

marketing the Franchised League to potential players and host locations throughout your Territory in accordance with our guidelines. If your Territory does not have existing APA League play, you must begin APA League play within ninth (90) days after this franchise is granted.

b. Team Count Requirements: During the Conditional Term you must achieve a specific number of Standard Format Teams (as defined in subsection c, below) participating in regular league play (the "Team Count"). The required Team Count you must achieve in your Territory by the end of the 2-year Conditional Term is identified in the Addendum to this Agreement. Additionally, by the end of one (1) year after this franchise is granted, you must achieve fifty percent (50%) of the Team Count requirement. If you have not achieved the half-way point of your Team Count growth requirement by the end of your first year, the Agreement is subject to termination by us. If you do not meet the Team Count requirement by the end of your 2-year Conditional Term or are not otherwise in compliance with this Agreement, the Agreement will automatically expire (unless the Conditional Term is extended as provided in subsection f, below).

c. Meaning of Standard Format Teams: The Team Count requirement may only be met by Standard Format Teams. The term "Standard Format Teams" means teams of 5 to 8 players playing our standard weekly 5-match 8-Ball or 9-Ball team formats for a full session schedule (minimum 10 weeks) and paying the standard weekly team fees established by you for your Franchised League. Teams playing for free or at a discounted promotional weekly team fee will not be counted towards meeting your Team Count requirement.

d. Available Formats during the Conditional Term: League play in the Franchised League may be established in both our standard 5-match, 5 to 8 person roster 8-Ball League and 9-Ball League formats during the Conditional Term. You may not use other formats for league play during the Conditional Term (without APA's prior written consent to other APA formats of play).

e. Eligibility for a Regular Term Franchise Upon Meeting Your Team Count Requirement: If you meet the Team Count requirement during the Conditional Term of this Agreement and are otherwise in compliance with all terms and conditions of this Agreement, you will receive an Initial Regular Term Franchise for a five (5) year Term. You must notify APA in writing within the Conditional Term that you have met the requirement, subject to APA's verification of your eligibility for a Regular Term franchise. APA is not obligated to monitor the number of teams participating in the Franchised League, nor notify you that you have met the Team Count requirement. You must sign APA's then-current Franchise Agreement for a Regular Term.

f. Extension of the Conditional Term: You have no right or option to extend or renew the Conditional Term. APA may, in our sole discretion, grant any request by you for an extension of the Conditional Term for such time and upon such terms, conditions and requirements, as APA considers appropriate. The other terms of this Agreement shall be applicable during any extension of the Conditional Term. You agree that this Franchise Agreement will automatically expire if you do not meet the terms, conditions and requirements of this Agreement and any additional terms, conditions and requirements

set by APA during any extended Conditional Term. To seek an extension of the Conditional Term, you must make a written request for an extension of the Conditional Term at least 90 days before the expiration of the Conditional Term. APA will give you written notice of its decision regarding your request and the terms, conditions, requirements and duration of any extension APA, in its discretion, may decide to grant within fifteen (15) days after receipt of your request. If an extension is granted, you must pay APA Two Hundred Fifty Dollars (\$250.00) or the then current administration fee set forth in the Operations Manual, before the start of the extended period.

4.3 Initial Regular Term Agreement: If this is a Regular Term Franchise Agreement entered as a result of you meeting the terms of your Conditional Term (as identified on page 1), the Term of this Agreement will be five (5) years from the date you met your Conditional Term requirements, as described in Section 1.2, subject to our verification. If this is a Regular Term Franchise Agreement entered as a result of a transfer to you of an eligible Regular Term franchise (as identified on page 1), the Term of this Agreement will be as determined by Section 19.5 (c) and described in the Addendum to this Agreement. Any additional conditions described in the Addendum and APA's consent to the transfer will apply.

4.4 Successor Regular Term Agreement: If this is a Regular Term Agreement entered as a result of you exercising your right to renew a previously existing Initial or Successor Regular Term Agreement (as identified on page 1), then this Agreement will be for a Term of ten (10) years.

ARTICLE 5

INITIAL FRANCHISE FEE

5.1 When Franchise Fee is Applicable: The Initial Franchise Fee applies to the granting of a franchise license by us to you to operate an APA League in an unassigned Territory. Sections 5.2 and 5.3 apply to a new franchise granted by us to you. The Initial Franchise Fee does not apply to the approved transfer of a franchise in an existing Territory by an APA franchisee to you. A transfer fee (described in Section 19.5 (d)) does apply to approved transfers. The Initial Franchise Fee also does not apply to the grant of an Initial Regular Term Franchise Agreement after meeting the requirements of your Conditional Term or to renewal of a Regular Term Franchise. If the Initial Franchise Fee is not applicable, Sections 5.2 and 5.3 do not apply to you or to this Agreement.

5.2 Initial Franchise Fee: If this is Agreement grants a franchise license to an unassigned Territory, you must pay at the time you sign this Agreement the Initial Franchise Fee specified in the Addendum to this Agreement. You agree that the Initial Franchise Fee (including the initial deposit you made) is not refundable in whole or in part for any reason (except as specifically provided in Section 5.3, below) and shall be deemed fully earned by APA when paid. You must sign this Agreement and pay the Initial Franchise Fee to APA prior to attending APA's Training Program for new franchisees.

5.3 VetFran Program: The APA Franchise System is a member of the International Franchise Association ("IFA") and participates in the IFA's VetFran Program. As a participant in this program, we will discount 25% of initial franchise fees to veterans of the United States Armed Forces who otherwise meet the requirements of the VetFran program. The Applicant/Franchisee

must document that he/she is eligible to benefit from the VetFran program (e.g. honorable discharge). The VetFran Program and its rules and regulations are subject change or discontinuation by IFA. Additionally, APA reserves the right to withdraw from the VetFran program at any time without notice to APA Franchisees. If APA does withdraw from the VetFran program, no VetFran franchise then in existence will be terminated or otherwise affected because of APA's withdrawal.

5.4 Exception - Refund if APA Does Not Accept This Agreement: If APA in its sole discretion declines to accept and sign this Agreement after you have (or your managing owner has) in APA's judgment successfully completed the Training Program, or if we terminate your participation in the Training Program early, APA will refund your Initial Franchise Fee and reimburse you for your actual expenses of travel, lodging and meals in attending the Training Program only. You hereby agree that this shall be your exclusive remedy in the event APA does not accept and sign this Agreement and you hereby waive any claim for any other damages, costs or expenses, including loss of profits, income or employment or any other actual, consequential, special or reliance damages. You acknowledge and agree that APA does not give refunds of the Initial Franchise Fee (including your initial deposit) under any other circumstances.

ARTICLE 6 ROYALTIES AND FEES

6.1 Annual Membership Fees: All players participating in APA local Franchised Leagues must be members of APA (the "Members") and pay APA a membership fee each year (the "Annual Membership Fee"). The amount of APA's Annual Membership Fee (currently Twenty-Five Dollars (\$25.00), or as set forth in the Operations Manual) is set by APA and may be changed by APA from time to time. You are responsible for insuring in accordance with the applicable provisions of the Operations Manual that all players participating in the Franchised League you operate are current APA Members. Except for players disqualified within the time set forth in the Operations Manual, (a) you must collect and pay to APA the Annual Membership Fees for all players in the Franchised League you operate and (b) you must pay to APA the Annual Membership Fees for all players in the Franchised League you operate even if you fail to collect the fee from each player. You shall use your best efforts to insure that all players in the Franchised League you operate complete their membership applications, are eligible for APA membership, and participate under APA rules.

6.2 Weekly Royalties: All players or teams in the Franchised League you operate must pay a fee for each weekly team match (the "Basic Weekly Fee"). APA will recommend an amount that you may charge as the Basic Weekly Fee (depending on the format of league play), but you are not obligated to follow this recommendation and you may charge whatever Basic Weekly Fee you believe is prudent for your local market. You are responsible for collecting the Basic Weekly Fee for team play in the Franchised League you operate and for paying royalties to APA thereon, and for disqualifying any player or team which fails to pay the Basic Weekly Fee. The amount of the royalties is determined as follows:

- (a) Standard 8-Ball 5-Person Format: Each week you must pay to APA the following royalty fee for team matches, played or unplayed, in APA's standard 5-player team 8-Ball format for which you collect payment: The greater of (i) Two Dollars and Fifty Cent (\$2.50) per team participating in

matches or (ii) twenty percent (20%) of the Basic Weekly Fee charged teams.

(b) Standard 9-Ball 5-Person Format and Other Formats: Each week you must pay to APA the following royalty fee for team matches, played or unplayed, in APA's standard 5-player team 9-Ball format or any other APA authorized formats for league play for which you collect payment: Twenty percent (20%) of the Basic Weekly Fee charged teams.

You must pay the royalties to APA after each week's league play, and payment of APA's royalties are delinquent if not received within twelve (12) days after each week's play.

6.3 Royalties on Other Receipts: You must pay a royalty fee to APA of twenty percent (20%) of any other fees, dues or other payments to you by any players, teams, host locations, or team sponsors, except that you may collect, without paying a royalty to APA, (a) additional dues or fees collected from players for awards, banquets, prizes, travel, trophies, or other forms of player "payback" (a "Players Fund"); (b) amounts for awards and prizes or in-kind awards or prizes from host locations or team sponsors; and (c) amounts received from Local Sponsors, local advertising revenue secured by you or amounts received from host locations in exchange for conducting tournaments in their facilities. Amounts collected for a Players Fund (whether from players or from host locations or team sponsors or as in-kind awards and prizes) must be separately accounted for, held in trust by you, and entirely returned to the players in the form of prizes, awards, tournament travel or awards ceremonies. Royalties on all non-exempt fees, dues or other payments are due on the fourth day after your receipt of such funds and delinquent if not received by APA within twelve (12) days.

6.4 Annual Software Support and Maintenance Fee: Fees for Upgrades and Enhancements to the Software Program: We charge an annual fee for support and maintenance of the Software Program (the "Software Support and Maintenance Fee") The Software Support and Maintenance Fee covers telephone support for the then current version of the Software Program and any corrections and any minor updates of the Software Program that are issued in our discretion. Currently, the annual Software Support and Maintenance Fee is billed in January to all current franchisees (although the APA can change the time of billing). If you acquire a new franchise of an unassigned Territory from us, the Software Support and Maintenance Fee for your first 12 months of operations is included in the Initial Franchise Fee; you will be responsible for paying a prorated Software Maintenance Fee on the first anniversary of this Agreement for the remainder of the second year of this Agreement until January. If you acquire the through an approved transfer, you will pay a prorated Software Maintenance Fee for the period from the date APA signs this Agreement until January. At January you will become obligated for the Software Support and Maintenance Fee for the next 12 month period.

APA may increase the Software Support and Maintenance Fee annually from time to time. No such increase will exceed ten percent (10%), without approval of the Software Advisory Board. The Software Support and Maintenance Fee does not include any major enhancements, upgrades or new versions of, or substitutes for, the Software Program. You acknowledge that under the Software License Agreement and subject to the prior approval of the Software Development Board, APA may charge a reasonable license fee for new versions, major enhancements or upgrades of the Software Program. You will not be required to pay a license fee for the new versions, major

enhancements or upgrades more frequently than once every three years. The aggregate amount of license fees charged to all APA franchisees for any new version, major enhancement or upgrade of the software, shall not exceed 50% of APA's actual cost of such new version, major enhancement or upgrade.

6.5 Royalties on Merchandise and APA Merchandise: You may purchase and resell merchandise (e.g., apparel, patches, pool cues, novelties) bearing the APA Marks ("APA Merchandise") that are offered by APA, a Sponsor or by an APA licensed supplier (collectively an "APA Licensed Supplier") without payment of any additional royalty. You have no obligation to make any such purchases or sell such merchandise. If you purchase APA Merchandise for the purpose of resale from a vendor other than an APA Licensed Supplier pursuant to the rights granted you in Section 11.2, you shall pay us five percent (5%) of your purchase price, which amount shall be due ten (10) days after receipt of the APA Merchandise. No royalties are due for APA Merchandise purchased from a vendor other than an APA Licensed Supplier for distribution as Member incentives or giveaways.

6.6 Other Payments to APA: In addition to all other payments required to be paid to APA by this Agreement, you shall pay to APA (or its subsidiaries, affiliates or designees, as applicable) promptly when due, the following:

- (a) Any sales, use, service, occupation, excise, gross receipts, income, property or other taxes on amounts that you collect on APA's behalf, but only after written notification to you or APA from a state, local, county, municipal or other taxing authority that such tax must be collected. APA and Franchisee each agree to notify the other if either receives notice from a taxing authority that any such taxes are due.
- (b) All amounts advanced by APA or which APA shall pay, or for which APA shall become obligated to pay, on behalf of you for any reason whatsoever.
- (c) All amounts for goods or services purchased by you from APA, or its subsidiaries, affiliates or designees.

6.7 Application of Payments: If you are past-due in paying any obligation to APA (or any APA affiliate) under any provision of this Agreement or any other agreement, APA shall have the right to apply any payment received from you to the oldest obligation due, first to interest and then to principal, whether under this Agreement or otherwise, notwithstanding any contrary designation or instruction by you as to its application. Any amounts owed by APA (or any APA affiliate) to you may be applied, credited, or set off by APA, in its discretion, against any debt you owe to APA (or any APA affiliate).

6.8 Interest and Late Fees:

- (a) If you fail to submit the Annual Membership Fee for any player participating in the Franchised League you operate to APA when due, in addition to the player's Annual Membership Fee, you must pay APA Five Dollars (\$5.00) or the then current administrative fee as set forth in the Operations Manual for each such player.

- (b) If you are delinquent in submitting weekly royalties for league play to APA or other royalties due APA, in addition to the amount of the royalties, you must pay APA Twenty Dollars (\$20.00) or the then current administrative fee as set forth in the Operations Manual for each delinquent royalty payment.
- (c) In addition, all fees, royalties, and other payments owed APA will bear interest after their due date at the rate of one and one-half percent (1.5%) per month compounded monthly or such lesser amount allowed by law.
- (d) Unless otherwise specified, a payment is delinquent if not paid when due.

ARTICLE 7 SPONSORS

7.1 APA Sponsors: APA (directly or through an affiliate) may, from time to time, enter into agreements ("Sponsorship Agreements") with national or regional sponsors ("Sponsors") under such terms, conditions and restrictions as agreed between the Sponsor and APA, in our sole discretion. Under such a Sponsorship Agreement, the Sponsor may lend APA its name, trademarks, logos and goodwill ("Sponsor Marks") for use in the APA System and may provide other support to APA and the APA System. A Sponsorship Agreement, may, for instance, provide that the Sponsor's product is the "official product" of the APA, or that the Sponsor is the "title sponsor" of APA local league play, a tournament, or other event. All Sponsorship Agreements and the goodwill resulting from association of Sponsors and Sponsor Marks with the System and franchised leagues inure to the exclusive benefit of APA.

7.2 Sponsor's Rules Binding: You agree to abide by and be subject to all Sponsorship Agreements entered by APA, including all terms, conditions, restrictions and requirements of such agreements or set by APA or the Sponsor under such Sponsorship Agreements. You understand, for instance, that Sponsors may have the right to reject co-sponsors, and restrict APA and franchisees from using products of or accepting sponsorship from the Sponsor's competitors. Sponsors may also place conditions, limitations or restrictions on use by APA and franchisees of Sponsors Marks and promotional, advertising and other business materials associated with the sponsorship ("Sponsor Materials"). You agree that during the Term of this Agreement and thereafter you will not dispute the ownership and rights of Sponsors in Sponsor Marks or Sponsor Materials.

7.3 Termination of Sponsorship: You acknowledge that APA's agreements with Sponsors may expire or terminate, Sponsors may change, or a Sponsor may modify, discontinue or substitute the Sponsor Marks and Sponsor Materials loaned to the APA System, with little or no prior notice to you. You agree that APA does not promise or guarantee the continued sponsorship of any Sponsor and APA has no obligation to enter or continue any Sponsorship Agreement. The loss of a Sponsor (by termination, expiration or otherwise) will result in loss of APA's and your rights to use the Sponsor Marks and Sponsor Materials and the loss of the goodwill that may have become associated with APA and its franchised leagues through the sponsorship. You acknowledge this potential loss, agree to accept that risk, and agree that APA will not be liable for any damages,

loss, cost or expense of any kind sustained by you as the result of any loss, termination, expiration, or change of any Sponsorship Agreement, Sponsor Marks or Sponsor Materials, including actual, special, consequential, incidental or reliance damages. You acknowledge that you are not relying on the continuation of any Sponsorship Agreement or the benefit of any Sponsor Marks or Sponsor Materials in purchasing an APA franchise. Loss of any Sponsorship Agreement will not excuse you from performing your obligations under this Agreement.

7.4 Cooperative Agreements: Other than Sponsorship Agreements, APA may enter into agreements with other associations, organizations or persons (such as the Women's Professional Billiards Association) to lend their endorsement or support to APA and the APA System ("Cooperative Agreements"). Such Cooperative Agreements may terminate, expire or change with little or no prior notice to you and, if so, the benefits and goodwill resulting from such endorsements and affiliation would be lost. You acknowledge this potential loss, agree to accept that risk, and agree that APA will not be liable for any damages, loss, cost or expense of any kind sustained by you as the result of any loss, termination, expiration, or change of any Cooperative Agreement, including actual, special, consequential, incidental or reliance damages. Loss of any Cooperative Agreement will not excuse you from performing your obligations under this Agreement.

7.5 Relations with APA Sponsors: You acknowledge that APA has a unique relationship with and a strong protectable interest in APA Sponsors, and that interference with that relationship could irreparably harm APA and the franchised leagues. You agree to support and promote Sponsor activities and to maintain good relations with APA Sponsors and their local representatives and that you will not do anything that would be damaging to APA's relationship with any Sponsor.

7.6 APA Approval of Local Sponsors: You may solicit local businesses to sponsor the Franchise League you operate ("Local Sponsors"). You shall notify APA of proposed Local Sponsors and APA shall have the right to reject any Local Sponsor if, in APA's judgment and discretion, the proposed Local Sponsor would interfere with APA's relationship with an APA Sponsor or would reflect negatively on APA or the goodwill associated with the APA System and Marks.

ARTICLE 8

APA MEMBERS

8.1 APA's Rights in Members: All Members are Members of APA and not the local Franchised League. The goodwill derived from Members and their participation in the Franchised League is for the exclusive benefit of APA. You acknowledge that APA has a strong, unique and protectable relationship with and interest in its Members. Because of the importance of Members to the success of APA and the System, and therefore, to the franchised leagues, you must maintain good relations with Members and you will not do anything that would be damaging to APA's relationship with its Members. In your dealings with Members, you and APA agree at all times to make only positive and supportive statements about APA, other APA franchisees, and APA's rules, operations, methods, practices and procedures.

