

ITEM 2

BUSINESS EXPERIENCE

Craig Moody, President and LLC Manager

Craig Moody has been our President and LLC Manager since our inception in August 2019. He has been President and a member of the board of directors of our Operating Affiliate since its inception in April 2012. From July 2009 to August 2020, Mr. Moody also co-owned and operated Northwest Classic Homes in Vancouver, Washington.

Terry Michaelson, Chief Executive Officer

Terry Michaelson has been our CEO, as well as CEO of our Operating Affiliate, since February 2020. From January 2014 to February 2020, he owned and operated Michaelson Consulting LLC in Lake Oswego, Oregon.

Mark Moreland, Chief Financial Officer, Shoot 360 Inc.

Mark Moreland has been the Chief Financial Officer of our Operating Affiliate since September 2021, and also provides us with financial oversight under our management agreement with our Operating Affiliate. Prior to joining us, Mr. Moreland served as CFO of HighKey Snacks in Orlando, Florida, from January to August 2021, and as CFO of Full Sail Brewing in Portland, Oregon, from June 2015 to December 2020.

Marcos Montas, Senior Director of Franchise Operations

Marcos Montas has been our Senior Director of Franchise Operations since our inception in August 2019, and has been with our Operating Affiliate since 2013 serving in a variety of roles ~~such as: Coach/Trainer, Equipment Maintenance Specialist, Inventory Management Specialist, General Manager, Manager of Sales & Marketing, & Regional,~~ the last five years of which included Senior Director of Franchise Operations & Success (March 2023 to present), Chief of Staff (June 2022 to May 2023), and Director of Franchise Operations Manager & Success (January 2020 to May 2023).

Brad Butterworth, Senior Global Franchise Development Executive

Brad Butterworth has been our Senior Global Franchise Development Executive since January 2023. He served as our Senior Business Development Executive Officer from June 2022 to January 2023. Before that he served as our National Director of Franchise Sales since from February 2021 to June 2022. He previously served as Athletic Director for King's Way Christian Schools in Vancouver, Washington, from May 2019 to November 2020.

Bernard Doering, Sales and Operations Consultant

Bernard Doering has been our Sales and Operations Consultant since April 2023. Before that, he had been retired since March 2022. From August 2016 to March 2022, Mr. Doering served as Senior Vice President of Global Sales and Marketing for Foundation Fitness LLC (d/b/a Stages Cycling) in Vancouver, Washington.

Brad Barbarick, Business Development Executive

Brad Barbarick has been on our Shoot 360 business development team since July 2023, after having been part of the franchise operations team working with franchisees on curriculum, programming, coaching, and player development since March 2022. Before joining Shoot 360, Mr. Barbarick served as Director of Athletics at Portland Community College from July 2019 to February 2022 in Portland, Oregon.

Jason Perkins, Director, National Director of Sales

Jason Perkins has been our National Director of Sales since May 2023. From March 2019 to April 2023, he was Director of On-Court Training and Facility Operations for the Golden State Warriors in Oakland, California. From September 2009 to January 2020, Mr. Perkins also owned Hoopology LLC in San Diego, California.

Mariah Ladd, Franchise Marketing Manager

Mariah Ladd has been our Franchise Marketing Manager since October 2023. She began her marketing career in 2013 at Intel in Portland, Oregon, where she held various marketing roles ~~until~~, [the last of which was Event Marketing Manager from July 2016 to](#) January 2022. From January 2022 to October 2023, Ms. Ladd worked in marketing for Open Sesame in Portland, Oregon. A former collegiate basketball player, Mariah continues to coach and mentor players.

