024, 2023, AND 2022



# TEAM UP ENTERPRISES, LLC

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### ***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 sheets as of December 31, 2024, 2023 and 2022, and the related statements of operations, member's equity, and cash flows for the years 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, 2024, 2023 and 2022, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.

Kezar & Dunlavy

St. George, Utah  
September 9, 2025

# TEAM UP ENTERPRISES, LLC

## BALANCE SHEETS

As of December 31, 2024, 2023, and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 62,927	\$ 23,305	\$ -
Accounts receivable	26,366	4,740	-
Due from related parties	104,928	140,485	36,977
Deferred commissions	-	17,500	-
Total current assets	<u>194,221</u>	<u>186,030</u>	<u>36,977</u>
Total assets	<u>\$ 194,221</u>	<u>\$ 186,030</u>	<u>\$ 36,977</u>
<b>Liabilities and Member's Equity</b>			
Current liabilities			
Accounts payable	\$ 11,000	\$ 17,500	\$ 2,321
Deferred revenue	-	110,000	-
Credit card payable	<u>14,393</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>25,393</u>	<u>127,500</u>	<u>2,321</u>
Member's equity	<u>168,828</u>	<u>58,530</u>	<u>34,656</u>
Total liabilities and member's equity	<u>\$ 194,221</u>	<u>\$ 186,030</u>	<u>\$ 36,977</u>

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

**TEAM UP ENTERPRISES, LLC**  
**STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY**  
For the Years Ended December 31, 2024, 2023, and 2022

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Operating revenue			
Franchise fees	\$ 495,500	\$ 190,500	\$ 154,000
Royalty fees	135,594	43,326	6,921
Total operating revenue	<u>631,094</u>	<u>233,826</u>	<u>160,921</u>
Operating expenses			
Advertising & marketing fees	9,747	13,183	-
General and administrative	399,255	34,280	111,090
Commission fees	34,300	-	-
Professional fees	30,625	18,389	15,175
Rent	42,276	20,800	-
Total operating expense	<u>516,203</u>	<u>86,652</u>	<u>126,265</u>
Net operating income	<u>114,891</u>	<u>147,174</u>	<u>34,656</u>
Net income	<u><u>\$ 114,891</u></u>	<u><u>\$ 147,174</u></u>	<u><u>\$ 34,656</u></u>
Beginning member's equity	\$ 58,530	\$ 34,656	\$ -
Member's contributions	562,500	-	-
Member's distributions	(567,093)	(123,300)	-
Net income	114,891	147,174	34,656
Ending member's equity	<u><u>\$ 168,828</u></u>	<u><u>\$ 58,530</u></u>	<u><u>\$ 34,656</u></u>

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

**TEAM UP ENTERPRISES, LLC**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2024, 2023, and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:			
Net income	\$ 114,891	\$ 147,174	\$ 34,656
Changes in operating assets and liabilities			
Accounts receivable	(21,626)	(4,740)	-
Due from related parties	35,557	(103,508)	(36,977)
Deferred commissions	17,500	(17,500)	-
Accounts payable	(6,500)	15,179	2,321
Deferred revenue	(110,000)	110,000	-
Credit card payable	14,393	-	-
Net cash provided by operating activities	<u>44,215</u>	<u>146,605</u>	<u>-</u>
Cash flows from financing activities:			
Member's contributions	562,500	-	-
Member's distributions	(567,093)	(123,300)	-
Cash flows used in financing activities	<u>(4,593)</u>	<u>(123,300)</u>	<u>-</u>
Net change in cash and cash equivalents	39,622	23,305	-
Cash and cash equivalents at beginning of period	23,305	-	-
Cash and cash equivalents at end of period	<u>\$ 62,927</u>	<u>\$ 23,305</u>	<u>\$ -</u>
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, 2024, 2023 and 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 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) Reclassification*

Certain items in the prior year have been reclassified to conform to the current year’s presentation.

#### *(e) Cash and Cash Equivalents*

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2024, 2023 and 2022, the Company had cash and cash equivalents of \$62,927, \$23,305 and \$0, respectively.

#### *(f) Accounts Receivable*

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, technical assistance fees, and upon provision/shipment and invoicing of products or services from the Company’s offices or suppliers. These accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts.

# TEAM UP ENTERPRISES, LLC

## NOTES TO THE FINANCIAL STATEMENTS

### December 31, 2024, 2023 and 2022

When determining the allowance for doubtful receivable, the Company has adopted ASC 326, *Financial Instruments—Credit Losses*. This standard requires that Management utilize the Current Expected Credit Losses (“CECL”) model to recognize the appropriate allowance for doubtful receivables. This model requires entities to estimate and recognize expected credit losses over the life of the financial instrument. For trade receivables, Management has elected to apply a simplified approach, based on historical loss experience and adjustments for current and forecasted economic conditions. Management regularly evaluates individual customer receivables, considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received.