8.2 Membership Benefits: APA will offer its Members benefits and programs as APA considers appropriate from time to time. Benefits and programs currently provided include: annual membership cards; periodically published newsletters and publications designed to

encourage participation in our local franchised leagues and other APA events and programs; national championship and regional tournaments ("Higher Level Tournaments"), including our annual national tournaments (with qualifications for participation, awards, entry fees, tournament dates and sites set by APA annually); and APA's national rules manual (currently known as the "Official Team Manual") containing the structure, rules and conduct of play in the franchised leagues and APA's Higher Level Tournaments. APA will continue to update and revise the Official Team Manual as we believe appropriate. You agree to support, promote and encourage player involvement in APA programs, events and tournaments and to distribute to all APA Members in your Territory all materials sent to you by APA for membership distribution.

ARTICLE 9

TRAINING AND GUIDANCE

9.1 Training Program: If you are a new franchisee, you will receive training from us in the operation, administration, sales and marketing of an APA Pool League business. Required training is in three parts, as follows:

a. Training Program I: Prior to the start of your operation of the Franchised League, you (or your managing owner if you are a partnership, corporation or limited liability company) must attend and complete to APA's satisfaction the initial training program for new franchisees ("Training Program I"). Training Program I will train you in the APA System, including the Operations Manual, System Standards, and Software Program. Training Program I will be approximately six (6) days in duration, consisting of classroom instruction, hands-on training with the Software Program, and an interactive demonstration of league match play. If you do not complete Training Program I, or if you are asked to leave the Initial Training Program I, or if APA otherwise declines to execute Franchise Agreement after Training Program I, you understand and agree that you will remain obligated to the Confidentiality and Non-Competition terms of Article 14.

b. Field Training: Within the first three (3) months following Training Program I, we will send a representative to your market for approximately 3-4 days of additional sales training (the "Field Training Program").

c. Training Program II: Approximately six (6) months after we sign this Agreement, you must attend an additional training session covering subjects we believe important to your development as a League Operator, which may include operations, administrations, sales and marketing ("Training Program II").

The cost to us of presenting Training Program I, Field Training, and Training Program II is included in your Initial Franchise Fee. Training Program I and II is conducted in the St. Louis, Missouri metropolitan area. You are responsible for the cost of you (an any of your staff) attending Training Program I and II, including transportation, lodging, meals and wages. On an as-needed basis (generally, at least six (6) times a year).

9.2 Additional Training:

a. Training for Your New Managerial Staff: New management personnel joining your Franchised League in the future may, at our option, be required to attend Training Program I. The cost of attending the Training Program for new management personnel is not

included in your Initial Franchise Fee. You must pay APA's then current fee, which will be fair and reasonable, as well as the cost of transportation, lodging, meals and wages of new management attending training.

b. Additional Training Required by APA: APA will offer from time to time additional training seminars, as APA considers appropriate. Your participation in any additional training may be required by APA. If APA requires additional training, you (or your managing owner) must attend and complete the additional training to APA's satisfaction. You will be responsible for the costs of attending any additional training. These additional training seminars will be at such times and places as APA may designate.

9.3 Continuing Guidance: APA will continue to provide you advice and written materials, as APA considers appropriate, to help you in your operation of the Franchised League, including required and suggested management procedures, marketing techniques, methods for the efficient operation of your league, and developments in our System and Marks. Our guidance shall be based upon our experience in pool league operations. Because the results of business advice depend on many factors not within our control, the success of such advice cannot be warranted.

9.4 Promotional Materials: APA will provide you prior to your start of operations, at no charge, with a sufficient number of sales aids such as posters, brochures and the like, based on the size of your Territory and a reasonable estimate of prospective Members in your Territory. We will continue to develop new marketing materials and downloadable templates and formats, we consider appropriate and will make these materials, templates and formats available to you. You may also develop your own promotional and advertising materials consistent with our System Standards. APA shall have the right to charge a reasonable cost for quantities of materials it believes excessive or for special or optional materials and sales aids.

9.5 Other Support: To assist you in administering the Franchised League, APA will license you our proprietary Official Team Manual, which will be further developed and modified as we consider appropriate, train you in our rules of league play at our Training Program and provide on-going guidance in implementing the rules. We will further offer and conduct, as we consider appropriate, Higher Level Tournaments open to Members and teams who qualify from the Franchised League you operate. We will attempt to refer any inquiries we receive from interested players in your Territory to you and will also provide, at your request, such information on Members in your Territory as we believe appropriate.

ARTICLE 10
UNIFORM SYSTEM
CONFIDENTIAL & PROPRIETARY OPERATIONS
MANUAL, SOFTWARE AND SYSTEM INFORMATION

10.1 APA's Uniform Proprietary System: To protect the reputation and goodwill of APA under the Marks and the System, to maintain APA's uniform standards of service and operation, and for the mutual benefit of APA and its franchisees, you agree (i) to strictly comply with APA's uniform System Standards, (ii) to respect APA's ownership and proprietary rights in the APA System, and (iii) to protect the confidentiality of the APA System. You acknowledge that APA's confidential and proprietary Operations Manual and Software Program are integral parts of the

APA System, and that the APA System includes APA's uniform standards, formats and rules for league play; APA's scoring and handicapping system which allows players of all abilities to compete; APA's Higher Level Tournaments; APA's Training Program; APA's methods and materials for advertising and promoting league play; and APA's other methods, knowledge and know-how for league operation and management (collectively, the "Proprietary Information"). You further acknowledge that the System and Proprietary Information have been developed by APA through extensive time, effort and expense, and that it may be further developed, refined, modified or changed by APA in its discretion. Revisions and modifications to the Operations Manual, made by APA from time to time, as well as the Operations Manual, itself, may be posted on the APA's extranet. You agree that any methods, ideas, improvements, changes or suggestions developed by you (or any employee or agent of the Franchised League) within the scope of the APA System or the operation or promotion of the Franchised League shall become a part of APA's System and property of APA, without compensation to you. You hereby assign to APA all of your rights in any such methods, ideas, improvements, changes and suggestions to APA and agree to execute all documents necessary to carry out this assignment and agree to obtain the assignment of any rights of any employee or agent of the Franchised League.

10.2 Ownership of Proprietary Materials and Information: You and your owners acknowledge and agree that APA is the owner of the System and all Proprietary Information, including the copyright to the Operations Manual, Software Program, and all other advertising, promotional and business materials. Nothing in this Agreement shall be construed to give you any right, title or interest in the System or any of the Proprietary Information except for the revocable non-exclusive license to use the System and Proprietary Information during the Term of this Agreement and under the terms and conditions of this Agreement. Further, you agree that any other materials, information or know-how developed by you (including your owners, employees or agents) in the operation and promotion of the Franchised League during the Term shall be considered part of the Proprietary Information owned by APA, and you agree to execute any necessary assignment of your rights in such material, information and know-how, including any copyrights, to APA during the Term or thereafter. You and your owners further agree, during the Term and thereafter, that you will not dispute APA's ownership of the Proprietary Information (including the validity and APA's ownership of copyrights and trade secret rights claimed by APA in the Proprietary Information); will not use the Proprietary Information in any other business or capacity; and will not do or permit anything to be done in derogation of any of the rights of APA in the Proprietary Information.

10.3 Loan of Operations Manual and Obligation to Conform to System Standards: Upon granting the franchise, APA shall lend you one copy of APA's confidential and proprietary Operations Manual (the "Operations Manual") for your use solely in the operation and management of the Franchised League during the Term of this Agreement. The Operations Manual will contain our System Standards. You agree to conduct the Franchised League strictly in accordance with the System Standards. APA may make additions to, deletions from and revisions to the Operations Manual and its System Standards by written notices issued hereunder or by bulletins issued periodically by APA. Such additions, deletions and revisions will not be effective for at least ninety (90) days after issuance (or such greater time reflected in the notice or bulletin or lesser time if required by law). Section 24.2 shall not apply to notices or bulletins provided for in this Section. Such notices and bulletins may be sent by first class mail, postage prepaid, fax to the league fax number, email to your league email address, or any other reasonable means of delivery. You agree such changes shall become part of the Operations Manual and System Standards and are binding

upon you on their effective dates. You shall keep the Operations Manual current and up-to-date at all times. In the event of any dispute as to your obligations under the Operations Manual, the master copy of the Operations Manual maintained by APA at its headquarters shall be controlling. If you misplace, lose or require replacement of the Operations Manual during this Agreement or at its termination, you agree to pay APA the then current replacement fee.

10.4 License of APA's Software Program/Application: Obligation to Use and Maintain; and Equipment Requirements: You agree to obtain and use the Software Program or Application version, module or other APA-developed or commercially available software programs or applications that APA may specify from time to time for use in your management of the Franchised League. In granting the franchise, APA will license to you the current version of APA's confidential and proprietary Software Program (currently also known as "NEXUS"), and you agree to sign and be bound by the Software License Agreement attached as Exhibit I (the "Software License Agreement") (the terms of which are an integral part of this Agreement). APA and you agree that if there is any conflict between this Agreement and the Software License Agreement with respect to the Software Program or Application or the Software Support and Maintenance Fee, the terms of this Agreement will govern. The Software Program or Application may not be used for any other business or activity other than in your management of the Franchised League during the Term of this Agreement.

You agree to obtain a computer system (computer hardware, operating software and related equipment) meeting the specifications needed to effectively use APA's current Software Program or Application. Because of the rapid changes in computer technology, a computer meeting only the minimum requirements needed to use the current version of APA's Software Program may not be suitable to operate future versions of the Software Program or Application or to perform functions that may become required for league operations in the future. You also agree to purchase and maintain a printer, scanner, facsimile transmission (fax) machine, telephone answering system, and such other equipment as we determine appropriate in the Operations Manual. APA may also require that you purchase a GPS device if we consider it appropriate for you to effectively cover your Territory.

10.5 Software Program and Computer Requirements May Change: You agree that APA in its discretion may further develop, change, modify, enhance, add to or substitute the required Software Program and APA's requirements or specifications for your computer system, and that APA may impose new or different terms and conditions on the use of such software, which terms and conditions APA agrees will be reasonable. You agree to sign or accept as binding upon you such terms and conditions as may be contained in a software license agreement for any software program, version, or application that APA may specify, develop or release in the future for your use in operation of your league. Future versions, modifications, enhancements of the Software Program (including without limitation an application on a web-based or other platform) will be intended to meet those requirements APA believes are appropriate to operate the Franchised League, administer new league formats or programs, and report on and make payments in connection with league operations. Further, you agree that future versions of the required Software Program or other changes in our System Standards might require you to upgrade your computer system and incur costs in obtaining other or additional computer hardware, equipment and software. APA agrees to consider the cost of such enhanced technology in an attempt to keep reasonable the cost to you of such enhanced technology.

10.6 Software Support and Maintenance: Because the Software Program is a proprietary program, you agree that APA may restrict the vendors authorized to provide support and maintenance of the Software Program. You agree that support or maintenance of the Software Program must be performed only by APA personnel, or a vendor authorized and designated by APA from time to time. Although APA reserves the right to provide and be the exclusive authorized source of support and maintenance of the Software Program, if APA does not provide the support or maintenance for the then current version, APA will obtain an authorized vendor to provide such services.

The Software Program (including all updated versions, other modifications and applications) are provided "as is". APA makes no warranty the software is free from defects. However, APA will correct, as soon as practicable, subject to payment of the Software Support and Maintenance Fee, any defect in the software. **In no event will APA be liable for any incidental, consequential or reliance damages, even if we have knowledge of the potential loss or damage.**

10.7 Claims and Disputes Involving Software Program: APA has the authority to grant you a revocable non-exclusive non-transferable license to use the Software Program, without the consent of any other party, and neither the performance of maintenance and support services by APA or Contractor nor the license granted herein, will, in any way, constitute an infringement or violation of any copyright law, trade secret law, trademark law, patent law, or to APA's knowledge, the proprietary information, non-disclosure or other rights of any third party.

APA will defend any suit or proceeding brought against you to the extent that it is based on a claim that the Software Program, or any part thereof, used in the manner specified in this Agreement, constitutes an infringement of any patent or copyright of the United States or misappropriation of a trade secret, provided you promptly notify APA of such claim in writing and give the authority, information and assistance that in APA's judgment is needed for the defense or resolution of such claim. If a final non-appealable judgment is entered that use of the Software Program, or any part thereof, constitutes an infringement or misappropriation and its use is enjoined, APA will, at its sole discretion and at its own expense:

- (1) procure for you the right to continue using the Software Program or part thereof;
- (2) replace the Software Program with a non-infringing product; or
- (3) modify the Software Program as to become non-infringing.

10.8 Claims and Disputes Involving Copyrights: You must immediately notify APA of any infringement of or challenge to APA's (or any Sponsor's) copyrighted materials. APA has the sole right and discretion to take whatever action APA thinks appropriate, and APA may bring, defend or settle any claim. APA is not required to protect or defend copyrights. You may not assert any infringement claim on your own. If APA decides to modify or discontinue use of any manual or other material for any reason, you must also do so. APA will have no obligation to reimburse you for any cost if APA decides to modify any manual or other material. If APA decides to discontinue use of any manual or other material you are required to return it to APA, and APA's sole obligation will be to reimburse you for the delivery cost of returning the manual to APA. We will not, under

any circumstances, reimburse you or be liable to you for any lost business, lost profits, actual, special, consequential or reliance damages, and costs and expenses (except for the costs of returning the manual or other material to APA as specifically stated above) as a result of any infringement, claim, or the change or discontinuance of any material.

10.9 Use of Member, Player, and Team Lists and Other Records: You agree that APA has the sole rights to and interest in all lists, records, contact information, and data of franchisees, members, players, teams and host locations and all records relating to league play, including, but not limited to, player and team participation, performance and handicaps, and records of membership fees. You agree that you will not use any list of franchisees, members, players, teams, or host locations, or any records relating to league play, including, but not limited to, player and team participation, performance and handicaps, or records of membership fees, in any manner or for any purpose that is not directly related to your operation of the Franchised League. Without limitation, you may not solicit, promote, market or sell to APA members any goods, services, or events not directly related to the operation of your APA Franchised League or which further the commercial interests of some non-APA business or enterprise, without APA's prior written approval.

10.10 League Websites, Social Media, Email Addresses and Telephone Numbers: You agree that APA has the sole rights to and interest in all APA League websites, social media pages (such as the Facebook page used for your League), League email addresses and telephone numbers, and other electronic media and means of communication used in connection with League operations and marketing. APA will provide you at no charge with a League website and APA email addresses for you and your staff. You must use and keep updated your APA League website. You may also make use of a business Facebook (or other social media) page for your League and if you do so, your business Facebook (or other social media page) must be kept updated and reflect positively on the APA and you as our League Operator. If you have a personal Facebook (or other social media) page you must keep it separate from your League activities and refrain from inappropriate posts that will reflect negatively on you as an APA representative.

ARTICLE 11

MARKS

11.1 Limited License Only: You are granted a limited, revocable, non-exclusive license to display and use those Marks designated by APA in the operation of the business of the Franchised League during the Term and under the conditions of this Agreement and our System Standards. Such Marks include (a) the designated trade names, trademarks, service marks, business names, brand names, logos, symbols, slogans and other indicia of source owned by APA ("APA Marks") and (b) the designated Sponsor Marks loaned to APA under Sponsorship Agreements.

11.2 Use of APA Marks on Purchased Goods: You are also granted the right to purchase and have made APA Merchandise from third party vendors other than an APA Licensed Vendor in accordance with this Section 11.2. However, this right does not apply to Sponsor Marks. You may purchase APA Merchandise directly from a pre-authorized vendor who is listed in the then current version of our Operations Manual or another third party vendor of your own choice reasonably acceptable to APA. APA Merchandise must be used solely in connection with operation

of your Franchised League. You may not grant your third party vendor any rights to use the APA Marks on items for any other party, including the vendor, or to sell any APA Merchandise to any third party.

All use of the APA Marks pursuant to this Section 11.2 on APA Merchandise and such APA Merchandise itself must comply with the provisions regarding such items contained in the Operations Manual. Although you need not obtain our approval prior to purchasing such items, you must promptly deliver a sample of each item bearing any of the APA Marks purchased pursuant to this Section 11.2 promptly after you purchase the item. You do not need to deliver a sample of APA Merchandise purchased from an APA Licensed Supplier. The sample must be accompanied by a copy of the invoice for your purchase of the items and the invoice must be marked to indicate your intended use for the items so that we can determine the amount of any royalty due us under Section 6.5 with respect to the item. When permitted by the Operations Manual, the sample that you submit may be in the form of a digital photo of the APA Merchandise. If we object to an item which bears the APA Marks you will promptly discontinue all use of the objectionable APA Merchandise.

If we change or discontinue an APA Mark, we will notify you or issue a bulletin to all APA franchisees whether you may continue to use APA Merchandise bearing the changed or discontinued APA Mark until your supply is exhausted or whether you must discontinue all use of such APA Merchandise. If we notify you that such APA Merchandise must be discontinued, you agree to discontinue all use of such APA Merchandise by not later than one (1) year from the date of our notice. In no event may you purchase any additional APA Merchandise bearing, or otherwise use, the changed or discontinued APA Mark.

Except as provided in this Section 11.2, you may not make, purchase, sell or distribute merchandise bearing any of the Marks, nor authorize or permit anyone else to do so, without APA's prior written approval (and the consent of a Sponsor if the Mark is a Sponsor Mark).

11.3 **Obligation to Follow APA and Sponsor Rules:** You agree to comply with all System Standards set by APA (including those rules required by Sponsors) in your use of the authorized Marks. You must use and prominently display the designated Marks in conducting and promoting the Franchised League and in the manner we designate. The Marks must be used as depicted by APA and cannot be changed or modified in any way. You must use the "®" symbol with registered marks and the "TM" or "SM" symbols with non-registered marks, as APA designates. Although you need not obtain our prior approval with respect to items that you develop using the authorized Marks, you must promptly deliver after development a sample of each such item that is not purchased from an APA Authorized Supplier. If we object to an item which bears an authorized Mark you will promptly discontinue all use of the objectionable material. You further understand and agree that Sponsors might need to approve any use by you of Sponsor Marks and that such approval might be required prior to use.

11.4 **Obligation to Use Only the Marks:** To promote nationwide uniformity and identification of APA Franchised Leagues, you must use our designated Marks and only our designated Marks in all public identification, promotion and reference to the Franchised League you operate. You agree to adopt and use only the trade name "APA" or "American Poolplayers Association" or any other fictitious or assumed name or "d/b/a" specified by APA. You shall not use any other name in the operation of your business without APA's written consent. If your state requires the registration of fictitious or assumed names, you must obtain the required registrations

of the trade name specified by APA. You agree that you will not use any other trademark, service mark, trade name, business name, brand name, symbol, or logo in your business other than the Marks designated by APA.