Rian Chung, Chief Technology Officer

Rian Chung has been our Chief Technology Officer since September 2024. From September 2016 to September 2018, he served as Director of Product for Xperi in Calabasas, California. From September 2018 to September 2024, he was Director of Product for Perceive in San Jose, California.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Initial Franchise Fee

The Initial Franchise Fee is \$60,000. The Initial Franchise Fee is due and payable in full when you sign the Franchise Agreement. The Initial Franchise Fee is fully earned by us when

paid and is non-refundable. We determine the Initial Franchise Fee in a uniform matter. However, we may excuse or reduce the Initial Franchise Fee in individual cases in our discretion. For example, we may award existing franchisees who have excelled in the Shoot 360 System an Initial Franchise Fee reduction or waiver to obtain additional Franchise Agreements. We may also reduce the Initial Franchise Fee by \$5,000-\$10,000 in certain situations. For example, if we have a need for a franchisee in a specific market or we want to incentivize a prospect to join the Shoot 360 System.

We also offer a 10% discount off the Initial Franchise Fee to purchasers of a Shoot 360 franchise who are Veterans of the United States military. To qualify for the Veteran discount you must be a current member of the United States military, or a veteran who received an honorable discharge from a branch of the United States military at the time of the purchase of the franchise. This discount does not apply to the purchase of an Area Development Agreement or any Initial Franchise Fee opened under that Agreement.

The Initial Franchise Fee we charged in our last fiscal year ranged from \$0 to \$60,000.

Shoot 360 Package

Before opening the Franchised Gym, you must purchase a package of basketball training equipment, branding materials, and other equipment we specify for the Franchised Gym (“Shoot 360 Package”). The specific package will be determined by us after consultation with you, based upon the size and layout of the Approved Location. You must purchase the Shoot 360 Package from us. ~~e~~We may change these payment and supply arrangements in the future. The Shoot 360 Package price includes delivery and installation, and the price and related payment terms will be based on the pricing schedule in effect at the time of your order. Under the current pricing and terms schedule (Schedule 2 to the Franchise Agreement, **Exhibit C**), the Shoot 360 Package price ranges from \$389,500 to \$966,500 plus applicable taxes for a Shoot 360 Gym with five to eight training units. [The Shoot 360 Package price is fully earned when paid and is not refundable.](#)

If you enter into an Area Development Agreement, you must pay \$250,000 toward the Shoot 360 Package price for the first Shoot 360 Gym in the Development Quota at the time you enter into the Area Development Agreement. You must pay the remaining payments according to our standard payment terms. For the second and subsequent Franchised Gyms in the Development Quota, you will pay a sum equal to 50% of the Shoot 360 Package price for such Franchised Gyms, as a down payment when you obtain approval of the location for such Franchised Gym and sign the Franchise Agreement, and pay the remaining payments according to our standard payment terms.

Construction Drawings & Plans

You will pay us a fee of \$5,000 to \$10,000 for the preparation of construction drawings and plans for your Franchised Gym. This fee is payable before your Franchised Gym opens, upon receipt of our invoice, and is non-refundable after we have prepared the drawings.

Development Fee

If we agree to award you area development rights, you will pay us a Development Fee when you sign the Area Development Agreement. The amount of the Development Fee depends on the number of Shoot 360 Gyms in your minimum development commitment or

TYPE OF EXPENDITURE	ESTIMATED AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Gym in the Development Quota		remaining balance of the Initial Franchise Fee for each Franchised Gym is due when you obtain site approval for such Franchised Gym.	
Shoot 360 Package (See Note 2)	\$250,000 for the first Franchised Gym	Cash	As Arranged (See Note 2)	Us
TOTAL	Depends on the number of Franchised Gyms in the Development Quota (generally minimum three locations, or \$180,000)			

THE FOLLOWING NOTES ACCOMPANY THE ITEM 7 CHARTS

General: Item 7 explains your likely initial investment to open and begin operating a Shoot 360 Gym in a building of approximately 8,000 to 20,000 square feet, with between five and eight training units. Several initial investment expense categories, including rent and security deposits; equipment, fixtures, construction costs and supplies, vary widely depending on the size of your Franchised Gym.