As of December 31, 2024, 2023, and 2022, the Company had accounts receivable of \$26,366, \$4,740, and \$0, respectively. As of December 31, 2024, 2023, and 2022, the Company had no allowance for doubtful accounts.

#### *(g) Revenue Recognition*

Upon inception, 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 evaluated 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 location, the Company enters into a formal franchise agreement that clearly outlines the various components of the transaction price and the Company’s performance obligations.

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

#### *Royalties*

Upon evaluation of the five-step process, the Company has determined that royalties are to be recognized in the same period as the underlying sales.

#### *Initial franchise fees*

The Company is required to allocate the transaction price associated with initial franchise fees between the franchise license and associated performance obligations. In identifying the associated performance obligations, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. In addition, the practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation, which the company has elected to adopt.

These pre-opening services include the following services (which the Company may or may not provide all of):

- 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, and lease negotiation
- 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 program

In determining the allocation of transaction price (the initial franchise fee) to either the license or to the pre-opening services, the Company has determined that the fair value of pre-opening services exceeds the initial franchise fee received; as such, the Company allocates the entire initial franchise fees to pre-opening services, which is then

# TEAM UP ENTERPRISES, LLC

## NOTES TO THE FINANCIAL STATEMENTS

### December 31, 2024, 2023 and 2022

recognized as revenue when those pre-opening services have been completed (which generally occurs upon commencement of the associated franchised location's operations).

#### *(h) 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 ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 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, 2024, the 2023, 2022 and 2021 tax years were subject to examination.

#### *(i) 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.

#### *(j) 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.

#### *(k) Advertising Costs*

The Company's policy is to expense advertising costs when incurred. During the years ended December 31, 2024, 2023 and 2022, the Company incurred advertising expenses of \$9,747, \$13,183 and \$0, respectively.

## **(2) Franchise Agreements**

The Company's franchise agreements generally provide for a payment of initial fees as well as continuing royalties 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.

The Company has estimated the following deferred contract commissions and revenues as of December 31, 2024, 2023 and 2022:

	2024	2023	2022
Deferred commissions	\$ -	\$ 17,500	\$ -
Deferred revenue	\$ -	\$ 110,000	\$ -

**TEAM UP ENTERPRISES, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2024, 2023 and 2022**

(3) Related Part Transactions

*(a) Due from Related Parties*

During the year ended December 31, 2024, the Company provided cash advances to its parent company and affiliated entities. As of December 31, 2024, 2023, and 2022, the Company reported net related party receivables of \$104,928, \$140,485, and \$36,977, respectively.

Beginning in 2024, the parent company commenced allocating the costs of shared payroll resources. The Company's portion of these payroll expenses totaled \$240,000 for the year ended December 31, 2024.

In 2022, all of the Company's cash transactions were conducted through the parent company's bank account. As a result, the difference between the revenue collected and the expenses paid by the parent on the Company's behalf was recorded as either a net related party receivable or payable in the Company's financial statements.

All related party receivables are unsecured, non-interest bearing, and no allowance for doubtful accounts has been recorded as of December 31, 2024, 2023, and 2022.

*(b) Rent Expense*

During the years ended December 31, 2024 and 2023, the Company paid a portion of rent expense for a shared space on behalf of a related party. The related operating lease is held by the related party, and the Company does not have any future lease commitments related to this shared space. For the years ended December 31, 2024, 2023 and 2022, related rent expense was \$42,276, \$20,800 and \$0, respectively.

(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 September 9, 2025, the date on which the financial statements were issued.