11.5 Authorized Marks Subject to Discontinuance, Substitution, Change: We may add, substitute, change or discontinue the Marks and our rules concerning your use of the Marks at any time in our discretion. We will provide you written updates advising you of changes in the authorized Marks or APA's rules. You must promptly comply with such changes. You understand that APA's Sponsorship Agreements may terminate or expire and that upon termination or expiration of such a sponsorship, APA and its franchisees will lose the right to use the Sponsor Marks and Sponsor Materials of such Sponsor and you must promptly discontinue using such Sponsor Marks and Sponsor Materials. APA may supply you with substitute materials or reimburse your actual tangible costs of compliance (such as changing signs, letterhead, etc.), but APA is not obligated to compensate you for any substitution, change, loss or discontinuance of any Mark or any loss with respect to destruction of APA Merchandise bearing such Mark. You waive and agree not to assert any claim against APA or any APA Sponsor for actual, consequential, incidental, reliance or special damages, costs or expenses (including loss of profits, earnings, revenue or business) that result from your use of or the modification or substitution, change, loss or discontinuance of any Mark.

11.6 Ownership of Marks: You agree that the Marks (which include APA Marks and Sponsor Marks) and all associated goodwill are owned by and the exclusive property of APA or APA Sponsors, as the case may be. Further, you agree that any other marks, trade names, slogans, logos, symbols, and other indicia of source (including all associated goodwill) used or developed by you in the operation of the Franchised League during the Term shall be considered APA Marks and the exclusive property of APA, and that you will execute any necessary assignment of such rights to APA during the Term or thereafter. You further agree, during the Term or thereafter, that you will not contest the ownership or rights of APA or any APA Sponsor in or the validity of any of the Marks, and that you will not claim any ownership of or rights in any goodwill or reputation associated with the Marks. You agree not to do or permit anything to be done in derogation of any of the rights of APA or any APA Sponsor in the Marks or goodwill.

11.7 Claims and Disputes Involving Marks: You must immediately notify APA of any information that you acquire concerning any use by others of names or marks which are the same as or confusingly similar to any of the Marks. APA will evaluate the situation and take action if APA believes it appropriate in our discretion. APA is not obligated to take action. You may not take such action on your own. You must also immediately notify APA of any claim or challenge by a third party to your use of any of the Marks. APA will defend you against such claim or challenge provided that the claim does not arise out of your unauthorized use or misuse of the Marks. APA has the sole right to defend or settle the claim as APA sees fit, and you may not defend or settle the case on your own.

ARTICLE 12

MARKETING AND ADVERTISING

12.1 Active Marketing Required: You shall use your best efforts to promote and develop the business of the Franchised League and start your marketing efforts upon this Agreement becoming effective; however, you may engage in or possess an interest in other

business ventures of every nature and description, independently or with others, so long as those activities do not violate Section 3.4 of this Agreement and provided those activities do not materially and adversely affect your efforts to promote and develop the business of the Franchised League. You agree that to adequately serve your Territory and keep your rights in the Territory under this Agreement, you must and will actively and continuously recruit new players, solicit new host locations for league play, participate in the programs we develop and establish, and market and develop pool playing throughout the Territory in accordance with APA's guidelines, as may be further developed or revised. Failure to actively and continuously market, establish and increase participation in league play throughout your Territory will deny potential players the opportunity to play under the APA System and result in stagnation of your Territory. You must also during all sessions of league play (excluding summer sessions) maintain active team participation of at least 70% of the greatest number of Standard Format Teams (as defined in Section 4.3 c) that have ever participated in the Franchised League you operate. This requirement is in addition to the Team Count requirements during any applicable Conditional Term described in Section 4.3.

12.2 Advertising Fund: APA may offer from time to time an advertising plan covering a geographic area (national, regional or local) selected by us in our discretion. If your franchise territory is within the plan's geographic area and the plan is approved by a vote of franchisees within the area, you will be obligated to contribute to the advertising plan subject to the limitation described below. We have the sole authority to manage and use the advertising funds as we feel appropriate in carrying out the approved plan. We are not obligated to make any advertising expenditures in your Territory that are equal or proportionate to your contribution, nor are we obligated to ensure that you in particular benefit directly or in proportion to the amount of money you were assessed in the plan. If you are assessed under such an advertising plan you may, upon reasonable notice, review the books and records kept by us in administering the plan. In any vote to approve an advertising plan, every franchisee within the area covered by the plan shall be entitled to cast votes based on the number of persons residing in the franchisee's territory. A franchisee in a territory of less than 200,000 people may cast one vote; a franchisee whose territory is between 200,000 and 499,999 people may cast two votes; and a franchisee of a territory of 500,000 people or more may cast three votes. If two-thirds (2/3) of the eligible votes in the area are in favor of the plan, the plan is approved and you will be obligated to pay the amount assessed in the plan subject to the following limitation: You shall not be required to contribute to the advertising plan for any period an amount exceeding five percent (5%) of your Gross Revenues for that period. "Gross Revenues" means all Basic Weekly Fees charged or required to be paid to you by players and all other fees, due and amounts received by you in the operation of the Franchised League, except Annual Membership Fees and Players Funds.

ARTICLE 13

FRANCHISEE ENTITY, OBLIGATION TO MANAGE BUSINESS, AND GUARANTY OF OBLIGATIONS

13.1 Franchisee Entity: Before your Training Program, you must complete the Franchisee Ownership Schedule (Exhibit F) to identify the type of business entity (sole proprietorship, partnership, corporation or limited liability company) that you are. You must also provide APA a list identifying all of the owners of the entity (including their spouses) and their ownership interest or percentage in the entity. You agree that the information set forth on the Franchisee Schedule is complete and accurate. Should this information change in the future, you must provide APA with an updated Franchisee Schedule within ten (10) days of the change. You

further understand that any change or other transfer of an Interest in the Franchised League or you is subject to the provisions of Article 19, below. If you are a partnership, corporation or limited liability company you must also provide APA before your Training Program with a copy of your organizational documents (i.e., your articles of partnership, incorporation or organization; partnership, shareholder or membership agreement; charter and bylaws). You agree not to amend or alter your organizational documents or enter into a merger, consolidation, or other reorganization without APA's prior written approval, and you must provide APA with a copy of any new or revised organizational documents within ten (10) days. Your stock certificates or other certificates of ownership shall state that assignment, transfer or encumbrance is restricted by this Agreement. If you are a partnership, corporation or limited liability company, the Franchised League must be your sole business.

13.2 Obligation to Manage League: APA has granted this franchise in reliance on the abilities and the personal participation and attention of you and your owners in management of the Franchised League. If you are an individual, you must be the manager of the Franchised League. If you are a husband and wife, one or both spouses must be designated as the manager. If you are a partnership, corporation or limited liability company, your majority owner must be designated as the manager. Unless otherwise agreed by APA in its discretion, the manager must permanently reside at all times within the Territory or within the territory assigned under another franchise agreement between you and APA. The manager must successfully complete our Training Program. The manager must personally manage the Franchised League and assure compliance with the Agreement and System Standards, including, without limitation, organizing and administering league play and the business; properly and timely maintaining player scores and enforcing proper scorekeeping; properly maintaining handicaps under APA's Equalizer® scoring and handicapping system; assuring fees are collected, records are maintained and royalties are paid; and soliciting and maintaining relations with members, teams and host locations. The manager may not delegate any of their obligations to any other person without APA's prior written consent. APA is not required to give our consent, and may refuse consent or give consent on conditions APA believes appropriate in its discretion. Generally, you must successfully complete the Conditional Term (if the Conditional Term applies to this Agreement) and have at least 100 teams regularly participating in the Franchised League before APA will consider consenting. APA may require that any new manager to whom it has consented complete the Training Program to APA's satisfaction before or as a condition to assuming management functions.

13.3 All Owners of Franchisee and Spouses Must Guaranty Obligations: All of your owners (including their spouses) must personally guaranty your performance of all obligations under and be personally liable for breach of this Agreement. All such persons must sign the "Guaranty & Assumption Agreement of Franchisee's Owners/Spouses" (Exhibit G) and the "Confidentiality and Non-Competition Agreement" (Exhibit H) as a condition precedent to APA entering into this Agreement. Liability of all owners and spouses shall be joint and several.

ARTICLE 14

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

14.1 Acknowledgments: You acknowledge that APA's System (including its confidential and proprietary Operations Manual, Software Program, System Standards and methods and know-how for operating and promoting the pool leagues, tournaments and events) has been

developed by APA over many years of substantial effort, expense and experience, is highly confidential and valuable, is comprised of information not generally known to competitors, and if disclosed to or used by competitors, it would give them the advantages presently enjoyed by APA and its franchisees. The System will be disclosed to you by APA solely to help you operate the Franchised League during the Term of and under the conditions of this Agreement. As a result of your training and support by APA and your operation of the Franchised League under the System, you will develop substantial knowledge of the System and relations with Members participating in the Franchised League. But for the training, support and experience gained through this franchise, you (your owners, officers, directors, manager and employees) would be without knowledge of and expertise in the operation of a pool league, would be without knowledge of or expertise in the System, and would not have developed a relationship with APA Members. You agree that the confidentiality and non-competition obligations described below are reasonably designed to serve the legitimate and protectable interests of APA, do not unreasonably and unnecessarily restrict you (or your owners, officers, directors, manager or employees), and that the obligations are reasonable in time and scope, will not prevent you or them from earning a living within the area, and can be enforced by any court or arbitrator having proper jurisdiction.

14.2 Obligation to Maintain Confidentiality: You agree that at all times during the Conditional Term (if it applies), the Regular Term, or any Renewal Term and after expiration or termination of this Agreement, you, your owners, officers, directors, manager, and employees (1) will maintain the absolute confidentiality of the System (including the Operations Manual, Software Program, System Standards and all other confidential and proprietary information of the System) and the list and records of participants in the Franchised League and APA Members; (2) will not use the System (or any part thereof) in any other business or capacity; (3) will not make any unauthorized copies of the Operations Manual, Software Program or any other confidential and proprietary material or information of the System; and (4) will adopt and implement all reasonable procedures APA prescribes from time to time to prevent unauthorized use or disclosure of the System. You agree your owners, officers, directors, manager and employees must sign and be bound by the Confidentiality and Non-Competition Agreement (Exhibit H) as a condition precedent to APA entering this Agreement. We agree that if there is any conflict between this Agreement and the Confidentiality and Non-Competition Agreement, the terms of this Agreement will govern.

14.3 Non-Competition During This Agreement: You agree that you will not, during the Term of your franchise, and your owners, officers, directors, manager, employees, agents and their respective spouses will not, during their affiliation with you or the Franchised League, directly or indirectly, have any interest in, as owner, partner, director, officer, employee, consultant, representative or agent, or otherwise engage in or lend knowledge or support to any non-APA pool league, tournament or event or any business that operates, manages, conducts, franchises or licenses any pool league, tournament or event; provided, that this Section does not prohibit you or your owners, officers, directors, manager, employees, agents or their respective spouses from playing in a non-APA pool league, tournament or event, or from owning less than five percent (5%) of any company listed on any national securities exchange.

14.4 Non-Competition After this Agreement: You agree that for two (2) years after expiration or termination of this Agreement, you and your owners will not, directly or indirectly (1) have any interest in, as owner, partner, director, officer, employee, consultant, representative or agent, or otherwise engage in or lend knowledge or support to any non-APA pool league, tournament or event or any business operating any pool league, tournament or event within your

Territory, or any adjacent county; (2) engage in, support, or assist in the solicitation of any APA Members, host locations, or Sponsors that have participated in the Franchised League to participate in any non-APA pool league play, tournament or events within your Territory, or any adjacent county; or (3) have any interest in, as owner, partner, director, officer, employee, consultant, representative or agent, or otherwise engage in or lend knowledge or support to any business engaged in franchising, licensing, or otherwise establishing, developing or managing a national or regional pool league operation; provided, that this Section does not prohibit you or your owners, officers, directors, manager, employees or their respective spouses from playing in a non-APA pool league, tournament or event, nor does it prohibit you or them from owning less than five percent (5%) of any company listed on any national securities exchange. You further agree that your owners, officers, directors, manager, employees and their respective spouses must agree to refrain from these same competitive activities for a period of two (2) years after they cease all affiliation with you and the Franchised League, and they must sign and be bound by the Confidentiality and Non-Competition Agreement (Exhibit H) as a condition precedent to APA entering this Agreement.

14.5 Persons That Later Join Your Business: You agree that every person that becomes an owner or the spouse of you or an owner during the Term of this Agreement, as well as every person who becomes a director, officer, manager, or employee during the Term of this Agreement must also sign and be bound by the then current form of Confidentiality and Non-Competition Agreement required by APA. You agree to have each such person execute APA's currently applicable Confidentiality and Non-Competition Agreement. You shall promptly provide APA with either the executed original Confidentiality and Non-Competition Agreement or a copy of the executed Confidentiality and Non-Competition Agreement, as APA may require.

14.6 APA's Right to Enforce Obligations: You hereby grant APA the right, but not the obligation, to enforce the confidentiality and non-competition obligations in your name or APA's name against any owner, director, officer, manager, employee or agent of the franchisee entity that breaches any confidentiality obligation.

14.7 Host Location Ownership or Affiliation is Not Allowed: You may not have an ownership interest in nor have a management role at any bar or pool room in your Territory, without APA's prior written approval. Some people might think that there is a natural fit or "synergy" between owning an APA pool league and owning a pool room or bar with pool tables. History has time and time again proven this to be incorrect. There are two major reasons why we prohibit a League Operator's ownership or management of a location: (1) Running a bar or pool room takes up an incredible amount of time that is better spent building teams and building relationships with your Host Locations. (2) When you own or operate a bar or pool room, you and your APA League will be perceived by Host Locations in your area not as a no-cost benefit to their business but as a competitor. You will be perceived as favoring your bar or pool room over other locations or as favoring the teams that play out of your location, no matter how "fair" you think you're being. (This provision does not apply to a League Operator's ownership or management of a Host Location only if that ownership or management was previously established by you before this provision became applicable and disclosed in writing to APA.)

14.8 Other Activities at APA Events: You agree that you will not at any time during any APA event engage in any activity that is not directly related to the operation of the Franchised League or to your attendance at the event as an APA franchisee, including, but not limited to, any solicitation, marketing or promotion to persons on behalf of any other business, enterprise or

product, service or event, whether or not such business, enterprise, product, service or event competes with APA, without the written approval of APA. As used in this Section the following terms have the following meanings: (a) "location" means the general location of such event, including any room within the building or facility in which such event is conducted, and any location within 500 yards of the perimeter of such building or facility; (b) "during" means the time period that such event is being conducted and the 24 hours before its start and after its completion; (c) "you" means you and your owners, officers, employees, agents or representatives; and (d) "APA event" means any event sponsored, produced or conducted by APA or an APA Sponsor.

ARTICLE 15

RELATIONSHIP OF THE PARTIES

15.1 Independent Contractor: You and APA agree that this Agreement does not create a fiduciary relationship between APA and you, and that APA and you are and shall be independent contractors. Nothing in this Agreement shall make APA or you a general or special agent, joint venturer, partner or employee of the other for any purpose. You shall conspicuously identify yourself as the franchisee of the Franchised League under a license from APA in your dealings with Members, host locations, contractors, suppliers, public officials and others and on all checks, invoices, receipts, contracts, business cards, stationery, and any other materials that APA might require you to use. If you are a corporation, partnership or limited liability company, the name under which your business is chartered, incorporated or formed shall not include any of the Marks. You may not make any agreement, representation or warranty or incur any debt on behalf of APA or any Sponsor, or otherwise make or undertake any legal obligation that may result in APA or any Sponsor being liable for any of your obligations. APA and you shall not be obligated or liable under any agreement, obligation, representation or warranty made by the other that is not expressly authorized by this Agreement. You agree neither APA nor any Sponsor will be liable for any debt, obligation, or damages to person or property directly or indirectly arising out of your operation of the Franchised League, whether caused by your negligent or willful action, failure to act or otherwise.

15.2 Taxes: You agree to collect and, subject to Section 6.6(a), to pay all sales, use, service, occupation, excise, gross receipts, income, property or other taxes arising from your operation of the Franchised League, whether such taxes are levied on you, the Franchised League, APA or any Sponsor, other than taxes imposed with respect to the income or assets of APA or a Sponsor. You are not obligated or responsible for the collection or payment of any sales tax on APA membership or APA royalty income unless notified as described in Section 6.6(a).

15.3 Indemnification:

(a) You agree to indemnify, defend and hold harmless APA and our Sponsors and the affiliates, shareholders, officers, directors, employees, agents, successors and assigns of APA and any Sponsor (collectively the "Indemnified Parties") from and against all damages, liabilities, losses, taxes, penalties, fines, debts, costs and expenses (including reasonable attorneys', accountants' and expert witness fees, expenses and costs) incurred by the Indemnified Parties in investigating, preparing for, bringing, defending, settling or satisfying any claim, demand, suit or proceeding, directly or indirectly, arising out of the operation and business activities of the

Franchised League or your breach of this Agreement (including, but not limited to, trademark and copyright infringement claims arising from your misuse or unauthorized use of any trademark or copyrighted work; your breach of any agreement, contract, law, rule, or regulation; libel, slander, defamation, unfair competition or unfair trade practices; breach of any provision of this Agreement; and the acts, errors or omissions of you or any of your owners, employees or agents); provided, however, that you shall not be obligated to indemnify any Indemnified Party for any damage, liability, loss, tax, penalty, fine, debt and expense to the extent that such damage, liability, loss, tax, penalty, fine, debt, cost or expense results solely from the negligence or willful misconduct of that Indemnified Party.

- (b) APA agrees to indemnify, defend and hold you and your affiliates, shareholders, officers, directors, employees, agents, successors and assigns ("Indemnitees") from and against all damages, liabilities, losses, taxes, penalties, fines, debts, costs and expenses (including reasonable attorneys', accountants' and expert witness fees, expenses and costs) incurred by Indemnitees in investigating, preparing for, bringing, defending, settling or satisfying any third party claim, demand, suit or proceeding, arising solely out of conduct of APA adjudged to be wrongful or any breach of this Agreement by APA.

- (c) Each of us shall immediately notify the other of any claim, demand, suit or proceeding that is or may be covered by the indemnification provisions of the Agreement (unless the other party has already received notice of such claim, demand, suit or proceeding). APA shall have the right to defend and resolve, at its own expense and in its discretion, any claim, demand, suit or proceeding in connection with which you (or any other Indemnitee) are or may be entitled to indemnification from APA under Section 15.3(b) of this Agreement; in the event APA exercises such right, you shall give APA such authority, information, assistance and cooperation as in APA's judgment is necessary in connection with the defense or resolution of such claim, demand, suit or proceeding.

