

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by arbitration only in King County, Washington. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in Washington than in your own state.
2. **Spousal Liability**. Your spouse may be required to sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Sales Performance Required. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.**

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

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

To simplify the language in this disclosure document, the words “we,” “our,” and “us” refer to Lil’ Kickers Inc., the franchisor of this business. We refer to the person or entity who buys the franchise as “you” throughout this disclosure document. If you are a corporation, partnership, limited liability company, or other entity, certain terms of the Franchise Agreement also apply to your owners (noted where applicable). ~~All capitalized terms not defined in this disclosure document have the meaning assigned to them in the Franchise Agreement.~~

Franchisor’s Name, Business Form, Predecessors, and Affiliates. Lil’ Kickers Inc., a Washington corporation formerly known as Lil’ Kickers LLC, was formed on October 29, 2007 to offer Lil’ Kickers franchises. We changed our name to Lil’ Kickers Inc. on December 7, 2015. The child development soccer program we are offering began in 1999 as a program of Arena Sports, Inc. (“Arena Sports”). We were a wholly-owned subsidiary of Arena Sports until January 1, 2016. Arena Sports also owns subsidiaries that operate the company-owned or -affiliated Lil’ Kickers Programs described in Item 20 below.

We have an affiliate named Lil’ Strikers Franchising, Inc. (“Lil’ Strikers”) that offers and sells Lil’ Strikers franchises in Canada. Lil’ Strikers franchises are essentially the same as Lil’ Kickers franchises, except for the name. Lil’ Strikers is our wholly-owned subsidiary.

Business Names, Addresses, Agents for Service. We do business under the name “Lil’ Kickers Inc.” and “Lil’ Kickers.” Our principal business address, as well as that of Arena Sports, is 9040 Willows Road NE, Suite 101, Redmond, WA 98052. We have offered franchises since June 16, 2008. Our agents for service of process are listed in Exhibit B to this disclosure document.

Franchisor’s Business. Our primary business is granting franchises to qualified persons or business entities in connection with the trademark “LIL’ KICKERS” and other related trademarks, trade names, and logos (collectively referred to as the “Marks”). We refer to these franchised businesses as “Lil’ Kickers Programs.”

In 2018, we began a separate line of business of licensing to qualified non-franchisees the program curriculum and training modules we have developed for the operation of children’s soccer programs for use in specific territories. The rights granted under the license agreements are fundamentally different from those granted under a franchise agreement, as the licensees do not receive and have not received any rights to use the “LIL’ KICKERS” trademark or any other related trademarks, trade names, or logos under their license agreements, and therefore cannot conduct Lil’ Kickers Programs. We currently have five such licensees. The decision of whether to offer you a franchise to conduct Lil’ Kickers Programs or a limited license to use our program curriculum and training modules is completely in our discretion. A limited license to use our program curriculum and training modules is not being offered under this disclosure document.

Franchises to Be Offered. Lil’ Kickers Programs operate a soccer training program for children varying in age from 1 through 12 years. The program is based on child development principles and includes soccer classes, clinics, camps, parties, and other events. Lil’ Kickers Programs also participate in advertising, marketing, and information systems, and quality standards designed and implemented by us or our

We may also offer you, in our sole discretion, an option and right of first refusal to purchase a traditional Lil' Kickers Program for a territory adjacent to your Exclusive Area. If you accept the offer, you will sign an Addendum for Option and Right of First Refusal to Purchase Franchise for Adjacent Territory (attached as Exhibit H), which will designate the adjacent territory on an attached schedule. While the Addendum is in effect, you will have the option at any time to purchase a traditional Lil' Kickers Program for the adjacent territory by signing our then-current franchise agreement and paying the then-current initial franchise fee. If you exercise the option but do not sign our then-current franchise agreement or pay the then-current initial franchise fee within 30 days, your option permanently lapses. If you have not exercised the option but we have a bona fide offer from a third party to purchase a traditional Lil' Kickers Program in the adjacent territory, you have 30 days from the date we notify you to exercise your option and purchase the Lil' Kickers Program for that territory. If you do not sign our then-current franchise agreement and pay the then-current initial franchise fee within that 30 days, your option and right of first refusal permanently lapses. You must pay an annual fee to maintain the option and right of first refusal. If you fail to pay the annual fee, the option and right of first refusal permanently lapses.

Prior Business Experience of Franchisor, Predecessor, and Affiliates. We do not ourselves own or operate soccer arenas or Lil' Kickers Programs. Apart from selling Lil' Kickers franchises, we have no other business activities. The System is derived from the business experience of the persons listed in Item 2 below and our predecessor and affiliates, including Arena Sports.

Arena Sports currently owns five indoor soccer arenas in and around Seattle, Washington and has been operating Lil' Kickers child development soccer programs at its arenas since 1999. From September 2002 until March 2008, Arena Sports offered licenses to operate businesses similar to the type being franchised. Most of these licensees were already established in the indoor soccer business when they entered into license agreements with Arena Sports, and therefore were not entirely dependent on Arena Sports' licensed program, assistance, or training. These licensees were granted exclusive territories within which to offer services under their license agreements, and these licensees have also been granted permission to use the "Lil' Kickers" trademark. The Arena Sports license agreements have since been assigned to us, and we currently provide to this network of licensees various support services similar to those services we will provide to you. Although these license agreements have been assigned to us, we refer to these licenses in this disclosure document as "Arena Sports license agreements," and the licensees operating thereunder "Arena Sports licensees," in an effort to distinguish these arrangements from the limited license agreements we began to offer in 2018, which are described earlier in this section under "Franchisor's Business." We offer to many licensees the opportunity to convert to franchisees under terms that recognize their investment in and experience with the licensed business. Those that do not convert will continue to operate under their Arena Sports license agreement. Those that do convert must sign a franchise agreement with us. Licensees will not be located in your ~~Territory~~[territory](#).