# Management Report

Team Up Enterprises

For the period ended July 31, 2025



Prepared on

September 10, 2025

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# Profit and Loss

January - July, 2025

	Total
<b>INCOME</b>	
Franchise Events	20,620.00
Other Franchise Revenue	
Inksoft	1,325.00
Last Pass	1,060.00
Microsoft	315.00
Website Revenue	6,750.00
<b>Total Other Franchise Revenue</b>	<b>9,450.00</b>
Rental Income	12,500.00
Sales	
Franchise Fee	426,750.00
Franchise Royalty	135,433.58
Franchise Royalty - Surcharge	2,755.82
Late Fees	550.00
<b>Total Sales</b>	<b>565,489.40</b>
Services	10,355.00
<b>Total Income</b>	<b>618,414.40</b>
<b>COST OF GOODS SOLD</b>	
Cost of goods sold	
Supplies & materials - COGS	6,683.60
<b>Total Cost of goods sold</b>	<b>6,683.60</b>
<b>Total Cost of Goods Sold</b>	<b>6,683.60</b>
<b>GROSS PROFIT</b>	<b>611,730.80</b>
<b>EXPENSES</b>	
Advertising & marketing	
Printiing	1,141.48
Web Development	16,617.42
<b>Total Advertising &amp; marketing</b>	<b>17,758.90</b>
Business licenses	59.00
Consulting	10,500.00
Contract labor	16,500.00
Employee benefits	
Health insurance & accident plans	57,337.00
<b>Total Employee benefits</b>	<b>57,337.00</b>
General business expenses	
Bank fees & service charges	358.77
Memberships & subscriptions	595.25
Merchant account fees	196.83
QuickBooks Payments Fees	60.00
<b>Total General business expenses</b>	<b>1,210.85</b>

	Total
Insurance	14,896.37
Interest paid	633.54
Legal & accounting services	
Accounting fees	12,286.00
Legal Fees	18,715.25
<b>Total Legal &amp; accounting services</b>	<b>31,001.25</b>
Meals	2,061.55
Meals with clients	2,304.65
Travel meals	535.72
<b>Total Meals</b>	<b>4,901.92</b>
Office expenses	
Office supplies	4,115.85
Shipping & postage	975.90
Software & apps	38,762.32
<b>Total Office expenses</b>	<b>43,854.07</b>
Rent	
Building & land rent	86,720.00
<b>Total Rent</b>	<b>86,720.00</b>
Repairs & maintenance	66.57
Office cleaning	393.08
Security	408.81
<b>Total Repairs &amp; maintenance</b>	<b>868.46</b>
Supplies	715.38
Team Conference/Socials	12,166.26
Travel	
Airfare	1,648.20
Hotels	5,131.79
Vehicle rental	311.24
<b>Total Travel</b>	<b>7,091.23</b>
Uncategorized Expense	3,325.80
Utilities	
Disposal & waste fees	779.86
Electricity	7,419.35
Phone service	6,567.37
<b>Total Utilities</b>	<b>14,766.58</b>
<b>Total Expenses</b>	<b>324,306.61</b>
<b>NET OPERATING INCOME</b>	<b>287,424.19</b>
<b>OTHER INCOME</b>	
Dividends received	6.70
Interest earned	0.71
<b>Total Other Income</b>	<b>7.41</b>
<b>OTHER EXPENSES</b>	

	Total
Vehicle expenses	
Fleet cars	12,687.71
Parking & tolls	6.00
Vehicle gas & fuel	1,248.02
<b>Total Vehicle expenses</b>	<b>13,941.73</b>
<b>Total Other Expenses</b>	<b>13,941.73</b>
<b>NET OTHER INCOME</b>	<b>-13,934.32</b>
<b>NET INCOME</b>	<b>\$273,489.87</b>

# Balance Sheet

As of July 31, 2025

	Total
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
Checking ****7594 - 1	3,869.01
Plooto Clearing (USD)	30,472.74
Savings 2	0.50
Share Savings ****7594 - 1	1.77
<b>Total Bank Accounts</b>	<b>34,344.02</b>
<b>Accounts Receivable</b>	
Accounts Receivable (A/R)	59,467.75
<b>Total Accounts Receivable</b>	<b>59,467.75</b>
<b>Other Current Assets</b>	
Prepaid expenses	4,689.01
<b>Total Other Current Assets</b>	<b>4,689.01</b>
<b>Total Current Assets</b>	<b>98,500.78</b>
<b>Fixed Assets</b>	
Accumulated depreciation	-2,040.00
Tools, machinery, and equipment	3,000.00
<b>Total Fixed Assets</b>	<b>960.00</b>
<b>Other Assets</b>	
Due to/from Athletics	338,722.65
Due to/from Holdings	218,395.32
Due To/From Salty Lax	1,000.00
<b>Total Other Assets</b>	<b>558,117.97</b>
<b>TOTAL ASSETS</b>	<b>\$657,578.75</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Credit Cards</b>	
Amex	866.56
<b>Total Credit Cards</b>	<b>866.56</b>
<b>Other Current Liabilities</b>	
Deferred Revenue	220,000.00
<b>Total Other Current Liabilities</b>	<b>220,000.00</b>
<b>Total Current Liabilities</b>	<b>220,866.56</b>
<b>Long-Term Liabilities</b>	
Loan-Paula Sant	-55,000.00
<b>Total Long-Term Liabilities</b>	<b>-55,000.00</b>
<b>Total Liabilities</b>	<b>165,866.56</b>