- (d) The obligations to indemnify set forth herein shall continue after and notwithstanding the expiration or termination of this Agreement.

ARTICLE 16

RECORDS, REPORTING AND AUDIT

16.1 Reporting and Records: You agree to timely and accurately prepare and submit to APA all reports (including data and computer files) as required by APA's Operations Manual (as revised and updated from time to time). You agree to keep and preserve for at least three (3) years after the end of each fiscal year, separate, complete and accurate records of (1) the financial and business operations of the Franchised League and (2) league play, including player and team participation, performance and handicaps. Your records shall be prepared in accordance with the requirements of APA's Operations Manual. Your records shall include records of Annual Membership Fees, Basic Weekly Fees and other fees, dues and amounts collected; bookkeeping

ledgers and records; financial statements; federal, state and local tax returns; banking records (including account statements, canceled checks, deposit and withdrawal slips); contracts, agreements and documents relating to business transactions; score sheets of local league play and tournaments, handicap records, player lists, host location lists, local newsletters, and advertising and promotional materials. If any audited, reviewed or compiled financial statement is prepared by an accountant for you or the Franchised League, you shall promptly send a copy of such financial statement to APA. You understand and agree that, as a result of changes in the law and advances in technology, or for other business reasons, APA may from time to time change or be required to change your record keeping and reporting requirements; such changes will be reflected in the Operations Manual (or by bulletins or written notices of changes to the Operations Manual).

16.2 Inspection and Audit: You agree APA or our agents have the right, without prior notice, to inspect and audit the records, books and operations of the Franchised League and you to assure your compliance with this Agreement and the System Standards. APA's right to inspect and audit includes, without limitation, the right to (1) enter your place of business at any time during business hours; (2) review and copy any books, records, documents and data relating to operation of the Franchised League; and (3) access your computer system to examine, review, and copy your computer files and data, by modem or otherwise, at any time. APA may also inspect (and reject in our discretion) locations where the Franchised League conducts league and tournament play. You shall fully cooperate with APA's representatives in any inspection and audit. APA will notify you of any significant adverse findings of an audit. Should any audit determine that you have failed to collect Annual Membership Fees for all players or underpaid royalties or fees to APA, you must pay the fees and royalties due APA, together with interest. Additionally, if the audit reveals you have understated amounts due APA by more than 2%, then you must also reimburse APA for the cost of the audit (including, without limitation, accounting fees, travel expenses and compensation of our employees). The foregoing remedies are in addition to all other remedies and rights of APA under this Agreement or applicable law.

16.3 APA's Right to Interim Management of Franchised League: To protect the Members participating in the Franchised League, the integrity of leagues operated under our System and the goodwill associated with the Marks for the benefit of APA and all of our franchisees, (i) upon your death, disability, incapacity (whether physical or mental, temporary or permanent) or abandonment of the Franchised League you operate or, if you are a partnership, corporation or limited liability company, upon the death, disability or incapacity of your controlling owner, or (ii) after notice of termination and pending termination of this Agreement pursuant to Article 20: APA may in our discretion immediately appoint an interim manager (the "Interim Manager") to assume full possession and control of and operate the Franchised League for your benefit so long as the reason for our taking possession and control of the Franchised League continues. In addition, following your death or, if you are a partnership, corporation or limited liability company, following the death of your controlling owner, APA agrees that it will, upon the request of your personal representative appoint an Interim Manager for the Franchised League for such period of time as your personal representative requests (except that APA's obligation hereunder shall terminate upon transfer of your interest in the Franchised League as set forth in Section 19.7) on the terms and conditions of this Section.

Where an Interim Manager is appointed because of death, disability or incapacity of you or (if you are an entity) your controlling owner, the expense associated with the Interim Manager will be borne as follows: APA will assume the cost of the Interim Manager for the first 90 days of interim

management of the Franchised League; after the initial 90-day period, APA shall be entitled to recover from the revenue of the Franchised League APA's then current fees (which APA agrees will be reasonable) for such Interim Manager services and its out-of-pocket expenses in connection with the Interim Manager for the remaining period of time the Interim Manager operates the Franchised League.

Where the Interim Manager is appointed by APA pending termination of the franchise, APA shall be entitled to recover from the revenue of the Franchised League APA's then current fees (which APA agrees will be reasonable) for such Interim Manager services and its out-of-pocket expenses in connection with the Interim Manager for the period of time the Interim Manager operates the Franchised League.

The Interim Manager will be considered your agent (or the agent of your personal representative, as the case may be) in the management of the Franchised League, but will be required to take instructions only from APA. In the event of appointment of an Interim Manager, you hereby appoint APA (and our designee, including the Interim Manager) as your attorney-in-fact with the full powers and authority to take such actions which you and your owners could have taken in the operation of the Franchised League, including without limitation, the power to:

- (a) conduct league play and operations;
- (b) collect all fees, dues and revenues due the Franchised League and endorse your name on checks received;
- (c) pay expenses incurred in the operation of the Franchised League from your accounts and funds (including wages and salaries for operation of the Franchised League and including the replenishment of any funds held by you for the benefit of APA Members that participate in the Franchised League);
- (d) pay fees, royalties other amounts due APA (or our affiliates) under this Agreement or any other agreement;
- (e) incur debts in the ordinary course of business for marketing and operation of the Franchised League;
- (f) prepare, execute and submit documents and instruments on your behalf;
- (g) bring and conduct legal proceedings on behalf of and defend actions brought against the Franchised League;
- (h) cease operation of the Franchised League and dissolve the business; and
- (i) take any other action we deem necessary or appropriate in furtherance of this provision.

This is an irrevocable and durable power of attorney, is coupled with an interest, and the authority granted APA as your attorney-in-fact shall not terminate if you become disabled or incapacitated. Our authority granted under this power is limited to those actions you or your owners could have

taken in the operation of the Franchised League (including, without limitation, the actions itemized above). If after death your personal representative or the personal representative of your controlling owner requests that APA appoint an Interim Manager for the Franchised League as described above, then such personal representative shall be deemed to have granted APA a power of attorney on the same terms described above.

We shall maintain separate books and records of our actions. Any net proceeds (after payment of APA's Interim Manager fees and out-of-pocket expenses) from our operation of the Franchised League shall be deposited into a separate bank account under our direction and control as trustee for you. We shall be entitled to off-set those net proceeds against any amount that you owe us under this Agreement. You, your owners or legal or personal representative (as the case may be) shall cooperate with and not hinder the Interim Manager, and shall turn over to the Interim Manager all player, financial and other records of the Franchised League, and full control and direction over any funds owing APA and any Players Funds. Upon APA's termination of our interim operation of the Franchised League, any net proceeds shall be distributed to you or as you direct. APA and the designated Interim Manager shall have the right to exercise our independent discretion and judgment in exercising our powers, and decisions and actions of APA and the Interim Manager shall be binding upon you and your owners and the successors, assigns, heirs, and legal and personal representatives of you and your owners. APA (including the Interim Manager, shareholders, officers, directors, employees and agents) shall not be liable for and you and your owners shall indemnify and hold us harmless from and against any loss, claim, expense, damage, liability or other obligation of any nature (including attorneys' and accounting fees and expenses) concerning our decision to assume control of the Franchised League and our operation of the Franchised League and exercise of our powers under this Section (except for our willful misconduct or gross negligence). Except in the instance in which your personal representative requests appointment of an Interim Manager after your death as described above, APA has no obligation to assume or continue control of or operate the Franchised League or exercise the powers granted in this Section, and may, in its discretion, terminate its control and operation of the Franchised League at any time.

ARTICLE 17

INSURANCE

17.1 Insurance Required: You agree to purchase and, at all times during the Term, maintain policies of insurance with such minimum standards, coverage, and limits (or such additional limits or types of coverage) as APA may from time to time prescribe in the Operations Manual. The insurance you purchase covering the Franchised League must name APA as an additional insured, and provide that APA shall be given at least ten (10) days prior written notice of any termination, amendment, cancellation or modification of the policy. You shall provide APA with a Certificate of Insurance evidencing the amount, nature and period of coverage within ten (10) days after the effective date of this Agreement and annually thereafter during the Term of your franchise. APA does not undertake the obligation nor does it represent that any insurance obtained by or through APA or meeting its standards will insure or protect you against all possible insurable risks of loss that may arise in connection with your operation of the Franchised League. You may obtain such insurance as you may desire in addition to that required by APA.

17.2 APA's Right to Purchase Insurance at Your Cost: APA may, at its option, purchase insurance on your behalf and at your cost meeting APA's requirements from an insurance

company of APA's choosing. Such insurance may be amended, cancelled, terminated or modified by APA at any time upon ten (10) days written notice to you. However, nothing contained in this Agreement shall be construed or deemed to impose any duty on APA to obtain insurance for you.

ARTICLE 18 **RENEWAL**

18.1 Your Renewal Right: You shall have the right (but not the obligation) to acquire a successor franchise license to continue your operation of the Franchised League upon expiration of any Regular Term of this Agreement for an additional term of ten (10) years (or such other shorter period as we both reasonably agree) (the "Renewal Term") provided you have complied in all material respects with the following conditions precedent to your right of renewal:

You and your owners must:

(1) be and continue in full compliance with all obligations under this Agreement from the time you begin the renewal process through expiration of your Regular Term;

(2) sign APA's then current form of franchise agreement (the "Successor Agreement"), including ancillary agreements, the terms and conditions of which will govern during the Renewal Term and may vary from this Agreement;

(3) sign a full general release of any and all claims you, your subsidiaries and affiliates may have against APA, its subsidiaries, affiliates, successors, assigns and sponsors and their respective officers, directors, employees and agents, arising out of or relating to your relationship with APA and the performance of this Agreement (the "Franchisee Release"); and

(4) fully comply with the procedures for renewal described in Section 18.2.

Your Territory may not be reduced as a condition to this renewal. Your opportunity to renew as provided in this Article applies only to renewal at expiration of any Regular Term under this Agreement. You have no renewal right respecting your Conditional Term (if applicable). In the event of renewal, APA (on its own behalf and on behalf of its subsidiaries and affiliates) will sign a release in favor of you, your subsidiaries, affiliates, shareholders, officers, directors, employees and agents (the "APA Release"); the release signed by APA will be in the same form of the release you sign in favor of APA, but shall not release claims for payment of monies due under this Agreement or for misappropriation of funds or for replenishment of any Player's fund for the benefit of APA members.

18.2 Manner of Renewal: If you wish to acquire a successor franchise license, you must give APA written notice of your desire to renew not later than six (6) months (but no sooner than nine (9) months) before expiration of your Regular Term. Your notice must certify that you and your owners are in compliance with all obligations under this Agreement. If APA believes you have not complied with the conditions for renewal set forth in Section 18.1, APA will notify you within thirty (30) days. After receipt of your notice, if you have complied with the conditions set forth in under Section 18.1, APA will send you APA's then current offering circular, Successor Agreement and Franchisee Release for your review, and you must promptly return the

acknowledgment of receipt of the offering circular. Not later than twenty (20) business days (but no sooner than ten (10) business days) after receipt of these renewal materials, you must give APA written notice of whether you elect to renew. If you elect to renew, you must send to APA with your notice the Successor Agreement, including the guaranty, non-competition, confidentiality and other ancillary agreements, and the Franchisee Release fully signed by you and your owners (as applicable). If you remain in compliance with all of your material obligations under this Agreement through the expiration date of the Regular Term and, your certification was correct, APA shall sign the Successor Agreement and APA Release and will deliver fully signed copies of the Successor Agreement and APA Release to you promptly after the conclusion of the Regular Term.

18.3 Successor Agreement: The Successor Agreement shall become the operative Agreement between you and APA after it is signed and accepted by APA upon expiration of the Regular Term, and it supersedes in all respects this Agreement. The terms and conditions of the Successor Agreement shall be the same as those then currently being offered by APA to new franchisees, except that (1) the Successor Agreement shall start with a 10-year Renewal Term, without a Conditional Term, and (2) there shall be no Initial Franchise Fee as would be required by APA of a new franchisee. The terms and conditions of the Successor Agreement may differ from the terms and conditions of this Agreement. Continuing royalties and other payments to be paid APA under the Successor Agreement shall be the same as required of new franchisees. Your opportunity to further renew your franchise upon expiration of your 10-year Successor Term shall be governed by the terms and conditions of the Successor Agreement.

ARTICLE 19

TRANSFER OR ENCUMBRANCE

19.1 Transfer by APA: This Agreement (or the various rights, benefits and obligations under it) may be transferred or assigned by APA at any time, and the party receiving the transfer shall be entitled to receive, exercise and enforce all rights and benefits of this Agreement that are transferred to such party.

19.2 Transfer by You: You understand and acknowledge that the rights and duties created by this Agreement are personal to you (or if you are a corporation, limited liability company or partnership, to your owners) and that APA has granted this franchise in reliance upon its perception of the individual and collective character, skill, attitude, and business and marketing abilities of you and your owners. Therefore, except for assignment to a wholly owned corporation or limited liability company as provided in Section 19.8, below, no interest in the franchise may be transferred by you or any of your owners, and neither you nor any of your owners will make or purport to make any such transfer, without APA's prior written approval. Any such purported transfer of an interest will be voidable at our sole option.

- (a) Meaning of "Interest": An "Interest" is defined to mean: (a) this Agreement or your rights under this Agreement; (b) your rights in the Franchised League (including its assets or such portion of its assets as would constitute a bulk transfer); (c) an individual's rights as an owner of you (including any owner's stock, partnership interest or other ownership interest); (d) any option, call, warrant, conversion rights or rights to acquire any equity or voting interest in you; (e) any security interest, lien, pledge, mortgage, or

other encumbrance of any of the foregoing Interests; or (f) any right to control, operate or manage the Franchised League or you.

- (b) Meaning of "Transfer": A "transfer" means and includes any voluntary or involuntary, direct or indirect, assignment, sale, gift or other disposition of an Interest including without limitation: (a) transfer of any capital stock, partnership interest or other ownership interest of you; (b) merger, consolidation or issuance of additional stock or ownership interests; (c) transfer in bankruptcy or dissolution of marriage or otherwise by operation of law or by order of court; (d) transfer to a personal representative upon permanent disability or transfer upon your death or the death of one of your owners by will, declaration or transfer in trust or under the laws of intestate succession; (e) the grant or creation of any lien or encumbrance; or (f) any loss of control or management of the Franchised League or you; provided that appointment of a manager in compliance with Section 13.2 shall not be deemed a transfer under this Agreement.

19.3 Sub-Franchise or Partial Transfer Prohibited: You and your owners understand and agree that you (or your owners) may not sub-franchise or otherwise transfer less than all of the rights and privileges acquired under this Agreement. Further, you or your owners may not under any circumstances transfer any Interest in, possession or control of the Franchised League or delegate your obligations to manage and operate the Franchised League, other than as provided in Section 13.2, separate from a complete transfer, approved in writing by APA, of this Agreement.

19.4 Transfer During Conditional Term: If this Agreement is a Successor Franchise Agreement as indicated on page 1, this Section 19.4 does not apply to this Agreement or to you. You understand and agree that APA may arbitrarily refuse approval of any transfer of an Interest during the Conditional Term, without cause or justification and you agree that neither you nor any owner will make or attempt to make an unauthorized transfer.

19.5 Transfer During Regular Term: During the Regular Term of this Agreement, if you and your owners are in compliance with this Agreement, APA will not unreasonably withhold approval of a transfer of an Interest that does not otherwise violate this Article and meets all the requirements of this Section. The party that is to receive the proposed transfer of any Interest and its direct and indirect owners (collectively the "Transferee") must meet APA's then applicable standards and qualifications for acceptance of new franchisees. Furthermore, you agree that APA may condition any approval of the transfer on compliance with such conditions that APA, in its reasonable judgment, believes are appropriate under the circumstances, including any or all of the following:

- (a) You must pay all fees, royalties and amounts due APA under this Agreement and any other agreement you have with APA or any affiliate, and provide, at APA's request, records concerning your compliance with your financial obligations.
- (b) You must, if requested by APA, deposit into an escrow account in APA's name an amount considered appropriate by APA to secure payment to APA of any royalties, fees or other payments that may be determined to be owing

by you and to secure any other debts of you or the Franchised League. No money may be disbursed from this account without APA's prior written authorization. APA may disburse funds from this escrow account to pay any royalties, fees or payments APA determines are owed APA or to pay debts APA determines are owed your creditors. The escrow deposit will be held for six (6) months from the closing date and the balance (including any accrued interest), if any, will be refunded to you.

- (c) The Transferee must sign APA's then current franchise agreement and must be bound by all terms, conditions and obligations of such franchise agreement (except the Transferee will not be obligated to pay the Initial Franchise Fee required under the agreement), including the personal guaranty of obligations under the franchise agreement by the Transferee's owners and spouses, their execution of Confidentiality and Non-Competition Agreements, the completion by the Transferee (or its owner who will be designated as manager) of APA's then current Training Program, and the execution by the Transferee of APA's then-current license agreement covering the Software Program. The term of the Transferee's franchise agreement, if accepted and signed by APA, will be the greater of thirty-six (36) months or the then remaining Term of this Franchise Agreement. The Transferee will also have the right to renew the franchise agreement in accordance with its terms.

- (d) The Transferee must pay to APA (in lieu of the Initial Franchise Fee) APA's then current Franchise Transfer Fee (which is presently One Thousand Five Hundred Dollars (\$1,500.00)), or as set forth in the Operations Manual.

- (e) You must provide APA with the Confidentiality and Non-Competition Agreements signed by and binding upon your owners, officers, directors, Managers, and employees and their respective spouses as required by Article 14 of this Agreement.

- (f) You and your owners must sign general releases, releasing any and all claims against APA (including its subsidiaries, affiliates, shareholders, officers, directors, employees and agents).

- (g) You must provide APA with written notice of transfer. The notice of transfer shall be accompanied by a copy of the sales agreement or a description of all the material terms of your agreement with the transferee. APA must approve the material terms and conditions of the transfer, including all financing arrangements, and determine that the price and terms of payment will not, in APA's judgment, adversely affect the Transferee's operation of the Franchised League and the Transferee's ability to meet its obligations under the Transferee's franchise agreement.

- (h) Subject to APA's right of approval (or conditioned approval), you may use the franchise as collateral for financing the sale or transfer of your franchise. If you or your owners finance any part of the Transferee's purchase price,

you and your owners must agree that any promissory note or security interest given you or your owners by the Transferee will be fully subordinated to the obligations Transferee owes APA, including Transferee's obligation to pay royalties, fees and other payments due APA.