The estimates in the charts above are based upon our Operating Affiliate's experience operating Shoot 360 Gyms in Oregon and Washington and our experience providing franchisees with assistance in developing Shoot 360 Gyms across the United States. These notes are an integral part of Item 7.

If you acquire area development rights, your estimated initial expense as an area developer consists of the Development Fee. Other than the Development Fee, we do not expect that an area developer will have any other type of incremental expense during the initial phase that is specific to exercising area development rights. Area developers will incur expenses in fulfilling their development commitment, including expenses for site selection, lease review, and construction and development of each Shoot 360 Gym. However, we account for these expenses in the single unit franchise chart. An area developer may incur higher legal and other professional fees than a franchisee who acquires single-unit franchise rights.

Refund Conditions. The security deposit that you pay to the landlord for the Approved Location lease or to an equipment supplier as part of any equipment lease may be refundable at the end of the lease under the conditions in the applicable lease. Otherwise, none of the initial investment payments are refundable unless you negotiate for refund terms with the third-party vendor or supplier. We make no representation regarding your ability to obtain refund terms with third parties with which you deal in establishing the Franchised Gym.

NOTE 1. Initial Franchise Fee. When you sign the Franchise Agreement, you must pay us the then-current Initial Franchise Fee. See Item 5 for more information.

Typical Length of Time Between Signing Franchise Agreement and Opening Date

We estimate that the length of time between when you sign the Franchise Agreement and the Opening Date of the Franchised Gym will be approximately 14 months. This assumes that you are able to obtain site approval, sign a lease and begin build-out within the first 270 days after you sign the Franchise Agreement. If you do not obtain site approval within 180 days, and sign a lease and Addendum to Lease within 270 days, after signing the Franchise Agreement, we may terminate the Franchise Agreement [and retain all fees that have been paid by you.](#)

The actual length of time you may require to open the Franchised Gym for business after you sign the Franchise Agreement will depend on a number of factors. These factors include the actual time it takes you to find a satisfactory site; secure needed financing; obtain our approval of construction drawings; secure all necessary building and zoning permits; complete the build-out process; and our installation of the Shoot 360 Package. Your actual time may be longer due to contingencies like weather, acts of God, material shortages and labor stoppages that are beyond your or our control.

Before you may begin serving customers, you must obtain from us a written completion certificate signifying that the Franchised Gym, as built-out, substantially conforms to our design specifications, and that you have met other pre-opening requirements, including completing our initial training program. (Franchise Agreement, Section VI.C.1).

After Opening

After you open the Franchised Gym, we provide you with the following assistance:

1. We will regularly consult with you and provide advice in response to your inquiries about specific administrative and operating issues at the Franchised Gym. We decide how best to communicate our consultation and advice, whether through our intranet portal, by telephone, in writing, other electronic format like email, or in person. The method may vary by franchisee and by circumstance. (Franchise Agreement, Section XII.D). We do not have any obligation to assist you in establishing prices, but we may implement pricing policies consistent with applicable law.

2. Upon your or our request, we will provide additional on-site assistance and training to address specific operating issues or deficiencies. You must pay us our then-current training fee for training and travel days, as specified in the Manual, and reimburse us for our reasonable expenses in providing on-site instruction, including travel expenses. (Franchise Agreement, Section VII.C).

3. In addition to periodically repeating the various modules of the initial training program according to demand, we may periodically offer advanced and refresher training at an operating Shoot 360 Gym that we designate. The training location may be at or near to our headquarters. (Franchise Agreement, Section VII.C). We may charge a per person training fee for any additional training programs that we offer. While we may require that your Certified Managers attend specific additional training sessions, we will not require that more than 2 persons attend more than five days of additional training each per 12 months. (Franchise Agreement, Section VII.C). You are responsible for all travel expenses and salaries for your employees attending these training sessions.