	Total
<b>Equity</b>	
Retained Earnings	708,880.17
Shareholders' equity	
Distributions	-446.67
Damon Sant	-231,286.77
Jason Sant	-234,538.41
Ted Lucas	-24,386.00
<b>Total Distributions</b>	<b>-490,657.85</b>
<b>Total Shareholders' equity</b>	<b>-490,657.85</b>
Net Income	273,489.87
<b>Total Equity</b>	<b>491,712.19</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$657,578.75</b>

**EXHIBIT “C”  
TO THE FDD**

**SCHEDULE OF FRANCHISEES:  
(as of December 31, 2024)**

<b>State</b>	<b>Location</b>	<b>Owner</b>	<b>Address</b>	<b>Phone</b>
Arizona	AZ-Tucson	Inner Circle Athletics, LLC	4170 E. Calle Cambujo, Tucson, AZ 85712	520-495-9090
Colorado	CO-Fort Collins	TNT Miller, LLC	4539 Tarragon Dr. Johnston, CO 80534	970-988-3509
Colorado	CO-Denver / Aurora	Level Up LLC	2111 S. Dallas St. Denver, CO 80231	303-725-0135
Colorado	CO-Denver North	Green Team Apparel, LLC	8394 E 55th Pl. Denver, CO 80238	630-404-0312
Colorado	CO-Denver West	TUA Denver LLC	1555 Central St. #206 Denver, CO 80211	513-262-6118
Colorado	CO-Denver Southeast	TUA Denver LLC	1555 Central St. #206 Denver, CO 80211	303-552-6478
Florida	FL-Jacksonville	Game Ready	823 Panther Rd. South, Jacksonville, FL 32220	904-716-2576
Idaho	ID-Central	JAM Idaho LLC	621 Haley Lane Kimberly, ID 83341	208-421-4384
Kansas	KS-KCJOCO	QLZ Investments LLC	5408 McCoy St. Shawnee, KS 66226	785-766-5397
Massachusetts	MA-Boston		540 Columbian St. South Weymouth, MA 02190	617-590-9710
Michigan	MI-Great Lakes	Great Lakes Sports Company	9411 Trails End Rd. Petoskey, MI 49770	231-881-3949
Ohio	OH-Cincinnati	DWG Consulting LLC	546 Hamblin Dr Cincinnati, OH 45255	513-262-6118
Texas	TX-Denton	MLG Athletics LLA	4136 Sanger Meadow Dr Sanger TX 76266	972-207-1749
Utah	Weber	Big Sky Athletics LLC	2120 N. 3600 W. Plain City, UT 84404	801-791-0211
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
Utah	Provo	Spartan Business Services, LLC	269 N 600 E Salem, UT 84653	385-217-7798
Utah	UT-Central	Spartan Business Services, LLC	269 N 600 E Salem, UT 84653	385-217-7798



Utah	UT-Granite	JAM Utah LLC	4979 W. Country Club Dr. Highland, UT 84003	801-927-8835
Utah	UT-Canyons	JAM Utah LLC	4979 W. Country Club Dr. Highland, UT 84003	801-927-8835
Utah	UT-Logan	On Deck Enterprises	12305 N 1200 E Cove, UT 84320	801-425-8875
West Virginia	WV-Ohio Valley	Kempkens Enterprises LLC	81 Cedar Lane Wheeling, WV 26003	304-650-5297
Wisconsin	WI-Green Bay	TUA-GB MGD 33, LLC	2368 Berkley Rd DE Pere, WI 54115	414-736-0964

**Franchisees that have signed a franchise agreement but have not opened:**

Florida	FL-Miami North	D & E Athletic Group, LLC	799 SW 155th St. Palmetto Bay, FL 33157	954 224-2422
Florida	FL-Miami Central	D & E Athletic Group, LLC	799 SW 155th St. Palmetto Bay, FL 33157	954 224-2422
Florida	FL-Miami South	D & E Athletic Group, LLC	799 SW 155th St. Palmetto Bay, FL 33157	954 224-2422
Idaho	Idaho Falls	On Deck Enterprises, LLC	12305 N 1200 E. Cove, UT 84320	801-425-8875
Illinois	Chicago Naperville	ThoFam Team Up LLC	2048 Cherrywood Cir Naperville, IL 60565	630-452-9913
Illinois	Chicago Aurora N.	ThoFam Team Up LLC	2048 Cherrywood Cir Naperville, IL 60565	630-452-9913
North Carolina	NC-Charlotte North	Elite Athlete Essentials	303 Moose Road North. Pleasant, NC 28124	704-305-0399
Pennsylvania	PA-Steel City	Moore Sports Group LLC	4048 Round Top Road, Murrysville, PA 15668	412-552-1036
Tennessee	TN-Nashville S.	TN Threads, LLC	420 Secret Mountain Pass, Nolensville TN 37135	615-604-0890
Texas	TX-Katy	Team Up Athletics-Katy	6502 Abilene Dr. Katy, TX 77493	281-770-7923