All conditions set by APA must be met to APA's satisfaction before the transfer becomes effective. APA's approval of the transfer must be in writing. APA agrees to provide written notice of approval or rejection of any transfer within 30 days of receipt of your notice of transfer or 10 days before the transferee's training program whichever occurs first. Any approval notice shall contain the conditions that APA requires to approve the transfer. Any rejection notice shall contain an explanation of rejection of the transfer. Any of the above conditions applicable to you may be imposed by APA on all of your owners or such owners of you that are seeking transfer of an interest.

19.6 Transfer Because of Death or Disability: Upon your death or disability (or, if you are a corporation, limited liability company or partnership, upon the death or disability of the owner of a controlling interest in you), your or such owner's personal representative (executor, administrator, conservator, guardian or other legal representative) must transfer your interest in this Agreement or your controlling owner's interest in you to a Transferee acceptable to APA within 90 days after the death or disability of you or your controlling owner or, if an interim manager is requested, within 180 days after such death or disability (the "Transfer Period"). Such transfer of the interest is subject to APA's right of approval as provided in Section 19.2, and satisfaction of all conditions precedent set by APA as provided by Section 19.5. APA will give prompt consideration to a proposed transfer of the interest to an immediate family member of you or your controlling owner. If APA does not approve a transfer to the family member, then the interest must be transferred to some other Transferee, acceptable to APA, within the remainder of the Transfer Period, unless extended by APA, in its discretion; provided, that in no event shall the Transfer Period exceed 180 days. For purposes of this Agreement, "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or your controlling owner from effectively promoting, managing and operating the Franchised League.

19.7 APA Procures Purchaser: If APA procures or locates the Transferee that results in the transfer of an interest, you and your owners agree to pay APA a finder's fee as follows: if the total purchase price to be paid by the Transferee to you or your owners in the transaction is (i) less than Two Million Dollar (\$2,000,000.00), the finder's fee shall be equal to ten percent (10%) of the purchase price, (ii) Two Million Dollars (\$2,000,000.00) or more, the finder's fee shall be equal to Two Hundred Thousand Dollars (\$200,000.00) plus five percent (5%) of the amount by which the purchase price exceeds Two Million Dollars (\$2,000,000.00). This fee must be paid to APA in full prior to closing of the transfer.

19.8 Transfer to a Wholly-Owned Corporation or Limited Liability Company:

Notwithstanding the foregoing, if you are in full compliance with this Agreement, you may transfer this Agreement to a corporation or limited liability company in which you own one hundred percent (100%) of the equity and hold one hundred percent (100%) voting power. You must maintain complete management control of the corporation or limited liability company, and the corporation or limited liability company may not conduct any business other than the operation of the Franchised League; and you and your owners must remain personally liable under this

Agreement as if the transfer to such corporation or limited liability company had not occurred. You must also promptly notify APA of such transfer and provide APA with true copies of the organizational documents of the corporation or limited liability company. The stock or ownership certificates of the corporation or limited liability company must contain a conspicuous statement that assignment, transfer or encumbrance is restricted by this Agreement.

ARTICLE 20

TERMINATION OF FRANCHISE

20.1 Termination By Franchisee: During the Conditional Term of this franchise, you may terminate this Agreement for any reason by giving APA thirty (30) days prior written notice. During the Regular Term of this franchise, you may terminate this Agreement for any reason by giving APA one hundred twenty (120) days prior written notice.

20.2 Termination By APA:

(a) Termination During the Conditional Term: If this Agreement is a Successor Franchise Agreement, this Section 20.2(a) does not apply to this Agreement or to you. During the Conditional Term, APA shall have the right to terminate this Agreement, if you:

- (1) do not start teams playing in your local league and submit Annual Membership Fees for players and royalties for weekly league play within ninety (90) days after this Agreement is accepted and signed by APA;
- (2) have not achieved at least fifty percent (50%) of the "Team Count" requirements of Section 4.2 (b) within the first year after this Agreement is signed and accepted by APA; or
- (3) do not meet the terms, conditions and requirements of any extension of the Conditional Term.

(b) Termination At Any Time: At any time during the Conditional Term (if applicable) or any Regular Term, APA shall have the right to terminate this Agreement, if you or your owners:

- (1) cease to operate the Franchised League with the intent not to continue its operations or state (orally or in writing) your intent to cease operations; terminate league play or cease to manage and operate the league during a session; fail or cease to operate an APA pool league for a period of thirty (30) consecutive days; or otherwise abandon operation of the Franchised League;
- (2) become insolvent or admit inability to meet your financial obligations when due; make an assignment for the benefit of creditors; are adjudicated bankrupt, file or consent to a bankruptcy petition, or do not obtain dismissal of a bankruptcy petition filed

against you or your owners within one hundred twenty (120) days; fail to satisfy within thirty (30) days a judgment against you in excess of Ten Thousand Dollars (\$10,000.00) (unless an appeal is filed and supersedeas bond is secured); or fail to obtain release of any attachment, seizure or levy on the Franchised League or you within thirty (30) days;

- (3) lose control over the operation of the Franchised League or you (including without limitation loss of control resulting from appointment of a receiver, trustee, conservator, guardian or other custodian over the Franchised League, you or your assets);

- (4) engage in any conduct constituting criminal misconduct or fraud, or are convicted of or plead guilty or no contest to (i) any felony or (ii) to any other crime or offense that is likely to adversely affect APÁ's, your or the Franchised League's reputation and goodwill;

- (5) make any unauthorized transfer of this Agreement or any Interest, or fail to transfer your Interest or the Interest of a deceased or disabled owner of you within the time period required;

- (6) understate the Basic Weekly Fees (or other fees, dues or receipts subject to payment of royalties) charged or collected by you by two percent (2%) or more in your reports to APA and do not correct such deficiency within ten (10) days after written notice of such deficiency is delivered to you, provided, however, that if more than once during the Term you understate the Basic Weekly Fees (or other fees, dues or receipts subject to payment of royalties) by two percent (2%) or more, the ten (10) day period to correct such additional deficiency shall not apply and APA shall have the right to terminate this Agreement immediately;

- (7) fail to submit to APA the Annual Membership Fees and membership applications for every player participating in the Franchised League you operate in accordance with and within the time required by the Operations Manual and do not correct such failure within ten (10) days after written notice of such failure is delivered to you, provided, however, that if you fail to submit such Annual Membership Fees and applications more than once during any period of twenty-four (24) consecutive months, the 10-day period to correct such additional deficiency shall not apply and APA shall have the right to terminate this Agreement immediately;

- (8) receive two (2) notices of default from APA during any period of twelve (12) consecutive months regardless of whether the defaults are the same, similar or different and regardless of whether your prior default(s) were cured; provided, however, this subparagraph 20.2(b)(8) shall not apply to any default for failure to comply with a

System Standard, which default you reasonably demonstrate was not intentional;

- (9) fail to accurately account for and use for the benefit of players all Players Funds;
- (10) fail to maintain participation by Standard Format Teams in the Franchised League during any session (other than the summer session) at a level of at least seventy (70%) of the greatest number of Standard Format Teams that have ever participated in the Franchised League and you do not correct the deficiency in team participation within ninety (90) days after written notice is delivered to you. Teams playing for free or at a discounted promotional weekly team fee will not be counted towards curing a 70% default;
- (11) make any unauthorized use or disclosure of the APA System (including any unauthorized use, duplication or disclosure of the Operations Manual, Software Program or other confidential information);
- (12) fail to discontinue, substitute or adopt any Mark (including any Sponsor Mark) immediately (or as soon as reasonably possible) after receiving notice from APA to do so;
- (13) have made any material misrepresentation or failed to disclose any material information in connection with your application for the franchise granted hereunder, or if you otherwise make any material misrepresentation to APA in connection with your League;
- (14) solicit prospective players or host locations or establish or seek to establish host locations outside of your assigned Territory in violation of Section 3.4 of this Agreement and such violation continues after written notice of the violation is delivered to you;
- (15) fail to remit fees, royalties or other amounts when due APA (or any APA affiliate) under this Agreement or any other agreement and do not correct such failure within ten (10) days after written notice of such failure is delivered to you;
- (16) fail to comply with any obligation under C-6 (Confidentiality and Non-Competition Agreement) of this Agreement provided, however, that APA shall not be entitled to terminate this Agreement for your failure to comply with Section 14.5 unless you do not correct such failure within thirty (30) days after written notice of the failure is delivered to you; or

(17) give a no account or insufficient funds check which is not honored within twenty-four (24) hours after written notice or issue a payment order of any kind that is refused for any reason;

(18) fail to properly administer or enforce the APA Equalizer® handicapping system under APA Standards, (including without limitation, failure to conduct regular handicap review and enforce proper scorekeeping), such that , players in the League are playing at skill levels below their true playing ability. (Except in cases that APA deems egregious and requiring immediate change of management, APA will not terminate the Franchise unless there has been at least one prior notice of default for failure to properly administer or enforce the handicapping system , whether timely cured or not.)

(19) fail to provide appropriate customer service under APA's standards. (Except in cases that APA deems egregious and requiring immediate change of management, APA will not terminate the Franchise unless there has been at least one prior notice of default for customer service violations, whether timely cured or not.)

(20) fail to comply with any other obligation under this Agreement (other than the obligations listed above) and do not correct such failure within thirty (30) days after written notice of the failure (which shall describe the action you must take to correct the failure) is delivered to you; or

(21) fail to comply with any obligation under any other franchise agreement (other than any team count requirement in such other franchise agreement whether during the conditional or regular term of such agreement), or any other agreement executed in connection with this Agreement or such other franchise agreement, or any promissory note or agreement for payment of money to APA, and do not correct such failure within the time, if any, allowed under such agreement.

(c) Method and Effective Date of Termination: APA may terminate this Agreement by delivering notice of such termination to you or your owners. Such termination shall be effective immediately upon delivery of such notice or at such other time as is specified in the notice.

(d) Franchise Owners Advisory Board: APA anticipates that any Franchise Owners Advisory Board established in accordance with the Operations Manual may play a valuable role in maintaining positive relations between APA and its franchisees. Accordingly, APA will contemporaneously provide to any Franchise Owners Advisory Board established in accordance with the Operations Manual a copy of any written notice of failure to comply that is

delivered to you by APA pursuant to subsection 20.20 of this Agreement. The Franchise Owners Advisory Board may make such recommendations with regard to the matter as it deems appropriate. APA will consider any recommendations of the Franchise Owners Advisory Board (provided they are received by APA prior to the expiration of the 30-day correction period provided for in subsection 20.20) and may withdraw, suspend or modify its written notice of failure to comply, but APA is not required to follow any recommendations of the Franchise Owners Advisory Board. Any such recommendations shall be advisory only. This section shall not apply to any provision of Article 20 of this Agreement other than subsection 20.20.

20.3 APA's Alternative Right to Reduce Territory or Impose Other Conditions: In the event of any failure by you to comply with your obligations under this Agreement, at its sole option and discretion, APA may, instead of exercising its rights to terminate as provided above, reduce your Territory by terminating your rights under this Agreement in a portion of your Territory, and/or APA may impose any other conditions, requirements, restrictions and obligations on you for your continuation of the Franchise that it considers appropriate. APA's decision to (a) reduce your Territory or permit you to continue to operate the Franchise League on certain conditions in lieu of termination, or (b) to reduce another franchisee's territory or permit the other franchisee to continue the franchise on certain conditions in lieu of termination, shall not be deemed a waiver of APA's right to terminate this Agreement as a result of your breach of any obligation.

ARTICLE 21

OBLIGATIONS AND RIGHTS OF THE PARTIES

UPON TERMINATION OR EXPIRATION

21.1 Meaning of "Termination" and "Expiration": Under this Agreement, "termination" occurs if (i) you terminate the Agreement as provided in Section 20.1 or (ii) APA terminates your right to operate the Franchised League by exercising the rights set forth in Section 20.2, above, to terminate this Agreement. "Expiration" occurs when (i) at the end of your Conditional Term, you have not satisfied the requirements of Article 4 for a Regular Term, or (ii) at the end of any Regular Term, you have elected not to obtain or have not been granted a successor franchise license pursuant to a Successor Agreement as provided in Article 18.

21.2 Payment of Amounts Owed APA: You agree to pay APA within fifteen (15) days after the effective date of termination or expiration of this Agreement, or on such later date that the amounts due are determined, all unpaid royalties, fees and other amounts (including interest and administrative and late fees) owed APA.

21.3 Your Rights in System and Franchised League End: Upon termination or expiration of this Agreement your rights and benefits under this Agreement end, including all rights in the Franchised League, your Territory and your rights hereunder to use the System and the Marks. You must immediately cease operating and managing the Franchised League. APA or such other person designated by APA will, at APA's option, upon termination or expiration be entitled to conduct the operation and management of any on-going league play and any other on-going business of the Franchised League.

21.4 Obligations Regarding the Marks: Upon termination or expiration of this Agreement, you must immediately stop all use of the Marks. You may not directly or indirectly at any time or in any manner identify yourself or any business as being or having been affiliated with APA or with any of the Marks. You may not use in connection with any business any colorable imitations of the Marks or any other marks, trade names, or other commercial symbols or designations likely to cause mistake, deception or confusion with any of the Marks or otherwise tending to give the general public the impression that Franchisee is operating an APA franchise or any business similar to an APA franchise. You agree that APA has the sole rights to and interest in all telephone numbers and directory listings associated with operation of the Franchised League under any Mark and that your rights in and to use such numbers and listings end on termination or expiration of this Agreement. Further, you agree to immediately (a) deliver to APA all marketing, promotional and advertising materials, signs, forms, and other documents containing any of the Marks or identifying you as an APA franchisee or league; (b) revoke, cancel or (at our direction) transfer to our designee the trade name (fictitious or assumed name or equivalent) registration(s) of the Franchised League and/or you; (c) transfer to our designee all websites, URL, domains, email addresses, and social networking pages used by the Franchised League; and (d) notify the telephone company and all telephone directory publishers of the termination or expiration of your rights in the telephone number and directory listings associated with the Franchised League, and authorize and direct the telephone company and directory publisher to transfer the telephone number and listing to APA or its designee, at APA's direction. You agree to execute all papers and give such directions required by the service vendors or registration authorities to cause these transfers or cancellations. If you fail to promptly do so upon termination, you hereby authorize APA to take such action as necessary to cause transfer or cancellation of the Franchised League's trade name or fictitious name registration, websites, URL, domains, email addresses and telephone numbers and listings with the applicable service vendors and registration authorities.

21.5 Obligations Regarding Operations Manual and System Information: Upon termination or expiration of this Agreement, you agree that you will immediately return to APA all copies of the Operations Manual (including all bulletins and updates), the Software Program, and all other confidential, proprietary and/or copyrighted material and information concerning APA's System and System Standards. You and your owners, employees and agents may not keep any copy of or use, in whole or in part, the Operations Manual, the Software Program or any other System materials or information.

21.6 Obligations Regarding Records and Cooperation: You also agree that you will immediately deliver to APA (or its designee) all records maintained by you concerning the Franchised League, including all financial and accounting records; all tangible and computer records, data and information of league play, player and team performance and handicaps; and all other records and lists of players, teams and host locations. APA shall also be entitled to assume immediate control over all Players Funds being held by you. You agree to cooperate with APA and not hinder APA in effecting a smooth transition of control over the Franchised League. Upon termination or expiration, APA shall have the immediate right to issue a new franchise covering all or part of your Territory to any person interested in acquiring the franchise, in APA's discretion.

21.7 Attorney-In-Fact: You authorize APA and hereby irrevocably appoint APA (and any of its officers) as your attorney-in-fact to perform and take all actions in your name and stead to carry out any and all of your obligations under this Article if you fail or refuse to do so. APA may give such instructions and execute such documents in your name necessary to cause transfer of the

Franchised League to APA or its designee on termination or expiration and the discontinuance of your use of the Marks and the System.

21.8 Continuing Obligations: All obligations of this Agreement which expressly or by their nature survive the expiration or termination of this Agreement (including without limitation the non-competition and confidentiality obligations and agreements, the guarantees of your obligations; and your indemnification of APA) shall continue in full force and effect after and notwithstanding this Agreement's expiration or termination until such obligations are satisfied in full or by their nature expire. Nor, shall any expiration or termination of this Agreement relieve you of any of your obligations (known or unknown) to APA existing at the time of expiration or termination.

ARTICLE 22

SEVERABILITY AND SUBSTITUTION OF ENFORCEABLE TERMS

22.1 Severability: Unless expressly provided to the contrary, every provision (or part thereof) of this Agreement will be considered severable. If any such provision (or part) is determined to be invalid or unenforceable under the law by a court or arbitration panel of competent jurisdiction, that determination will not affect, impair or invalidate all other portions of this Agreement, which shall remain in full force and effect and binding upon the parties.

22.2 Substitution of Enforceable Terms: Furthermore, you and APA agree in the event a court or arbitration panel determines that a provision (or any part) is invalid or unenforceable under properly applicable law by virtue of the provision's scope or duration, but that the provision would be valid and enforceable by reducing the scope or duration or otherwise modifying the provision, then the court or arbitration panel shall have power to reduce the duration or scope of the provision or modify it so that the provision may be enforced to the fullest extent permitted under the law and public policies of the jurisdiction whose law is properly applicable. In addition, if the law of a jurisdiction whose law is properly applicable, requires a greater prior notice than that provided in this Agreement for termination or non-renewal of the franchise, or requires the taking of an action not expressly required by this Agreement, or prohibits or makes invalid some provision of this Agreement or any System Standard, then it is agreed between APA and you that this Agreement shall be considered modified in the most limited way possible to conform to the requirements of the applicable law. You agree that APA may fully enforce its rights under this Agreement to the fullest extent permitted under applicable law.

22.3 Right to Contest Determinations: Should a court or arbitration panel determine that any provision (or part thereof) of this Agreement or any System Standard is invalid or unenforceable under applicable law or that applicable law requires some other act than is expressly required by this Agreement, notwithstanding any substitution of terms as provided in Section 22.2, APA (at its expense) and you (at your expense) shall each have the right to contest the determination and exercise all rights of appeal, including the right to contest and appeal (a) whether the law of that jurisdiction is properly applicable and (b) whether the provision of this Agreement or the System Standard complies with the law that is properly applicable. Should the provision or System Standard ultimately be held to comply with the properly applicable law, such provision or System Standard shall be enforceable as written (regardless of any modification made or implied in the interim under Section 22.2).

ARTICLE 23
DISPUTE RESOLUTION APPLICABLE LAW AND
CONSENT TO JURISDICTION

23.1 Negotiation of Disputes: APA and you agree to attempt in good faith to resolve any dispute arising out of or related to this Agreement, the franchise or the relationship between APA and you (the "Dispute") promptly by negotiation between executives of the parties who have authority to resolve the Dispute. If the matter has not been resolved within 20 days of a party's request for negotiations, either party may initiate mediation as provided in Section 23.2, below. The parties' negotiations relating to the Dispute (including all statements and offers made and all information and material disclosed related to the negotiations) shall be kept strictly confidential and not disclosed by the parties (including each party's attorneys, employees and agents) to other persons. The parties' discussions shall be treated as compromise and settlement negotiations in accord with the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose.