4. We may conduct an annual meeting of franchisees to address recently-implemented changes in the Shoot 360 System and other topics of common interest to

Advertising

We control all local, regional, national, Internet-based and international advertising. We have sole discretion over the creative ideas, materials, endorsements, placement of advertising. Franchises may be required to participate in local, regional, and national advertising programs, and are required to use only approved advertising and promotional materials. [We have no obligation to conduct any advertising.](#)

1. Brand Development Fund. (See generally, Franchise Agreement, Section XII.B).

If we begin collecting Brand Development Fees, we will deposit all Brand Development Fees into the Brand Development Fund, which we administer for the benefit of all Shoot 360 Gyms. As the administrator, we direct all advertising and promotional programs and have sole discretion over all creative concepts, materials and endorsements and the geographic market and media placement of all programs. We do not promise that we will spend the Brand Development Fund in any given geographic region or that the benefits you receive will be in proportion to your contributions.

We may use the Brand Development Fund to pay for any expenses related to the marketing and promotion of the Shoot 360 System, including the following:

- Costs to design, prepare and produce advertising materials in-house; administer local, regional and national advertising programs (including purchasing media space and time and printing and mailing services, and promoting Shoot 360 Gyms on social media sites); retain national and regional advertising, public relations and media buying agencies to assist us in these activities; and support general public relations, market research; and other advertising and marketing activities.
- Costs to furnish our franchisees with advertising and promotional formats and materials, like advertising art, radio and television commercials, print advertisements, point of sale materials, promotional graphics and videos, coupons, and social networking website content, in our discretion. Upon request, we may agree to provide you with multiple copies of materials if you pay us to reproduce the materials for you.
- Expenses that we incur to support our gift card program.
- Costs to maintain a toll-free telephone number and the shoot360 website, which identifies all Shoot 360 Gyms by address and provides operating hours and maps.
- Costs to maintain a system-wide intranet portal, to the extent that we use it to provide our franchisees with marketing assistance.

[Media coverage may be local, regional, or national.](#) We do not charge the Brand Development Fund for marketing expenses that we incur directly to recruit new franchisees.

Shoot 360 Gyms that we or our affiliates own will contribute to the Brand Development Fund at a rate that is equal to the lowest percentage contribution rate that any franchisee then pays to the Brand Development Fund.

The Brand Development Fund is not a trust. However, we keep and account for the Brand Development Fund separately from our other funds. Out of the Brand Development

PROVISION	SECTION IN FA	SUMMARY
		Covered Person severs his or her relationship with you.
R. Non-competition covenants after the franchise terminates or expires	XIV.A.2	The Franchise Agreement forbids you and each Covered Person from directly or indirectly engaging in a Competitive Business that is located within 20 miles of the Approved Location or another Shoot 360 Gym anywhere in the world, whether or not the Shoot 360 Gym was open for business on the date your Franchise Agreement terminates or expires or opens at a later date. This restriction applies for 2 years after the termination or expiration of the Franchise Agreement or the effective date of an Event of Transfer, or for 2 years after a Covered Person severs his or her relationship with you.
S. Modification of the agreement	XXII.G, VIII.C	The Franchise Agreement may not be modified except by a written agreement that both of us sign. However, we may unilaterally change the Manual.
T. Integration/merger clause	XXII.I, XXII.E	Only the terms and conditions of the Franchise Agreement are binding (subject to state law). Nothing in the Franchise Agreement requires you to waive or disclaim any representation that we make in this disclosure document. Any representations or promises outside of this disclosure document and other agreements may not be enforceable.
U. Dispute resolution by arbitration or mediation	XX.A-B	With limited exceptions pertaining to claims (i) for damages under \$10,000; (ii) in which we seek to enforce our rights under any Addendum to Lease; or (iii) for injunctive relief or other forms of provisional remedies, all disputes arising out of the Franchise Agreement must first be submitted to mediation. If mediation does not resolve the dispute, the matter must be resolved in court.
V. Choice of forum	XX.C	The Franchise Agreement has a forum selection provision that requires any lawsuit to be filed in Multnomah County Circuit Court or in the federal court located closest to Company's headquarters, currently the U.S. District Court for the District of Oregon. (Subject to applicable state law).
W. Choice of law	XX.E	Oregon law applies. (Subject to applicable state law).