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:

Texas	TX-Denton	MLG Athletics LLA	4136 Sanger Meadow Dr Sanger TX 76266	972-207-1749
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If you invest in this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

**EXHIBIT “D”  
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 <a href="http://www.dfpi.ca.gov">www.dfpi.ca.gov</a> ask.DFPI@dfpi.ca.gov
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 <sup>th</sup> 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 <sup>th</sup> Place East, Suite 280, St. Paul, MN 55101	(651) 539-1600

New York	New York Department of State		99 Washington Ave, 6 <sup>th</sup> Floor, Albany, NY 12231	(518) 473-2492
North Dakota	Securities Commissioner		600 East Boulevard Ave., State Capitol Fourteenth 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 <sup>nd</sup> Floor, Pierre, SD 57501- 3185	(605) 773-3563
Virginia	Clerk of the State Corporation Commission		1300 East Main Street, 1 <sup>st</sup> Floor, Richmond, VA 23219	
Washington	Department of Financial Institutions	<u>Securities Division</u>	<u>150 Israel Rd SW</u> <u>Tumwater, WA</u> <u>98501</u>	(360) 902-8760
Wisconsin	Wisconsin Commissioner of Securities	Franchise Investment Division	101 East Wilson Street, Fourth Floor, Madison, WI 53702	

**EXHIBIT "E"**  
**TO THE FDD**

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

<b>STATE</b>	<b>CONTACT</b>	<b>DEPARTMENT</b>	<b>ADDRESS</b>	<b>PHONE NUMBER</b>
California	Commissioner of Financial Protection and Innovation <a href="http://www.dfpi.ca.gov">www.dfpi.ca.gov</a> ask.DFPI@dfpi.ca.gov	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 <sup>th</sup> 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 32314-6700	(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,	302 West Washington Street,	(317) 232-6681

		Secretary of State	Room E-111, 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 <sup>th</sup> 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 <sup>th</sup> Floor, Lansing, MI 48933	(517) 373-7117
Minnesota	Minnesota Department of Commerce	Securities – Franchise Registration	85 7 <sup>th</sup> 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 <sup>st</sup> 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 Capitol Fourteenth 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 <sup>nd</sup> 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 <sup>th</sup> Floor, Richmond, VA 23219	(804) 371-9051
Washington	Securities Division	Department of Financial Institutions	<u>150 Israel Rd. SW, Tumwater, WA 98501</u>	(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 <sup>th</sup> Street, NW, Washington DC 20580	(202) 326-3128

**“EXHIBIT “F”  
TO THE FDD**

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  - Required Items
  - List of Approved Suppliers
- Uniforms
- Bank Accounts
  - Main Business Account
  - Operating Account
- Insurance Coverage
  - General Insurance Requirements
  - Minimum Coverage Amounts
  - Insurance Company Requirements
- Grand Opening
  - Notification
  - Two Weeks Out – Direct Mail
  - Soft Opening – Publicity
  - VIP Invites
- Pre-Opening Checklist

## DAILY OPERATING PROCEDURES (30 pages)

- Introduction
- Required Days / Hours of Operation
- Customer Service Procedures
  - Customer Service Philosophy

- Customer Feedback
  - Customer Complaints
  - Our Customer Complaint Policy
  - Refund Requests
- Service Procedures
  - Greeting Customers
  - Answering the Telephone
  - Atmosphere
  - Understanding the Product Offerings
  - Working / Interacting with Customers
  - Job Descriptions
  - Suggestive Selling Techniques
  - Passive Selling Versus Active Selling
- Merchandising Procedures
  - Visual Merchandising Standards
  - Merchandising Products
  - Using Signage
- Opening / Closing Checklists
  - Opening Checklist
  - Closing Checklist
- Transacting Sales
  - Entering Orders Using the POS System
  - Cash Handling Procedures
  - Accepting Personal Checks
  - Accepting Credit Cards
  - Suggested Prices
- Inventory Management
  - Product Ordering Procedures
  - Ordering from Approved Suppliers
  - Changing Approved Suppliers
  - Product Receiving Procedures
  - Storing Procedures
- Operational and Financial Reporting
  - Features of the POS System
  - Generating Reports
  - Analyzing Reports
  - Sample Reports
- Franchise Fees and Reporting Requirements
  - Royalty Payment
  - Marketing Fee
  - Required Reports
  - Financial Statements
- Loss Prevention Techniques
  - Cash
  - Inventory
- Required Cleaning and Maintenance
  - Daily Cleaning and Maintenance