23.2 Mediation of Disputes: APA and you acknowledge that during the Term of this Agreement or thereafter certain disputes may arise between the parties that the parties are unable to resolve by negotiation, but that may be resolved through mediation. To facilitate the resolution of any dispute that may arise between us, APA and you agree that before commencing any arbitration proceeding (as provided in Section 23.3, the dispute will first be submitted to non-binding mediation (the "Mediation"). The mediation shall take place in the St. Louis, Missouri Metropolitan Area, unless the parties mutually agree to another location. The Mediation shall be conducted under the then current American Arbitration Association ("AAA") Mediation Procedures except to the extent the AAA Mediation Procedures differ from the terms of this Agreement, in which event, the terms of this Agreement shall be applied. The APA and you shall select a mediator from the list of active mediators or neutrals maintained by AAA or the United States District Court for the Eastern District of Missouri. If the parties cannot agree on the selection of a mediator, AAA shall make the selection. The cost of the mediation, including the mediator's fee and expenses, shall be split equally between APA and you. All negotiations and mediation proceedings (including all documents and information disclosed and all statements and settlement offers made by either party or the mediator in connection with the Mediation) shall be (a) kept in strict confidence and not disclosed by any party (including the party's counsel, employees or agents) to any other person. The mediation shall be treated as compromise and settlement negotiations in accord with the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose. The mediator may not be called as a witness in any court or arbitration proceeding for any purpose.

23.3 Arbitration of Disputes: Any dispute which has not been resolved by a non-binding procedure as provided above within ninety (90) days of the initiation of such procedure, shall be settled by binding arbitration (the "Arbitration"). The place of Arbitration shall be the St. Louis Metropolitan Area (unless the parties mutually agree otherwise). The Arbitration shall be conducted in accordance with AAA's then applicable Rules for non-administered arbitration of commercial or business disputes (the "AAA Arbitration Rules"). As an alternative the parties may mutually agree to arbitration through the International Franchise Association ("IFA") and its rules for arbitration of franchise disputes (the "IFA Arbitration Rules"). To the extent the AAA Rules or IFA Arbitration Rules (whichever is applicable) differ from the terms of this Agreement, the terms

of this Agreement will control and be applied. Unless both APA and you agree to arbitrate before a single mutually selected arbitrator, the arbitration shall be conducted before a panel of three arbitrators selected by the administrator of the dispute resolution program of AAA or IFA (as applicable) from that organization's list of active arbitrators. The United States Arbitration Act (9 U.S.C. §§ 1-16) shall exclusively govern all matters relating to the Arbitration. All existing claims and disputes between us must be asserted and resolved in the same Arbitration proceeding, and if existing and not asserted in the Arbitration proceeding that claim or dispute is waived.

23.4 Powers of the Arbitrators: In the Arbitration, the arbitrators will have the right to award or include in their award any relief which the panel deems proper in the circumstances, including without limitation, (1) compensatory money damages, (2) interest on unpaid amounts from the date due, (3) injunctive relief, and (4) attorneys fees and costs as provided in Section 23.13. Notwithstanding the foregoing sentence, the arbitrators will not have the power to (a) declare a proprietary mark to be generic, merely descriptive or invalid; or (b) award punitive, exemplary or other non-compensatory damages (except as provided in Section 23.10). Further, APA and you agree to be bound by any limitation on the period of time in which claims may be brought under this Agreement or under applicable law (whichever period expires first). The arbitrators shall enforce and apply the shortest such time limitation period in ruling on all claims and disputes.

23.5 Arbitration Award Binding: The award and decision of the Arbitration panel shall be conclusive and binding upon the parties with regard to the disputes between us. Judgment upon the Arbitration award may be entered by any court of competent jurisdiction. An Arbitration award or decision entered in any other case (whether or not APA was a party) will not be binding on APA in any other dispute, will have no precedential value, and cannot be used as evidence in any other proceeding.

23.6 No Class Action Claims: APA and you agree that the Arbitration will be conducted on an individual, not a class-wide basis, and that an Arbitration proceeding between you and APA will not be joined or consolidated with any other proceeding between APA and any other party.

23.7 Injunctive Relief Pending Negotiation, Mediation or Arbitration: Notwithstanding the foregoing, either APA or you may initiate litigation at any time, without prejudice to the procedures specified in Sections 23.1 – 23.3, above, for the limited purpose of seeking a temporary restraining order or other temporary or preliminary injunctive relief, if in the sole judgment of the party such action is necessary to avoid irreparable damage or preserve the status quo. The party enjoined shall be bound by and comply with any provisional injunction issued unless and until it is vacated or terminated. Despite such action for provisional injunctive relief, the parties will continue to participate in the procedures of Sections 23.1 – 23.3.

23.8 Governing Law: All matters relating to Arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et. seq.). Otherwise, this Agreement, the franchise and all claims arising from the relationship between APA and you will be governed by the law of the State of Missouri (without regard to the conflicts of law rules and principles of Missouri or your state), except that the United States Trademark Act of 1946, as amended (Lanham Act, 15 U.S.C. §§ 1051 et. seq.) and the United States Copyright Act (17 U.S.C. §§ 101 et seq.) may also be applied to matters relating to trademarks, copyrights and unfair competition.

23.9 Consent to Jurisdiction: You and your owners (including their spouses) agree that all judicial actions brought by APA against you or any of your owners (including their spouses) or brought by you or your owners against APA (including any APA subsidiary, affiliate, officer, director, shareholder, employee or agent) must be brought in the Circuit Court of St. Charles County, Missouri or the U.S. District Court for the Eastern District of Missouri. You and each of your owners (including their spouses) irrevocably submit to the jurisdiction of such courts and waive any objection you, he or she may have to either the jurisdiction of or venue in such courts. Notwithstanding the above, APA may bring an action for a temporary restraining order, temporary or preliminary injunctive relief or to enforce any arbitration obligation or award in any federal or state court of general jurisdiction in the state in which you reside or in which the Franchised League you operate is located.

23.10 Waiver of Punitive Damages: Except with respect to claims APA may bring against you for your unauthorized use of Marks or unauthorized use or disclosure of confidential information, APA, you and your owners waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us, the party making the claim will be limited to equitable relief and recovery of any actual damages sustained (together with reasonable attorney's fees, costs and expenses if authorized by this Agreement).

23.11 Waiver of Jury Trial: APA, you and your owners irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either of us.

23.12 Limitation of Claims: Except for claims arising from your non-payment or underpayment of royalties, fees and other amounts you owe APA under this Agreement, any and all claims arising out of or relating to this Agreement or APA's (and any APA affiliates') relationship with you will be barred unless a judicial or arbitration proceeding is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to that claim.

23.13 Costs and Attorneys' Fees: In any litigation or arbitration of any dispute, the prevailing party shall be entitled to recover its reasonable attorneys' fees and expenses from the other party; provided, in all events, the parties shall bear evenly the cost of arbitrators' fees and expenses.

23.14 Remedies Cumulative: Except as otherwise provided in this Agreement, the rights and remedies provided APA and you under and by this Agreement shall be cumulative and shall not be exclusive of any other rights and remedies which APA and you may have at law or in equity including, but not limited to, claims for damages. Except as expressly provided in this Agreement, the rights and remedies of the parties herein shall not be in substitution for, but shall be in addition to, any and all rights and remedies to which they shall be respectively entitled in law or in equity.

23.15 Joint and Several Liability of Owners of Franchisee and Spouses: You and your spouse (if you are an individual or sole proprietorship) or your owners and their respective spouses (if you are a partnership, corporation or limited liability company) must be bound by this Agreement by signing it and shall be jointly and severally liable with you or your owners for breach

of this Agreement. If you become married during the Term, you agree to use your best efforts to obtain in writing your new spouse's consent to the terms of this Agreement. Accordingly, if you or your owners are married or become married during the Term, then all references in this Agreement to "you" shall also mean you and your spouse (jointly and severally) and all references to "your owners" shall also mean your owners and their spouses (jointly and severally).

ARTICLE 24

MISCELLANEOUS

24.1 **Non-Waiver:** APA's or your forbearance, delay or failure to take action upon any failure by you or us to meet any obligation, whether in a single instance or repeatedly, shall not be a waiver of any default or our or your rights to require exact compliance with any obligations, to declare a default and to terminate this Agreement, and shall not waive or impair APA's or your ability to later exercise any right under this Agreement. Should APA take action less than termination of this Agreement in the event of a breach by you, APA's decision to take such limited action shall not waive or impair its right to later terminate for the same, similar or different breach. No express waiver by APA or you of performance of any obligation or this Agreement shall be construed as a waiver of any other or future default or performance obligation. Further, APA's or your forbearance, delay, failure to exercise or express waiver of a right or our decision to take some other action regarding breach by any other franchisee shall not be evidence of a practice, custom or policy of APA and shall not waive or impair APA's ability to exercise any right, power or option it has under this Agreement in the event of the same, similar or different breach by you. You also acknowledge that agreements entered into at different times with other franchisees may contain different terms than this Agreement, and that this shall not waive or impair APA's rights and your obligations under this Agreement. In addition, APA's acceptance of any payments due from you after any breach by you shall not constitute a waiver of your breach nor limit APA's ability to fully exercise its rights under this Agreement as a result of your breach. No special or restrictive legend or endorsement on any check or similar item given to either party will constitute a waiver, compromise, settlement or accord and satisfaction. The recipient may remove or obliterate any restrictive legend or endorsement and any such legend or endorsement will be of no effect.

24.2 **Delivery and Receipt of Notices:** All written notices permitted or required under this Agreement will be deemed delivered and received: (1) at the time delivered by hand or by facsimile or by electronic mail (if sent during regular business hours or deemed received the next business day if sent after regular business hours) or (2) on the next business day if sent by a nationally recognized commercial courier service for next business day delivery or if sent by registered or certified U.S. mail, return receipt requested, postage prepaid. For this purpose "business day" means Monday through Saturday (except national holidays). Notices to APA must be sent to APA's principal office at 1000 Lake Saint Louis Boulevard, Suite 325, Lake Saint Louis, Missouri, 63367, or faxed to APA's then current fax number (currently 636-625-2975), or electronically sent to notices@poolplayers.com. Notices to you may be sent to the electronic address then being used by APA for weekly updates sent to you, and other notices may be sent to the address we use to ship supplies ordered by you.

24.3 **Receipt and Delivery of Payments and Reports:** Payments and reports due APA must be physically received in APA's principal office at 1000 Lake Saint Louis Boulevard, Suite 325, Lake Saint Louis, Missouri, 63367, by the due date, otherwise the payments and reports will be considered delinquent and interest, penalties, and late and administrative fees may be charged.

24.4 Interpretation: The headings of the various Sections of this Agreement are for convenience only and do not define, limit or construe the contents of such sections. References to "affiliate" herein refer to any parent or subsidiary of APA, company under common ownership with APA, or company directly or indirectly owned or controlled by APA. Whenever this Agreement requires APA's prior consent or approval, you must make a timely written request for approval, and our approval must be obtained in writing. ORAL APPROVAL OR CONSENT WILL NOT BE BINDING ON APA, MAY NOT BE RELIED UPON BY YOU AND SHALL BE OF NO FORCE AND EFFECT. Unless this Agreement expressly obligates APA to reasonably approve or not unreasonably withhold our approval of any action or request by you, APA shall have the absolute right to refuse any request or withhold our approval. The language in all parts of this Agreement shall be construed simply according to its fair meaning and not strictly for or against APA or you. If any provision of this Agreement is capable of two constructions, one of which would render the provision void or voidable and the other of which would render the provision valid, then the provision shall have the meaning that renders it valid.

24.5 Duplicate Originals: This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

24.6 APA's Cure of Your Obligations: In addition to all other remedies herein granted, if you default in the performance of any of your obligations or breach any term or condition of this Agreement or any related agreement, APA may, at its election, immediately or at any time thereafter, without waiving any claim for breach hereunder and with at least ten (10) days notice (or less if the nature of the breach so requires) cure such default for your account and on your behalf, and the cost to APA thereof shall be due and payable on demand and shall be deemed to be additional fees and shall be added to the amount of fees next accruing hereunder, at the election of APA.

24.7 Entire Agreement and APA's Acceptance: This Agreement including all exhibits to this Agreement and our System Standards, constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law. This agreement may only be amended in writing signed by APA and you.

24.8 Good Faith: The parties covenant that they will perform and enforce this Agreement in good faith; provided, however, this covenant of good faith shall not override or contradict any of the express terms of this Agreement and shall not limit the right of any party to make judgments and decisions under this Agreement where the Agreement expressly grants the party such right.

24.9 Right to Associate: APA will not restrict you from lawfully associating with other franchisees or from lawfully participating in a trade association. You agree that APA will not

be liable for any debt, obligation, liability or damages resulting from your association with other franchisees or the activities of any trade association in which you participate and that you will fully indemnify and hold harmless APA and its affiliates, shareholders, officers, directors, employees, agents, successors and assigns from and against all damages, losses, liabilities, costs and expenses (including attorneys' fees) incurred as a result of such association and activities.

24.10 Force Majeure: Neither party shall be liable for any delay or failure to perform its obligations under this Agreement if such delay or failure arises from any cause or causes beyond the reasonable control of such party, including but not limited to, labor disputes, strikes, other labor or industrial disturbances, adverse actions of the elements, including floods or lightning, shortages of materials, rationing, utility or communication failures, earthquakes, casualty, war, acts of the public enemy, riots, insurrections, embargoes, blockages, actions, restrictions, regulations or orders of any government, agency or subdivision thereof. In any such event, the date for the party's performance shall be deferred for a period of time equal to the time lost by reason of such event, provided that the delayed party shall notify the other party of such event, shall make its best efforts to remedy the delay or failure resulting from such event and shall cooperate with the other party in minimizing any adverse impact of such event.

24.11 Index of Defined Words and Phrases: The words and phrases listed below are defined in the Section of this Agreement set forth opposite the word or phrase:

<u>Defined Word or Phrase</u>	<u>Where Defined in This Agreement</u>
"AAA"	Section 23.2
"AAA Arbitration Rules"	Section 23.3
"AAA Mediation Rules"	Section 23.2
"Agreement"	Section 1.1
"Annual Membership Fee"	Section 6.1
"APA"	Introductory Paragraph
"APA Licensed Supplier"	Section 6.5
"APA Marks"	Section 11.1
"APA Merchandise"	Section 6.5
"APA Release"	Section 18.1
"Arbitration"	Section 23.3
"Basic Weekly Fee"	Section 6.2
"Conditional Term"	Section 4.2
"Contractor"	Section 6.4
"Cooperative Agreements"	Section 7.4
"Dispute"	Section 23.1
"Franchised League"	Section 2.1
"Franchisee"	Introductory Paragraph
"Franchisee Release"	Section 18.1
"Gross Revenues"	Section 12.2
"Higher Level Tournaments"	Section 8.2
"Indemnified Parties"	Section 15.3
"Indemnitees"	Section 15.3
"Initial Franchise Fee"	Section 5.2
"Interest"	Section 19.2
"Interim Manager"	Section 16.3
"Local Sponsors"	Section 7.6
"Maintenance Fee"	Section 6.4
"Marks"	Section 1.1
"Mediation"	Section 23.2
"Members"	Section 6.1
"National Account"	Section 3.3
"Official Team Manual"	Section 8.2
"Operations Manual"	Section 10.3
"Players Fund"	Section 6.3
"Proprietary Information"	Section 10.1
"Regular Term"	Section 4.1
"Renewal Term"	Section 18.1
"Software License Agreement"	Section 10.4
"Software Program"	Section 10.4
"Software Support and Maintenance Fee"	Section 1.1
"Sponsor Marks"	Section 6.4
"Sponsor Materials"	Section 7.1
"Sponsors"	Section 7.2
"Sponsorship Agreements"	Section 7.1
"Successor Franchise Agreement"	Section 7.1
	Box on first page

"System"	Section 1.1
"System Standards"	Section 1.1
"Team Count"	Section 4.3
"Term"	Section 4.1
"Territory"	Section 3.1
"Training Program"	Section 9.1
"Transfer"	Section 19.2
"Transferee"	Section 19.5
"Transfer Period"	Section 19.6
"Your owners"	Section 1.3

IN SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE THAT YOU AND YOUR OWNERS HAVE READ AND UNDERSTAND THIS AGREEMENT AND THE EXHIBITS AND ATTACHMENTS HERETO, AND THAT APA HAS AFFORDED YOU AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT.

THE SUBMISSION OF THIS AGREEMENT TO YOU DOES NOT CONSTITUTE AN OFFER. THIS AGREEMENT, ONCE SIGNED BY YOU, BECOMES EFFECTIVE ONLY IF AND WHEN IT IS ACCEPTED AND SIGNED BY APA THROUGH AN AUTHORIZED OFFICER.

**AMERICAN POOLPLAYERS ASSOCIATION,
INC. FRANCHISEE(S)**

Name: Renée Lyle

Title: President

Date: _____

Individually and as partner or officer of

(a partnership, corporation, or limited liability company)

Witness:

Date: _____

APPA-FA: 4-5-14

Exhibit D

**ADDENDUM TO FRANCHISE AGREEMENT
STATE OF MINNESOTA**

This Addendum forms a part of, and modifies, the Franchise Agreement entered between the **AMERICAN POOLPLAYERS ASSOCIATION, INC.**, a Missouri corporation (referred to as "we", "us" or "APA") and _____, a _____ (referred to as "you" or "Franchisee"). This Addendum becomes effective on the date the Franchise Agreement is accepted and signed by APA.

Your Franchise Agreement is modified as follows:

ARTICLE 11, MARKS, Section 11.7 Claims and Disputes Involving Marks, hereby reads as follows:

You must immediately notify APA of any information that you acquire concerning any use by others of names or marks which are the same as or confusingly similar to any of the Marks. APA will evaluate the situation and take action if APA believes it appropriate in our discretion. You may not take such action on your own. You must also immediately notify APA of any claim or challenge to your use of any of the Marks. APA will defend you against any such claim or challenge (provided the claim does not arise out of your unauthorized use or misuse of the Marks). APA has the sole right to defend or settle the claim as APA sees fit, and you may not defend or settle the case on your own.

The following language is added to ARTICLE 20, TERMINATION OF FRANCHISE, Section 20.2, Termination By APA:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C. 14, Subd. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

The following language is added to ARTICLE 23, DISPUTE RESOLUTION, APPLICABLE LAW AND CONSENT TO JURISDICTION, Section 23.9 Consent to Jurisdiction:

Pursuant to Minn. Stat. Sec. 80C.21, this section shall not in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota.