NOTE TO ITEM 17: When you sign the Franchise Agreement, you will also sign the contract entitled Collateral Assignment of Telephone Numbers, Addresses, Listings and Assumed or Fictitious Business Name, which is attached to the Franchise Agreement. Following expiration or termination of the Franchise Agreement, we may deliver a copy of the Collateral Assignment to third-party providers. The Collateral Assignment instructs the third-party providers to assign us the telephone numbers and other listings for our outlet in furtherance of your duty to de-identify from the Shoot 360 System.

Area Development Agreement (“ADA”)

PROVISION	SECTION IN ADA	SUMMARY
A. Length of the franchise term	I.H	Depends on Development Quota and Development Deadlines that we negotiate.
B. Renewal or extension of the term	None	Not applicable
C. Requirements for franchisee to renew or extend	None	Not applicable
D. Termination by franchisee	VI	You may terminate the ADA only if we fail to cure an alleged material breach of the ADA within the cure period we are allowed under the ADA. (Subject to

NOTE 3. Membership Revenue per Member per Month was determined using membership revenue and membership data by Measured Gym, by month, as reported by our gym management software. For each Measured Gym we: (1) determined the total revenue from membership fees for the Measurement Period, (2) divided such amount by 12, and (3) divided the resultant by the average membership of the Measured Gym. Average membership for a Measured Gym was calculated by determining the total monthly membership of the Measured Gym for the Measurement Period and dividing by 12. The overall monthly average reported in the chart above was calculated by summing the average Membership Revenue per Member per Month for the Measured Gyms and dividing by 28 (the total number of Measured Gyms).

NOTE 4. Non-Membership Revenue as a Percentage of Membership Revenue was determined using revenue from membership fees, total revenue and membership data for each Measured Gym, by month, as reported by our gym management software. Non-Membership Revenue as a Percentage of Membership Revenue was determined using total revenue from membership fees, total revenue and membership data by Measured Gym, by month, as reported by our gym management software. We calculated Non-Membership revenue by calculating the difference between total revenue of a Measured Gym for the Measurement Period and revenue from membership fees for the Measurement Period. At the Measured Gym level and for all of the Measured Gyms, Non-Membership Revenue as a Percentage of Membership Revenue was calculated by dividing total revenue from membership fees by Non-Membership revenue. Non-membership revenue is revenue from sources other than membership fees.

Notes to this Item 19

1. The revenue information above was determined consistent with the definition of Gross Revenue in the Franchise Agreement.

2. The information in the chart above for the Measured Gyms was based upon information we were able to obtain from our gym management software. This information is provided to us on a cash accounting basis. We have not verified any of this information.

3. The revenue information in the chart above only represents gross sales. These gross sales figures do not reflect the cost of sales, operating expenses or other costs that must be deducted from the gross sales figures to calculate net income or profit. ~~You should conduct an independent investigation of the costs and expenses you will incur in operating your Shoot 360 Gym. Franchisees or former franchisees listed in this disclosure document may be one source of information.~~

4. **Some Shoot 360 Gyms have sold these amounts. Your individual results may differ. There is no assurance that you will earn as much.**

5. Written substantiation of this information will be made available to you upon reasonable request.

6. Dollar amounts in the chart above were rounded to the nearest dollar and percentages to the nearest whole percent.

7. All of the Measured Gyms offered substantially the same products and services as you are expected to offer, other than Shoot 360 leagues and adult memberships that launched in late 2024.