- Weekly Cleaning and Maintenance
- Monthly Cleaning and Maintenance
- Safety Procedures
  - Preventing Accidents and Injuries
  - Crisis Management Policy
  - Reporting Accidents
  - Worker's Compensation Issues
  - Fire Safety
  - Robbery / Burglary
  - Unruly Customers
  - Using the Alarm System

## SALES PROCEDURES (15 pages)

- Introduction
- The Sales Process
  - Identifying the Customer's Needs
  - Building Rapport with the Customer
  - Handling Objections
- Understanding Your Competition
- Competitive Advantages

## MARKETING (10 Pages)

- Promoting our Business in Your Area
  - Your General Obligations
  - Guidelines for Using Marks
  - Marketing Standards
- Logo Specifications
- Required Marketing Expenditures
  - System Marketing
  - Local Marketing Requirements
  - Regional Cooperative Advertising
  - Grand Opening Marketing
- Local Marketing
  - Introduction
  - Direct Mail
  - Radio
  - Television
  - Billboards
  - Magazines
  - Newspapers
  - Yellow Pages
  - Internet
  - Networking
  - Word of Mouth / Customer Referrals
  - Social Media

- Public Relations / Community Involvement
  - Press Releases
  - Better Business Bureau
  - Local Chamber of Commerce
  - Team Sponsorships
  - Community Service / Charitable Activities
- Obtaining Marketing Approval

## Technology (5 pages)

- General Technology Use Policies
- Company Domain Email Usage
- Software Productivity Tools
- Website & e-Commerce Portal
- Social Media
- Technology Security Policies
- Technology Support

## ADDITIONAL RESOURCES (1 page)

- Web Sites For Small Businesses
- Web Sites For Organizations
- Web Sites For Employment Laws
- Web Site For Tax Information

**96 TOTAL PAGES**

**EXHIBIT “G”  
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.

"Franchise," "Franchise Business," "Franchise Unit," or "Unit" means a business that has signed a Franchise Agreement to operate a Team Up Athletics® business pursuant to this Agreement.

### **Article 2 – Multi-Unit Award**

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 1.

2.2 Franchise Territories. The territory for each franchise will be agreed upon 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, 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 Your chosen franchises listed on Schedule 1, but You must develop at least one Unit per year. 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 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; Franchise Agreements**

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.

4.3 Franchise Agreement. Each Franchise Unit opened by You pursuant to this Agreement will be governed by Our then-current Franchise Agreement executed by You and Us. A Franchise Agreement for each Franchise Unit must be executed and delivered to Us prior to any development activity or business operations for the applicable Franchise Unit. You must have all Units opened and operating within five years from the date of this Agreement.

4.4 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.

## **Article 5 - Marks**

5.1 Ownership of Marks. You acknowledge that You have no interest whatsoever in the Marks or derivatives thereof and that Your right to use the Marks is derived solely from Your Franchise Agreement(s).

5.2 Use of Marks. You cannot use any of the Marks as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form without Our consent. You shall obtain such fictitious or assumed name registrations as may be required by Us or applicable law.

## **Article 6 - Our Right of Termination**

6.1 Termination. In addition to the other rights of termination that We may have at law or equity or as contained in this Agreement, We will have the following rights of termination:

6.1.1 No Cure Period. Upon a violation or default under paragraphs (1) through (6) below, this Agreement will automatically Terminate upon written notice to You.

1) You or any of Your Owners makes or attempts to make an unauthorized assignment of this Agreement, Your Franchise Agreements, Franchise Units, or any ownership change in You without Our prior written consent, which consent will not be unreasonably withheld or delayed;

2) You or any of Your Owners take action, commit, are convicted of, plead guilty to, or plead no contest to a charge of violating any felony law or other crime, action or offense that We reasonably believe is likely to have a material adverse effect on Your Franchise Units, Us, or the System;

3) You repeatedly breach (three or more times) the same provision of this Agreement within a 12-month period;

4) You become insolvent or a party to any bankruptcy, receivership, or similar proceeding, other than as a creditor, file for bankruptcy or receivership or similar protection, or You are adjudicated bankrupt;

5) You make an assignment for the benefit of creditors or enter into any similar arrangement for the disposition of Your assets for the benefit of creditors; or

6) You voluntarily or otherwise abandon the development of Franchise Units in the Development Area hereunder exhibited by not responding to our calls, emails, letters, or other attempts to reach You for a period of 30 or more days, or Your actions to Us, to other franchisees or area developers, or to the public indicate that You do not plan to continue development operations.