Except as expressly provided above by this Addendum, all other provisions of the Franchise Agreement shall remain effective and unchanged.

IN WITNESS WHEREOF, the parties hereto by due corporate and other proceedings, or individually, where applicable, have executed this Addendum the day and year hereafter written.

AMERICAN POOLPLAYERS ASSOCIATION INC.

FRANCHISEE(S)

By: _____

By: _____

Name: René Lyle

Title: President

Date: _____

Date: _____

Witness:

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
BETWEEN AMERICAN POOLPLAYERS ASSOCIATION
AND _____**

Dated as of _____

This Addendum forms a part of the Franchise Agreement entered between the AMERICAN POOLPLAYERS ASSOCIATION, INC., a Missouri corporation (referred to as "we", "us" or "APA"), and _____ (referred to as "you" or "Franchisee").

A. **Territory:** Your Territory is identified as follows: _____
(For help in further identifying the boundaries of your Territory, a map initialed by both parties has been attached as an Exhibit to this Addendum.)

B. **Term:** This Franchise Agreement is granted for a Conditional Term of 2 years as provided in Paragraphs 4.1 and 4.2 of the Franchise Agreement. The Conditional Term expires on _____.

C. **Team Growth Requirement:** In regards to the team count growth requirement as set forth in Paragraph 4.2 of the Franchise Agreement, you are required to achieve a team count of _____ teams by the end of the Conditional Term. This requires a growth of _____ teams over and above the existing _____ team _____ team-count. To count as "teams" for the purpose of meeting this requirement the teams must be full 5-8 person teams playing in APA's standard 8-Ball or 9-Ball formats, for a full session (minimum of 10 weeks of play) and paying your normal and customary weekly team fees. Teams not meeting these requirements will not be counted towards your League's team count for any purpose. You must achieve half of the team growth requirement by the end of the first year of this agreement.

D. **Additional Requirements:** _____

E. **Initial/ Transfer Franchise Fee:** You must pay at the time you sign this Agreement the Initial/ Transfer Franchise Fee of \$ _____.

F. This Addendum forms a part of the Franchise Agreement and is binding upon and inures to the benefit of the respective parties hereto and, as applicable, their parents, subsidiaries, affiliates, employees, agents, servants, successors, assigns, heirs, executors, administrators, and legal representatives. This Addendum may be modified or amended only in writing signed by the party to be charged. To the extent this Addendum varies from any provision of the Franchise Agreement, this Addendum shall control. Any dispute under this Addendum shall be resolved by the dispute resolution procedures described in Article 23 of the Franchise Agreement.

G. The parties signing this agreement represent and warrant that they have read this Addendum and all documents referenced herein and understand and agree to be bound by these terms and agreements.

AMERICAN POOLPLAYERS ASSOCIATION, INC.

FRANCHISEE

By: _____
René Lyle, President

Witness: _____

Witness: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
BETWEEN AMERICAN POOLPLAYERS ASSOCIATION
AND _____**

Dated as of _____

This Addendum forms a part of the Franchise Agreement entered between the AMERICAN POOLPLAYERS ASSOCIATION, INC., a Missouri corporation (referred to as "we", "us" or "APA"), and _____ (referred to as "you" or "Franchisee").

A. **Territory:** Your Territory is identified as follows: _____
(For help in further identifying the boundaries of your Territory, a map initialed by both parties has been attached as an Exhibit to this Addendum.)

B. **Term:** This Franchise Agreement is granted for an Initial Regular Term.
The Initial Regular Term expires on _____.

C. **Additional Requirements:** _____

D. **Initial/ Transfer Franchise Fee:** You must pay at the time you sign this Agreement the Initial/ Transfer Franchise Fee of \$ _____.

E. This Addendum forms a part of the Franchise Agreement and is binding upon and inures to the benefit of the respective parties hereto and, as applicable, their parents, subsidiaries, affiliates, employees, agents, servants, successors, assigns, heirs, executors, administrators, and legal representatives. This Addendum may be modified or amended only in writing signed by the party to be charged. To the extent this Addendum varies from any provision of the Franchise Agreement, this Addendum shall control. Any dispute under this Addendum shall be resolved by the dispute resolution procedures described in Article 23 of the Franchise Agreement.

F. The parties signing this agreement represent and warrant that they have read this Addendum and all documents referenced herein and understand and agree to be bound by these terms and agreements.

AMERICAN POOLPLAYERS ASSOCIATION, INC.

FRANCHISEE

By: _____
René Lyle, President

Witness: _____

Witness: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
BETWEEN AMERICAN POOLPLAYERS ASSOCIATION**

AND _____

Dated as of _____

This Addendum forms a part of the Franchise Agreement entered between the AMERICAN POOLPLAYERS ASSOCIATION, INC., a Missouri corporation (referred to as "we", "us" or "APA"), and _____ (referred to as "you" or "Franchisee").

A. **Territory:** Your Territory is identified as follows: _____
(For help in further identifying the boundaries of your Territory, a map initialed by both parties has been attached as an Exhibit to this Addendum.)

B. **Term:** This Franchise Agreement is granted for a Successor Regular Franchise Agreement. The Successor Regular Franchise Agreement expires on _____.

C. **Additional Requirements:** _____

D. **Initial/ Transfer Franchise Fee:** You must pay at the time you sign this Agreement the Initial/ Transfer Franchise Fee of \$ _____.

E. This Addendum forms a part of the Franchise Agreement and is binding upon and inures to the benefit of the respective parties hereto and, as applicable, their parents, subsidiaries, affiliates, employees, agents, servants, successors, assigns, heirs, executors, administrators, and legal representatives. This Addendum may be modified or amended only in writing signed by the party to be charged. To the extent this Addendum varies from any provision of the Franchise Agreement, this Addendum shall control. Any dispute under this Addendum shall be resolved by the dispute resolution procedures described in Article 23 of the Franchise Agreement.

F. The parties signing this agreement represent and warrant that they have read this Addendum and all documents referenced herein and understand and agree to be bound by these terms and agreements.

AMERICAN POOLPLAYERS ASSOCIATION, INC.

FRANCHISEE

By: _____
René Lyle, President

Witness: _____

Witness: _____

Franchisee Ownership Schedule

Dated _____

A. Proprietorship

The Franchised League will be/is [] a sole individual or [] jointly owned by spouses (check one).

If the Franchise is individually owned, the owner is: _____ and the owner's spouse is: _____. If the Franchise is jointly owned, the joint owners are: _____ and _____. The address of the owner(s) is: _____.

B. Partnership

The Franchised League will be/is a partnership formed on _____ and the partnership's name is: _____ and its business address is: _____. It's partners, their capacities (managing partner, general or limited partners), their ownership percentages in the partnership, their spouses and addresses are:

Name of Partner	Capacity	Ownership Percentage	Spouse's Name	Address

C. Corporation or Limited Liability Company

The Franchised League will be/is a [] corporation or [] limited liability company (check one) formed on _____ and named _____. The corporation or limited liability company's address is _____. Its shareholder or members, their ownership interest/percentages and spouses are:

Name of Shareholder or Member	# of Shares Owned or Ownership Percentage	Spouse's Name	Address

Its officers and directors are:

President		Director	
Vice President		Director	
Treasurer		Director	
Secretary		Director	

D. Manager

The person designated as the Manager of the Franchised League is:

E. Assumed Name

If you are doing business or intend to do business under an assumed or fictitious name, all of those names are set forth below:

Agreement of Franchisee's Owners/Spouses to Guaranty & Assume Franchisee's Obligations

In consideration of, and as an inducement to, the execution of the Franchise Agreement between the American Poolplayers Association, Inc. ("APA") and _____ (the "Franchisee"), each of the undersigned, being all of the shareholders, partners or owners and their spouses (collectively the "Owners") of the Franchisee hereby personally and unconditionally: (1) guarantee to APA and its successors and assigns, for the Term of the Franchise Agreement and thereafter as provided in the Franchise Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement; (2) agree to be bound by all agreements, acknowledgments and understandings of Franchisee and of Franchisee's owners as set forth in the Franchise Agreement; and (3) agree to be personally bound by, and personally liable for the breach of each and every provision in the Franchise Agreement.

If any provision of this Guaranty and Assumption Agreement is deemed to be invalid or inoperative for any reason, that part shall be deemed modified to the extent necessary to make it valid and operative or if it cannot be so modified, then severed, and the remainder of the Guaranty and Assumption shall continue in force and effect as if it had been signed with the invalid portion so modified or eliminated.

[illegible]

Confidentiality and Non-Competition Agreement

1. I, _____, acknowledge that the confidential and proprietary Operations Manual [League Operators Manual], Software Program [Franchise Management System], System Standards and all other confidential and proprietary information concerning the methods and know-how for operating and promoting the pool leagues, tournaments and events of the American Poolplayers Association, Inc. ("APA") (hereafter the "System") has been developed by APA over many years of substantial effort, expense and experience, is highly confidential and valuable, is comprised of information not generally known to competitors, and if disclosed to or used by competitors, it would give them the advantages presently enjoyed by APA and its franchise owners. The System will be/has been licensed by APA for use in operation of the franchise in _____ (the "Franchised Territory"). As a result of my affiliation with the Franchised League, I will develop substantial knowledge of the System and relations with APA Members participating in the Franchised League. But for the training, support and experience gained through my affiliation with the Franchised League, I would be without knowledge of and expertise in the operation of a pool league, would be without knowledge of or expertise in the System, and would not have developed the relations with APA Members. I agree that the confidentiality and non-competition obligations described below are reasonably designed to serve the legitimate and protectable interest of APA, do not unreasonably and unnecessarily restrict me, are reasonable in time and scope, will not prevent me from earning a living within the area, and can be enforced by any court or arbitrator having proper jurisdiction in accordance with the terms of the obligations.

Therefore, I agree as follows:

1. I agree that at all times during and after the expiration or termination of my affiliation with the Franchised League that I (a) will keep strictly confidential the System and the list and records of participants in the Franchised League and APA Members; (b) will not use the System (or any part thereof) in any other business or capacity; (c) will not make any unauthorized copies of the Operations Manual, Software Program or any other confidential and proprietary material or information; and (d) will adopt and implement all reasonable procedures APA prescribes from time to time to prevent unauthorized use or disclosure of the System and the list and records of participants in the Franchised League and APA Members.

2. I agree that neither I nor my spouse will during my affiliation with the Franchised League, directly or indirectly, have any interest in as owner, partner, director, officer, employee, consultant, representative or agent, or otherwise engage in or lend knowledge or support to any non-APA pool league, tournament or event or any business that operates, manages, conducts, franchises or licenses any pool league, tournament or event; provided, that this section shall not prohibit me from playing in any non-APA pool league, tournament or event, or from owning less than five percent (5%) of any company listed on any national securities exchange.

3. I agree that for two (2) years after termination of my affiliation with the Franchised League (regardless of the cause, reason or justification) neither I nor my spouse will, directly or indirectly (a) have any interest in as owner, partner, director, officer, employee, consultant, representative or agent, or otherwise engage in or lend knowledge or support to any non-APA pool league, tournament or event or any business operating any pool league, tournament or event within the Franchise League's Territory or any adjacent county; (b) engage in, support, or assist in the solicitation of any APA Members, host locations, or Sponsors that have participated in the Franchised League to participate in non-APA pool league play, tournament or events within the Territory or any adjacent county; or (c) have any interest in as owner, partner, director, officer, employee, consultant, representative or agent, or otherwise engage in or lend knowledge or support to any business engaged in franchising, licensing, or otherwise establishing, developing, or managing a national or regional pool league operation; provided, that this section shall not prohibit me from playing in any non-APA pool league, tournament or event, or from owning less than five percent (5%) of any company listed on any national securities exchange.

4. I agree that any methods, ideas, improvements, changes or suggestions developed by me (or any employee or agent of the Franchised League) within the scope of the APA System or the operation or promotion of the Franchised League shall become a part of APA's System and property

Exhibit H (cont.)

of APA, without compensation to me. I hereby assign to APA all my rights in any such methods, ideas, improvements, changes and suggestions to APA and agree to execute all documents necessary to carry out this assignment and agree to obtain the assignment of any rights of any employee or agent of the Franchised League.

5. I agree that I will not at any time during any APA event, engage in any activity that is not directly related to the operation of the Franchised League or to my attendance at the event as an APA Franchisee, including, but not limited to, any activity that solicits persons on behalf of any other business, enterprise or product, whether or not such business, enterprise or product competes with APA. As used in this section the following terms have the following meanings: (a) "location" means the general location of such event, including any room within the building or facility in which such event is conducted, and any location within 500 yards of the perimeter of such building or facility; (b) "during" means the time period that such event is being conducted and the 24 hours before its start and after its completion; (c) "I" means me and my owners, officers, employees, agents or representatives; and (d) "APA event" means any event sponsored, produced or conducted by APA or an APA Sponsor for the purpose of conducting any league play, activity, or tournament or any convention or meeting of other APA Franchisees.

6. I agree that I shall cause every person that becomes affiliated with me in connection with Franchise, including as an owner, director, officer, manager or employee, during my affiliation with the Franchised League to sign and be bound by the then current form of Confidentiality and Non-Competition Agreement required by APA.

7. I hereby grant APA the right, but not the obligation, to enforce the confidentiality and non-competition obligations set forth herein in my name or in APA's name against any owner, director, officer, manager, employee or agent of the franchisee entity that breaches any confidentiality obligation.

8. I agree that APA is a third-party beneficiary of this Agreement and that APA may enforce the terms of this Agreement in any court of competent jurisdiction. I agree that injunctive relief preventing my breach or compelling my compliance with this Agreement may be entered. In the event of my breach of any term of this Agreement, I agree to pay the reasonable attorney's fees incurred by APA and the Franchised League in enforcing this Agreement, whether or not litigation is actually commenced. The foregoing, however, shall not limit the relief or damages of such party. I further agree that the Franchised League and APA may advise any third-party of the existence of this Agreement and of its terms, and I release APA and the Franchised League from any liability for doing so.

9. Every provision (or part thereof) of this Agreement will be considered severable. If any such provision (or part) is determined to be invalid or unenforceable under the law by a court or arbitration panel of competent jurisdiction, that determination will not affect, impair or invalidate all other portions of this Agreement, which shall remain in full force and effect and binding upon the parties. Furthermore, I agree that in the event any provision (or part) is ruled invalid or unenforceable under properly applicable law by virtue of the provision's scope or duration, but that the provision would be valid and enforceable by reducing the scope or duration or otherwise modifying the provision, then the court or arbitration panel shall have power to reduce the duration or scope of the provision or modify it so that the provision may be enforced to the fullest extent permitted under the law and public policies of the jurisdiction whose law is properly applicable.

10. I agree that the failure of the Franchised League or APA to exercise any of its rights under this Agreement in the event of my breach or any of the separate and distinct promises of this Agreement, or the failure of the Franchised League or APA to exercise any of its rights under any similar contracts with others, shall not be construed as a waiver of any breach by me or prevent the Franchised League or APA from later enforcing strict compliance with any and all of the promises in this Agreement.

11. This Agreement is binding on my heirs, executors, administrators, and legal representatives. I acknowledge that this Agreement shall be for the benefit of APA and the Franchised League and their respective successors and assigns. I agree that this Agreement does not constitute a contract of employment for a fixed term or otherwise. With respect to the franchisee of the Franchised League, I agree that in the event of any conflict between this

Agreement and the Franchise Agreement, the Franchise Agreement shall govern.

I HEREBY REPRESENT AND WARRANT THAT I HAVE READ THIS AGREEMENT AND UNDERSTAND THE MEANING AND EFFECT OF THE TERMS OF THIS AGREEMENT.

Name: _____

Name: _____

Date: _____

Spousal Agreement

I acknowledge that I have read the Confidentiality and Non-Competition Agreement (the "Agreement") and that I know its contents. I am aware that by its provisions my spouse agrees to be subject to certain obligations and restrictions, including, but not limited to, the obligation to (i) maintain certain confidential information, and (ii) not compete with the Franchise League. I approve of and agree to the provisions of the above Agreement as they relate to me and my spouse, and agree that I will abide by the provisions of such Agreement.

Date: _____

Spouse Signature

Name (printed)

Software License Agreement

American Poolplayers Association, Inc. ("APA", "we", "us") grants _____ ("you") the personal, nontransferable and nonexclusive license to use APA's proprietary computer software program or application for pool league and tournament management, including, without limitation, all modules and parts of the software, past and future versions and releases, updates, revisions, copies of the program, and the user's manual and documentation, as well as all records and data maintained through use of the Program, including records of league play, player and team performance and operations of your Franchised League (collectively the "Program") for use only in the operation of your Franchised League. The APA Program includes, without limitation, our current software application referred to as NEXUS and our tournament administration software, TMS, and the anticipated future tournament software or application referred to as TNEX. This license is granted expressly under the following terms and conditions:

1. The Program is licensed (loaned) to you by APA, not sold. You agree that the Program, including the copyright to the Program, is owned by APA and contains confidential and proprietary systems, programs, methods and know-how of APA (including APA's Equalizer® handicapping and scoring system). You agree not to dispute or contest APA's ownership of and rights in the Program, including trade secret rights and copyrights, during the Term of your Franchise and thereafter.
2. Some aspects of the Program – primarily our current NEXUS application – are systems that are accessed and used through the Internet. Other aspects of the Program – such as currently the tournament modules (TMS and TNEX) – are installable software that must be installed and used on your personal computer, laptop or related hardware (such as a file server or hard drive). All aspects of the Program that are intended to be Internet based systems may not be installed nor reside on any of your computers or hardware. The Program's installable software may be installed (on a computer, CPR or file server) for use on one or more computers located at your principal office. You may install or use the Program's current installable software on computers other than at your principal office (such as a mobile laptop computer, tablet or remote drive or storage device or other media) provided you give APA prior notice identifying these computers (or other hardware, devices or media) and their location. You may make one copy of the software for backup purposes (provided you disclose to us the location of all backup copies).
3. You may not make (nor allow anyone to make) any other copies of the Program (whether installable or internet-based), nor reverse engineer, replicate or seek to replicate any aspects of the Program. You may not copy, summarize, or create any description, memoranda or record of all or any portion of the Program, the Program's manual or other Program documentation. Any prior versions of the licensed Program (or any portion of the Program) – such as the League Scoring System ("LSS") or the Franchise Management System (FMS) – must be irretrievably deleted from your computer(s) and other hardware, devices or media, and all diskettes, installation disks, copies, backups and related manuals and documentation shall be returned to APA upon our request. (Prior or obsolete versions of the Program are included within the meaning of the term "Program" as used in this Agreement.)
4. The Program is for exclusive use in operation of your Franchised League and may not be used for any other business or purpose. Your rights in the Program terminate upon expiration or termination of your Franchise Agreement or upon your breach of this License Agreement. Upon expiration or termination of your Franchise Agreement or termination of this License Agreement, you must cease all use of the Program, verifiably and permanently delete (or allow APA full rights and access to permanently delete) the Program from all computers, drives and devices on which it is stored, and return to APA all diskettes, installation disks, copies, backups, manuals and documentation containing or relating to the Program, together with all records and data maintained through use of the Program, including records of league play, player and team performance and operations of your Franchised League.
5. You must keep the Program strictly confidential and not disclose, permit use or allow access to the Program to any person, except your employees to the extent necessary to efficient operation of your Franchised League. You shall inform all of your employees (and any others authorized by APA to have access to the Program) that the Program is confidential and proprietary information of APA and that they

are prohibited from copying or using the Program except in the ordinary course of their employment. You shall comply with APA's other requirements (as may be issued from time to time) for protection of APA's rights in the Program.