State	Franchise Agreements Signed as of October 31, 2024 but Outlet Not Yet Open	Projected New Franchised Locations in the Next Fiscal Year	Projected New Company-Owned Locations in the Next Fiscal Year
NC	1	1	0
ND	1	0	0
NE	1	1	0
NV	1	1	0
OH	1	0	0
PA	3	1	0
SD	1	0	0
TX	2	1	0
VA	1	0	0
WA	1	1	0
TOTALS	20	11	0

Exhibit J includes a list of all Shoot 360 Gyms owned and operated by our Operating Affiliate and our franchisees as of October 31, 2024.

Exhibit J also includes a list of franchisees who have had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during our prior fiscal year; or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. There are 5 franchisees on this portion of **Exhibit J**. [If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.](#)

[Franchisees have signed confidentiality clauses during the last three years.](#) In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Shoot 360. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

At this time, there are no trademark-specific franchisee organizations associated with the franchise that we have created, sponsored or endorsed. No independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21

FINANCIAL STATEMENTS

Attached as **Exhibit I** are our audited financial statements as of October 31, 2024, 2023, and 2022. Our fiscal year-end is October 31.

ITEM 22

CONTRACTS

The following contracts are exhibits to this disclosure document:

- EXHIBIT C Franchise Agreement
 - Schedule 1 Approved Location, Protected Area, Notice Address
 - Schedule 2 Current Pricing and Terms
 - Schedule 3 Franchisee's Owners
 - Schedule 4 Personal Guaranty
 - Schedule 5 Spousal Consent
 - Schedule 6 Electronic Debit Authorization Form
 - Schedule 7 Collateral Assignment
 - Schedule 8 Addendum to Lease
- EXHIBIT D Area Development Agreement
 - Exhibit A Development Territory, Fee, Quota and Deadlines
 - Exhibit B Franchise Agreement
 - Exhibit C Personal Guaranty
 - Exhibit D Spousal Consent
 - Exhibit E Developer's Owners
- EXHIBIT E Confidentiality, Non-Disclosure and Non-Competition Agreement
- EXHIBIT F General Release
- EXHIBIT G State-Required Addenda

ITEM 23

RECEIPTS

The last 2 pages of this disclosure document are duplicate receipt pages. Please sign and date both copies. Return the last page to us and retain the other copy for your records.

MINNESOTA ADDENDUM TO FDD

For Minnesota residents and nonresidents acquiring a SHOOT 360 GYM franchise for a location or territory or territory in Minnesota, the applicable sections of the Franchise Disclosure Document are amended to reflect the following wherever appropriate:

1. Minn. Stat. Sec. 80C.21 declares void any condition, stipulation or provision purporting to bind a person to waive compliance with the Minnesota franchise law (Minn. Stat. sections 80C.01 to 80C.22) and the rules promulgated thereunder (“the Minnesota Act”). To the extent that any of the contracts that you sign with us contain a general release, or require you to sign a general release at a later date, in favor of us, the general release will not operate to extinguish claims arising under, or relieve any person from liability imposed by, the Minnesota Act.

2. Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

3. With respect to franchises governed by Minnesota law, Franchisor agrees to comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which, as of the date of this Agreement, require, except in certain specified cases enumerated in the referenced statute, that Franchisor give Franchisee a minimum of 90 days’ notice of termination (with a minimum of 60 days to cure) and a minimum of 180 days’ notice for non-renewal of the franchise agreement.

4. If any contract that you sign with us requires you to consent to our obtaining injunctive relief, the contract shall be amended to provide that, pursuant to Minn. Rule 2860.4400J, Franchisee cannot give such consent; provided, however, nothing shall prevent us from applying to a forum for injunctive relief.

5. If any contract that you sign with us contains a limitations period for bringing claims against us that is shorter than the limitations period provided under the Minnesota Act, the contract shall be modified to conform to the Minnesota Act.

6. To the extent required by the Minnesota Franchise Act, we will protect your rights to use the trademarks, service marks, trade names, logo types or other commercial symbols related to the trademarks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the trademarks, provided you are using the names and marks in accordance with the Franchise Agreement.