6.1.2 5-Day Cure Period. You fail to make a payment to Us or an affiliate of Ours and fail to cure within five days of receiving written notice of default.



6.1.3 30-Day Cure Period. Except as otherwise provided herein, You fail to comply with any other provision of this Agreement and fail to cure within 30 days of receiving written notice of default from Us.

6.2 Cross Default. If any Franchise Agreement for one of Your Franchise Businesses is terminated for cause, We will have the right to terminate this Agreement upon written notice to You.

## **Article 7 - Obligations Upon Termination or Expiration**

7.1 Operating Units. After Termination of this Agreement, You may continue to own and operate Your individual Franchise Units that are owned and operated by You prior to Termination, so long as You are not in default and continue to faithfully perform the terms and conditions of such Franchise Agreement(s). You will not receive a refund for any undeveloped Units.

## **Article 8 – 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 \$7,500.

## **Article 9 – 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. 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 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.

## **Article 10 - Notices**

10.1 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 telecopy or facsimile transmission, during normal business hours, Monday through Friday, holidays excepted, when confirmed by telecopier or facsimile transmission; (iv) through the email address below or other authorized email address when confirmed by receipt verifications, which confirmation cannot be withheld or otherwise denied; or (v) by certified or registered mail, return receipt requested, three days after deposit in the mail addressed as follows:

To Franchisor:	To Franchisee:
Team Up Enterprises, LLC 350 N. 650 W Kaysville, Utah 84037 (or Our then-current headquarters) Email: <a href="mailto:franchise@teamupathletics.com">franchise@teamupathletics.com</a>  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, Ste 500 Salt Lake City, Utah 84101 Email : <a href="mailto:cthompson@fbglaw.com">cthompson@fbglaw.com</a>	_____, LLC/Inc.  _____  _____  Email: _____

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)

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

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

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

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

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

**SCHEDULE 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 ILLINOIS**

Illinois law governs the multi-unit agreement.

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

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

Payment of Initial and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

IN WITNESS WHEREOF, the Franchisor and Area Developer have respectively signed and sealed this Multi-Unit Agreement as of \_\_\_\_\_.

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

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

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

**FRANCHISOR:**

TEAM UP ENTERPRISES, LLC

By: \_\_\_\_\_  
(Signature)

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

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

## **ADDENDUM TO THE AREA DEVELOPER AGREEMENT FOR THE STATE OF MARYLAND**

This Addendum Agreement is made contemporaneously with the Area Developer Agreement dated \_\_\_\_\_, by and between Team Up Enterprises, LLC, a Utah limited liability company, hereinafter referred to as “Franchisor” and ##, LLC/Inc., and \_\_\_\_\_ and \_\_\_\_\_ hereinafter collectively referred to as “Area Developer.”

1. An area developer may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

3. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. All representations requiring prospective area developers to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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

6. This development agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

Except as expressly amended or modified herein, all terms, provisions and conditions of the original Area Developer Agreement shall remain in full force and effect. In the event of a conflict or inconsistency between the provisions of this Addendum and any provisions of the original Area Developer Agreement, the provisions hereof shall in all respects govern and control.

*[Remainder of page intentionally left blank; signatures follow on next page]*

**IN WITNESS WHEREOF**, and by their signatures below, the Parties hereto have caused this Agreement to be effective as of \_\_\_\_\_, with the full authority of the Company principal they represent.

FRANCHISOR:  
**TEAM UP ENTERPRISES, LLC**

By: \_\_\_\_\_  
Its, \_\_\_\_\_

AREA DEVELOPER:  
\_\_\_\_\_

By: \_\_\_\_\_  
Its, \_\_\_\_\_

INDIVIDUALS:

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

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



## **ADDENDUM TO THE MULTI-UNIT AGREEMENT FOR THE STATE OF VIRGINIA**

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

## **ADDENDUM TO THE MULTI-UNIT AGREEMENT FOR THE STATE OF WISCONSIN**

The following shall apply to Multi-Unit 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 Multi-Unit 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 Multi-Unit Agreement to the extent they may be inconsistent with the Act’s requirements.