6. You may not transfer, assign, sublicense, pledge, or lease this License, the Program, or any interest or rights in them, or attempt to do so, without our prior written permission. Additionally, you may not (a) modify or prepare derivative works of the Program; (b) publicly display visual output of the Program; (c) transmit the Program electronically (except for authorized support or maintenance of the Program or reporting required by APA); or (d) reverse assemble, decompile or reverse engineer the Program in any way.

7. APA in its discretion may further develop, change, modify, enhance, add to or substitute the Program and you must obtain and use the Program, module or other software required by APA for league operations. It is your responsibility to obtain a computer system – for example, computer, modem, printer, device, high-speed internet access, operating system, browser and other hardware and software) needed to operate the Program (including any future version), report league matches, scoring and handicapping data, membership and host location information, and other operations required by APA, as well as to administer new league programs and formats and perform other functions required by APA now or in the future. APA reserves the right to charge a reasonable license fee for major enhancements, upgrades or new versions of the Program or for an additional Program module or other software.

8. The Program is furnished to you "AS IS". APA MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE. APA does not warrant the performance or results you may obtain in using the Program, that the Program is free of defects, that it will operate uninterrupted or without errors, or that defects in the Program can be corrected. Further, while we may specify or recommend that your computer system meet certain criteria (e.g., processor, RAM, hard drive capacity), different computer systems (and hardware and software components) vary in quality and compatibility. We do not warrant performance of your computer system, its compatibility or successful operation of the Program, or that it will meet your needs or our requirements in the future.

9. You are responsible for installation, management and operation of the Program. Only persons authorized by APA may perform support or maintenance of the Program. If APA does not provide the support or maintenance, APA will obtain an authorized vendor to provide such services (a "Consultant") with respect to the then current version of the Program. APA reserves the right to charge a reasonable fee for the support and maintenance, which fee you agree to pay. This fee entitles you to telephone support on the then current version and any corrections and any minor updates that are issued in our discretion. It does not cover major enhancements, upgrades or new versions or substitutes for the Program. The amount of the annual fee may be changed annually subject to any limitation on such increase set forth in the Franchise Agreement, if any. APA may terminate any maintenance and support arrangement, and substitute or authorize other persons to provide support and maintenance of the Program and may terminate the support and/or maintenance completely with respect to then prior versions of the Program and discontinued modules. APA is not responsible for and does not warrant any Consultant's (or other contractor's) work and shall not be responsible or liable for any loss or damages resulting from acts or omissions (including negligence) of any Consultant (or other contractor).

10. In the event of a defect in the Program that makes the Program or a function unusable, APA will modify, temporarily or permanently, its System Standards as APA considers appropriate under the circumstances to authorize any reporting or record keeping function(s) that cannot be performed by the Program because of the defect to be performed manually or by another alternative means. This is the only remedy for any defect. APA shall have no responsibility or liability for any damages to persons or property; loss of profits, wages, or data; costs or expenses from any defect, error or failure of performance of the Program or your computer system; any act or omission (including negligence) in support or maintenance of the Program; or any other act or omission (including negligence) of APA or any employee or agent. IN NO EVENT WILL APA BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL OR RELIANCE DAMAGES, EVEN IF WE HAVE KNOWLEDGE OF THE POTENTIAL LOSS OR DAMAGE.

11. APA will defend any suit or proceeding brought against you to the extent that it is based on a claim that the Program, or any part thereof, used in the manner specified in this Agreement, constitutes an infringement of any patent or copyright of the United States or misappropriation of a trade secret, provided you promptly notify APA of such claim in writing and give the authority, information and assistance that in APA's judgment is needed for the defense or resolution of such claim. If a final non-appealable judgment is entered that use of the Program, or any part thereof, constitutes an infringement or misappropriation and its use is enjoined, APA will, at its sole discretion and at its own expense: (1) procure for you the right to continue using the Program or part thereof; (2) replace the Program with a non-infringing product; or (3) modify the Program as to become non-infringing.

12. Subject to APA's right to charge a license fee for new versions, this license to use the Program is granted by APA in granting the Franchise Agreement without any additional fee or charge, and no cost shall be attributed to this license. You acknowledge that, apart from this license, the services and benefits provided by APA to you under the Franchise Agreement exceed and fully earn the Franchise Fee paid by you. The Franchise Fee or any part shall not be subject to refund in the event of any defect, error or failure of the Program, support or maintenance of the Program, or your computer system.

13. Any dispute between you and APA under this License Agreement shall be submitted to mediation and, if not resolved in mediation, shall be resolved by binding arbitration in accordance with Sections 23.3-23.15 of the Franchise Agreement. This agreement to arbitration shall be governed solely by the U.S. Arbitration Act. Otherwise, this License Agreement shall be governed by Missouri law and, as applicable, U.S. Trademark Act and the U.S. Copyright Act. Any claim against APA under this Agreement must be asserted in arbitration within one (1) year of the event giving rise to the claim occurring.

14. Your breach of this License Agreement is a breach of your Franchise Agreement entitling APA to terminate the Franchise Agreement. APA shall have the right to inhibit, bar or block access to and use of the Program by you in the event of your failure to timely pay amounts due APA, or your breach of the Franchise Agreement or any other agreement with APA. In the event of your breach of this License Agreement, you shall pay APA's costs and expenses (including reasonable attorney's, expert witness and arbitration fees). You are responsible for any taxes charged as a result of this License Agreement or the loan of the Program to you.

AMERICAN POOLPLAYERS ASSOCIATION, INC.

FRANCHISEE

By: _____
Reneé Lyle, President

Date: _____

Date: _____

AUTHORIZATION AGREEMENT FOR ACH (AUTOMATED CLEARING HOUSE) PAYMENTS & OTHER TRANSACTIONS

I (we) hereby authorize the **AMERICAN POOLPLAYERS ASSOCIATION, INC.** (the "Company") to initiate and execute electronic debit or credit entries to my (our) checking or savings account at the Bank or other Financial Institution identified below.

Name(s) on Account: _____

Financial Institution (Bank) Name: _____

Branch Location: _____

Checking/Savings Account Number: _____

Financial Institution (Bank) Routing Number: _____

Financial Institution City/State: _____

Provide a "voided" check or readable photocopy of a check from the account, along with this completed and signed Authorization.

For illustration purposes, your account number and the bank's routing number are shown on your check as follows:

<p>Your Name Your Address</p>	<p>DATE</p>	<p>1001—</p>
<p>PAID TO THE ORDER OF</p>	<p>\$</p>	<p>DOLLARS</p>
<p>Your Bank Name</p>		
<p>USPS # 123456789 # 0000987654321 #</p>	<p>1001</p>	
<p>9 Digit Routing Number</p>	<p>Your Account Number</p>	<p>Check Number</p>

I (we) understand and agree as follows:

1. I (we) must maintain a current Authorization Agreement for ACH Payments and Transactions with the Company at all times during which we own and operate the Franchise and that the currently designated account must have sufficient funds available to meet our financial obligations to the Company.
2. The Company will initiate debit entries every Wednesday for payment of activity for a League Week ending date of Friday, 12 days prior, and a Nexus submission due date of Wednesday, 7 days prior.

For example, activity for a League Week ending date of Friday, December 6 must be entered into Nexus by Wednesday, December 11, you will receive an e-mailed statement with attached invoices on Thursday, December 12, and the payment thereof would be debited from your account on Wednesday, December 18.
3. Data for the League week must be entered into the Company's Computer Program (currently NEXUS) by the Wednesday due date (December 11 in the above example). If the data is not entered by the Wednesday due date, it cannot be processed in the appropriate week and a late charge of \$20 will apply.
4. This Authorization will remain valid and in full force and effect unless I (we) terminate this Authorization by written notice to the Company. Such termination notice must be sent at two weeks prior to the termination of this Authorization taking effect.

5. If I (we) terminate this Authorization, we will immediately provide the Company with a new Authorization to initiate electronic debit or credit entries from a new or different checking or savings account at the same or another Bank or Financial Institution. Such new Authorization will be effective by the effective date of the termination of the previous Authorization so that there is no default or gap in time in making payments due the Company.

6. This Authorization shall remain in effect for a sufficient time (at least 30 days) following any sale, expiration or termination of my (our) Franchise or Franchise Agreement, to allow the Company to initiate any debit entries from the account required to satisfy any remaining financial obligations or debts I (we) owe the Company.

7. If a transaction initiated by the Company is declined for insufficient funds or any other reason, we understand that this may be a default under our Franchise Agreement. We agree to pay the Company a late fee and any other bank charges resulting from the failed transaction, and to send the Company payment of the amount owed, in full, by cashier's check or money order by overnight mail (or make other arrangements acceptable to the Company).

Sign where indicated at the bottom of this form.

Complete this Part only if this is an Amended or Revised Authorization because of a change in your checking/savings account and/or your Bank or Financial Institution (All others, skip this Part)

Check the box here, if this is a change of account number: ☐

Check the box here, if this is a change in your Bank or Financial Institution ☐

Complete all the information requested above (Name(s) on the account, Name of Bank or Financial Institution, Branch, Checking/Savings Account Number, Bank Routing Number and Bank's City and State)

State the Wednesday date when you wish to begin using the new account: _____

Please note: We will notify you of the earliest date that we can begin initiating transactions in your new account based on when we receive your information and how long it takes our bank to process the request. Please keep sufficient funds in your current account until the change takes effect.

Signature _____ Date _____
Print Name: _____

Signature _____ Date _____
Print Name: _____

**A VOIDED CHECK OR A READABLE PHOTOCOPY OF A CHECK MUST BE INCLUDED
WITH THIS SIGNED AUTHORIZATION.**

Confidentiality Agreement

You have applied to become a franchise owner of a pool league business from the American Poolplayers Association, Inc. ("APA", "we" or "us"). We have provided you with our Franchise Disclosure Document, which you acknowledge having received. In connection with your decision to invest in the franchised business, we recognize that you may wish to review our confidential and proprietary operations manual titled the League Operators Manual (the "Manual"). The Manual discusses in detail how our system and operations work and how you would operate your APA franchised league if we decide to grant you a franchise. You should read the Manual before making your investment decision. Furthermore, before we can accept and sign the Franchise Agreement with you, you must attend and successfully complete APA's franchise owner training program (the "Training Program"). The Training Program describes in further detail our confidential and proprietary system and operations and trains you in how to conduct your local league operations if you are accepted to become a franchise owner.

APA considers our Manual and Training Program to be comprised of highly valuable, confidential and proprietary information owned exclusively by APA, including programs, systems, methods, procedures, standards, plans and know-how developed by us over many years and at considerable expense. As such, for the protection of APA, our franchise owners and our system and business, before we can provide our Manual to you and before you can attend our Training Program, it is necessary for you to agree to keep our Manual and Training Program confidential and not to use this information in an unauthorized way. This Agreement will be binding on you whether or not you go forward with your investment in the franchised business and whether or not we later accept you as a franchise owner and sign a Franchise Agreement with you. By signing this Agreement, you are not obligated to purchase any franchise. There is no separate fee or charge for this Agreement.

Accordingly, in consideration of the above and our consideration of you as a prospective franchise owner, you agree as follows:

1. You agree that the Manual (including all information contained in the Manual), and the materials and other information disclosed during the Training Program are confidential and proprietary trade secret information owned by APA and that APA is the owner of the copyright of the manual and all training materials. You further agree that you will not at any time challenge, dispute or contest APA's ownership of and rights in the Manual and the materials and other information disclosed in the Training Program, including APA's trade secret rights and copyrights.

2. You agree that (a) the Manual is loaned to you by APA *only* for the purpose of allowing you to review the Manual in order to make an informed decision on whether to invest in the franchised business and (b) the materials and information disclosed to you in the APA Training Program are being disclosed to you *only* for the purpose of training prospective franchise owners to operate an APA franchise and to permit us to evaluate you as a prospective franchise owner. The Manual and the materials and information of the Training Program *may not be used by you for any other purpose*.

3. You agree that you will not, now or in the future, use any of the information and materials contained in the Manual in connection with any pool league or operation (other than an APA franchised pool league) or any other business. You further agree that you will keep the Manual (including its information) confidential and will not disclose it or make it available to any other person (other than an Advisor under the terms of Paragraph 4).

4. For the purpose of making your investment decision you may disclose the Manual to a business advisor or professional advising you in connection with your investment (an "Advisor") *only* if your Advisor

Exhibit K (cont.)

signs the acknowledgement at the bottom of this Agreement agreeing to be strictly bound by all terms of this Agreement.

5. You agree not to make any copies of the Manual or any materials or other information disclosed in the Training Program. If you decide not to go forward with seeking this Franchise or if you are not accepted by APA as a franchise owner, you agree to immediately return to APA all of APA's materials and information, including the Manual, training materials and any notes made of the Manual and Training Program. You further agree that the terms of this Agreement are reasonable and shall be and remain binding upon you. You agree that this Agreement shall not be invalid for any reason and shall be enforced to the fullest extent permitted by applicable law.

6. All references to "you" in this Agreement include all prospective owners of the APA franchise (e.g., shareholders if you are a corporation, partners if you are a partnership, etc.) and their spouses, individually, all of whom shall be jointly and severally liable for breach of this Agreement.

THIS IS NOT A FRANCHISE AGREEMENT, NOR AN OFFER OF A FRANCHISE BY APA.

THE UNDERSIGNED, BEING ALL OF THE PROSPECTIVE OWNERS OF THE APA FRANCHISE AND SPOUSES, HAVE READ THIS AGREEMENT, UNDERSTAND ITS PROVISIONS AND AGREE TO BE BOUND BY ITS TERMS.

PROSPECTIVE FRANCHISE OWNER(S)

(Print Name) _____
Individually and jointly
Date: _____

(Print Name) _____
Individually and jointly
Date: _____

(Print Name) _____
Individually and jointly
Date: _____

(Print Name) _____
Individually and jointly
Date: _____

ACKNOWLEDGEMENT AND AGREEMENT OF ADVISOR: I agree any material or information disclosed to me shall be solely for the purpose of advising the prospective franchise owner(s) in connection with their evaluation of the APA franchise opportunity. I will keep the information confidential, will not disclose it to others or use it for any other business or purpose.

Date: _____

(Print Name) _____
(Company) _____



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Revision Date: 02/15/10

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Revision Date: 02/15/10

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Revision Date: 07/25/12

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Revision Date: 07/25/12

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Revision Date: 02/15/10

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Revision Date: 07/25/12

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Revision Date: 07/25/12

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Revision Date: 07/25/12

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Please refer to the updated Supplemental Section titled: U.S. Amateur listed at the end of this document.

SECTION 11: NATIONAL TOURNAMENT RULES

Revision Date: 02/15/07

*The Higher Level Tournament Rules for 8-Ball and 9-Ball are reviewed periodically and updated when needed. National Tournament Rules are timely posted on the **Resource Library**. We announce rules posting notices in **The Insider** approximately one month prior to the production of each event.*



SECTION 12: NLA SYSTEM

Revision Date: 07/25/12

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Revision Date: 07/25/12

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Revision Date: 07/25/12

(Official Team Manual for League Years 2012/2013 & 2013/2014 inserted for reference.)



SECTION 15: FRANCHISE DEVELOPMENT

Revision Date: 02/15/10

This section describes the process of developing, maintaining and using a Business Plan, identifying key result areas of a successful franchise. We suggest an on-going review of marketing strategies to grow your League, analyzing your growth to-date, and evaluating your cell development plan. We recommend effective management practices and progressive marketing methods to help you reach your short-term and long-term goals.

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Revision Date: 02/15/10

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Revision Date: 02/15/09

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Revision Date: 02/15/09

This section outlines the effectiveness of member publications written by the *APA—The American Poolplayer®* magazine and *Billiards Buzz™* e-newsletter—and describes the benefits of publishing a *Local League* newsletter for the players in your area. Our National Membership Program is described and your involvement is outlined.

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Revision Date: 07/25/12

To help you establish and promote your League, take a look at the wide assortment of printed materials shown on the **APA Materials Order Form** posted on the Resource Library under the **Administrative Tools & Forms** folder. You can order online from us or direct from our authorized providers—posters, sales presentation kits, apparel, trophies, etc. There are a variety of graphics, forms, logos, releases and fliers on the **Resource Library** that you can download.

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Revision Date: 07/25/12

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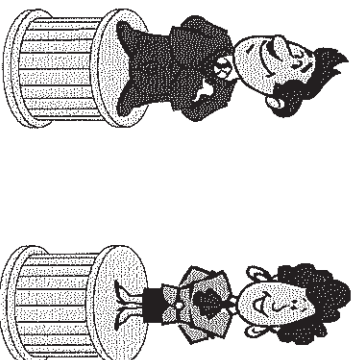


SECTION F: INCENTIVE PROGRAMS

Revision Date: 07/25/12

*This section gives you an overview of the incentive programs we offer to recognize League Operators who show exceptional performance and service in their League operations during the League year. We present these awards at the APA Annual Convention. Specific information about the current year's incentive rewards is posted on the **Resource Library**.*

Please refer to the updated Supplemental Section titled: Incentive Programs listed at the end of this document.



SECTION G: FAN FAVORITES

Revision Date: 07/25/12

Jeanette Lee, Tom “Dr. Cue” Rossman, and Mike Massey have teamed up with the APA to offer professional exhibitions, as well as autograph and photo opportunities to our members. Visit the Resource Library to learn more about hosting a promotional event in your League area.

<i>Exhibitions with Jeanette Lee</i>	<i>G-1</i>
<i>Dr. Cue Promotions</i>	<i>G-2</i>
<i>Mike Massey Performances.....</i>	<i>G-2</i>



SECTION H: PRESS RELEASES

Revision Date: 02/15/05

*This section describes how and when to use the sample Press Releases available to you on the **Resource Library**. Customize these standard Press Releases to gain media coverage of League events for local and national recognition. Use them especially to spotlight your Local League area, Regional Tournaments, National Championships, and individual members.*