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

8. [NSF checks are governed by Minnesota Statute 604.113, which puts a limit of \\$30 on service charges.](#)

5. The parties agree that any provision of the Franchise Contracts that requires Franchisee to consent to Company's obtaining injunctive relief is hereby modified to provide that, pursuant to Minn. Rule 2860.4400J, Franchisee cannot give such consent; provided, however, nothing herein shall prevent Company from applying to a forum for injunctive relief.

6. If any provision in the Franchise Contracts contains a limitations period for bringing claims against Company that is shorter than the limitations period provided under the Minnesota Act, the applicable provision is amended to conform to the Minnesota Act.

7. NSF checks are governed by Minnesota Statute 604.113, which puts a limit of \$30 on service charges.

8. ~~7.~~To the extent required by the Minnesota Franchise Act, we will protect your rights to use the trademarks, service marks, trade names, logo types or other commercial symbols related to the trademarks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the trademarks, provided you are using the names and marks in accordance with the Franchise Agreement.

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

10. ~~9.~~This Addendum shall be effective only to the extent that the jurisdictional requirements of the Minnesota Act are met independently of and without reference to this Addendum. This Addendum shall have no effect if the jurisdictional requirements of the Minnesota Act are not met.

IN WITNESS WHEREOF, the parties have executed this Addendum on the date first above written.

Company:
SHOOT 360 NATION LLC

Franchisee:
[NAME]

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following replaces the Your Estimated Initial Investment: Area Developer chart of Item 7:

Your Estimated Initial Investment
Area Developer

<u>TYPE OF EXPENDITURE</u>	<u>ESTIMATED AMOUNT</u>	<u>METHOD OF PAYMENT</u>	<u>WHEN DUE</u>	<u>TO WHOM PAYMENT IS TO BE MADE</u>
<u>Development Fees</u>	<u>\$60,000 each for the first three Franchised Gyms (total \$180,000)</u>	<u>Cash</u>	<u>Payable when you sign the Area Development Agreement.</u>	<u>Us</u>
<u>Estimated Initial Investment: Single Unit Franchise (see above table for breakdown)</u>	<u>\$658,500 to \$2,143,000</u>	<u>As noted in above table</u>	<u>As noted in above table</u>	<u>As noted in above table</u>
<u>Credit applied to first Initial Franchise Fee for first Gym in your development agreement's negotiated Development Quota</u>	<u>(minus \$60,000)</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
<u>TOTAL</u>	<u>\$778,500 to \$2,263,000</u>			

4. ~~3.~~ The following is added to the end of the “Summary” sections of Item 17(C) (Requirements for a franchisee to renew or extend) and 17(M) (Conditions for franchisor approval of transfer):

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) are satisfied.

5. ~~4.~~ The following language replaces the “Summary” section of Item 17(D) (Termination by franchisee):

You may terminate the agreement on any grounds available by law.

6. ~~5.~~ The following is added to the end of the “Summary” sections of Item 17(V) (Choice of Forum) and Item 17(W) (Choice of Law):

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

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

8. ~~7.~~ Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of (a) the first personal meeting between the franchisor or its agent and the prospective franchisee; (b) at least ten (10) business days before the execution of the franchise or other agreement; and (c) at least 10 days before the payment of any consideration that relates to the franchise relationship.

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	Pending January 21, 2025
Hawaii	Pending January 29, 2025
Illinois	Pending January 16, 2025
Indiana	Pending January 19, 2025
Maryland	Pending February 13, 2025
Michigan	January 16, 2025
Minnesota	Pending
New York	Pending
North Dakota	Pending January 16, 2025
Rhode Island	Pending January 27, 2025
South Dakota	Pending January 16, 2025
Virginia	Pending January 16, 2025
Washington	Pending
Wisconsin	January 16, 2025

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

Return this copy to us -- you may sign through DocuSign, or email a pdf of the signed copy to franchise@shoot360.com.

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