**EXHIBIT “H”  
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 10% of the initial franchise fee or multi-unit agreement fee found in Your Franchise Disclosure Document and the full amount owed identified in Exhibit "A" attached to this Agreement.. If You exercise Your Option, this sum will be credited against the initial franchise fee or multi-unit agreement set forth in the franchise agreement or multi-unit 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:	PROSPECTIVE FRANCHISEE:
Team Up Enterprises, LLC 350 N. 650 W. Kaysville, Utah 84037 Email: <a href="mailto:franchise@teamupathletics.com">franchise@teamupathletics.com</a>	Name: _____ Address: _____ _____ 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 AND DEPOST FEE AMOUNT**

Your franchise will be located within the following area upon signing the franchise agreement:

---

---

Deposit Fee Amount: \_\_\_\_\_

**EXHIBIT "I"**  
**TO THE FDD**

**RELEASE AGREEMENT (FORM)**



## RELEASE AGREEMENT

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.

**FOR CALIFORNIA ONLY: 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. Franchisee and Personal Guarantor(s) are reminded of their ongoing obligations under the non-competition clauses of the Franchise Agreement and the Brand Protection Agreement for Principals 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 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:

**TEAM UP ENTERPRISES, LLC**

By: \_\_\_\_\_  
(Signature)

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

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

Date: \_\_\_\_\_

FRANCHISEE:

\_\_\_\_\_, LLC/INC.

By: \_\_\_\_\_  
(Signature)

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

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

Date: \_\_\_\_\_

PERSONAL GUARANTOR(S):

By: \_\_\_\_\_  
(print name)\_\_\_\_\_, personally

Date: \_\_\_\_\_

By: \_\_\_\_\_  
(print name)\_\_\_\_\_, personally

Date: \_\_\_\_\_

By: \_\_\_\_\_  
(print name)\_\_\_\_\_, personally

Date: \_\_\_\_\_

By: \_\_\_\_\_  
(print name)\_\_\_\_\_, personally

Date: \_\_\_\_\_

**EXHIBIT “J”  
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. <b>1.</b> 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. <b>2.</b> Fill in your or your company's contact information on page 2. <b>3.</b> You and franchisor will sign page 3. <b>4.</b> 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 42)	Fill in the franchisee name, address, and email	_____

Franchise Agreement	(page 51)	<p><b>1.</b> 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><b>2.</b> 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 52)	If the premises is not already known, this will be filled out and initialed later.	_____
Company Reps. and Warranties	Exhibit A-2 (page 54-55)	The franchisee must fill in the appropriate fields, date, and sign.	_____
Brand Protection Agreement for Principals	Exhibit A-4 (page 58-62)	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 63-67)	<p>All your management level employees need to fill out and sign separate non-compete agreements.</p> <p><b>1.</b> 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><b>2.</b> Each of your management employee must sign this document.</p>	_____
ACH Agreement	Exhibit A-6 (page 68)	This must be filled out with all the appropriate bank information and signed.	_____
Guaranty of Assumption of Obligations	Exhibit A-7 (page 69-70)	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-8 (page 71-72)	Franchisee and franchisor must sign this.	_____
Franchisee Report	Exhibit A-9 (page 73)	Franchisee must fill out relevant information, sign, and date.	_____



### 3. Exhibits to the FDD

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
Form Release Agreement	Exhibit – I	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 <b>annually</b> .	_____
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	December 17, 2024
Indiana	October 15, 2024
Maryland	Pending
Michigan	August 28, 2024
Minnesota	_____
New York	_____
North Dakota	_____
Rhode Island	_____
South Dakota	_____
Virginia	_____
Washington	_____
Wisconsin	Pending

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

**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 "E." Team Up Enterprises, LLC authorizes the respective state agencies identified on Exhibit "D" to receive service of process for it in the particular state.

The issuance date of this disclosure document is September 16, 2025.

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

If your franchise seller's name and contact information is not listed above, please list the name, address, and phone number of the franchise seller below:

I received a disclosure document dated September 16, 2025 that included the following Exhibits:

- |  |  |
|--|--|
| A. Franchise Agreement and Its Exhibits  | F. Table of Contents for Operations Manual |
| B. Financial Statements  | G. Multi-Unit Agreement                    |
| C. Schedule of Franchisees   | H. Deposit Agreement                       |
| D. List of Agents for Service of Process   | I. Release Agreement                       |
| E. List of State Agencies Responsible for Franchise Disclosure and Registration Laws | J. Signing Checklist                       |

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

By: \_\_\_\_\_  
(Signature)

Title: \_\_\_\_\_  
(If signing on behalf of a company)

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 "E." Team Up Enterprises, LLC authorizes the respective state agencies identified on Exhibit "D" to receive service of process for it in the particular state.

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| E. List of State Agencies Responsible for Franchise Disclosure and Registration Laws | J. Signing Checklist                       |

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

By: \_\_\_\_\_  
(Signature)

Title: \_\_\_\_\_  
(If signing on behalf of a company)

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](mailto:franchise@teamupathletics.com).