Lil' Strikers has been offering Lil' Strikers franchises in Canada since 2010.

We do not offer franchises in other lines of business, and do not presently intend to do so. Except for the franchises offered by Lil' Strikers in Canada, our affiliates do not offer franchises in any line of business.

General Description of the Market and Competition. Lil' Kickers Programs generally serve families with one or more children under the age of thirteen. Typically, franchise locations are found in urban and

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

Franchise Fee. You must pay us an initial franchise fee of \$25,000 for a traditional Lil' Kickers Program. You must pay us an initial franchise fee of \$15,000 for a Micro Lil' Kickers Program. The franchise fee must be paid to us in a lump sum when you sign the Franchise Agreement, though in limited circumstances we may allow the franchise fee to be paid in installments over a period not to exceed one year. We will not refund any portion of the franchise fee except under the following circumstances: (1) if you and we cannot agree upon a facility location within 60 days (or 120 days if we agree to a 60-day extension) following the date we sign the Franchise Agreement, then either you or we can terminate the Franchise Agreement, upon which we will refund \$12,500 (for a traditional Lil' Kickers Program) or \$7,500 (for a Micro Lil' Kickers Program); or (2) if you (or ~~you~~ [the person you have designated as having primary responsibility for managing the day-to-day affairs of the Franchised Business \(the "Designated Manager"\)](#)) fail to complete the initial training to our satisfaction, we can terminate the Franchise Agreement, upon which we will refund \$12,500 (for a traditional Lil' Kickers Program) or \$7,500 (for a Micro Lil' Kickers Program). You may be required to execute a general release of claims against us to receive the refund.

We fully earn the franchise fee when you sign the franchise agreement. The franchise fee is payment, in part, for expenses incurred by us in furnishing assistance and services to you as described in the Franchise Agreement and for costs incurred by us, including general sales and marketing expenses, legal, accounting, product development, and other professional fees.

Initial Equipment and Supplies. You must purchase initial soccer equipment and supplies from us and other approved Lil' Kickers suppliers. The actual amount of your costs for equipment and supplies will depend on the size of your facility, but for a traditional Lil' Kickers Program may range from \$12,500 to \$16,500, and for a Micro Lil' Kickers Program may range from \$6,900 to \$12,500. The high estimates include the cost of purchasing and installing an automated external defibrillator (AED), which is generally less than \$1,000 and is required in some states. The purchases from us are not refundable.

Technology Set-up Fee. You must pay us a one-time fee of \$500 as a technology set-up fee. ~~The technology set-up fee (the "Technology Set-up Fee").~~ The Technology Set-up Fee is payment, in part, for expenses incurred by us in furnishing assistance and services to you in connection with the initial set-up of software you will use to track and manage products, seasons, leagues, classes, annual registration fees, discounts, internal calendars, email templates, and online registration associated with Lil' Kickers Programs. The ~~technology set-up fee~~ Technology Set-up Fee must be paid to us in a lump sum when you sign the Franchise Agreement, though in limited circumstances we may allow the Technology Set-up Fee to be paid in installments over a period not to exceed one year. This fee is not refundable.

Marketing Campaigns. You must pay us the initial three months of your agreed-upon monthly fee for marketing services that we will conduct on your behalf (the “Marketing Fees”). Depending on the agreed-upon monthly spend, your initial three months of ~~marketing fees~~ Marketing Fees will range from \$1,050 to \$2,550 (\$350 to \$850 per month), regardless of whether you operate a traditional Lil’ Kickers Program or a Micro Lil’ Kickers program. Your initial Marketing Fees for the first three months will become due when you sign the Franchise Agreement. This fee is not refundable.

Initial Inventory. You must purchase a minimum level of inventory necessary to operate the Lil’ Kickers Program from us and/or other approved Lil’ Kickers suppliers. Inventory items include paper products and other collateral materials (e.g., brochures describing features and benefits, etc.), and player uniforms, equipment, and other retail items. The actual amount of your costs for initial inventory will depend on the size of your facility, but for either a traditional Lil’ Kickers Program or a Micro Lil’ Kickers Program may range from \$1,000 to \$3,000. These purchases are not refundable.

You pay us or our affiliates no other fees or payments for services or goods before your business opens.

Variability. Arena Sports’ existing licensees that are in good standing with Arena Sports may convert to a franchise without paying the initial franchise fee or technology set-up fee. See Exhibit 6 to the Franchise Agreement.

Name of Fee ¹	Amount	Due Date	Remarks
DaySmart Recreation Payments	\$0.14 processing fee per credit card transaction are required as part of processing credit card payments through DaySmart Recreation software. For waivers, the amount is \$0.15 per adult waiver and \$0.05 per minor waiver.	Payable monthly on the 10th day of the month.	Fee is paid to DaySmart Recreation for access to and administration of the credit card processing services in the DaySmart Recreation Software. These fees are remitted by the DaySmart Recreation Software to PayPal on a monthly basis. Non-refundable.
Travel expenses for on-site training	\$0 - \$2000	As invoiced	The initial franchise fee pays for on-site training at your Franchised Business by one of our trainers during the first year of operations. However, you must pay the trainer's travel and lodging expenses.
Training Fee	\$1,000 per year	January 1	At least one of your Designated Program Managers must attend the Lil' Kickers Annual Leadership Conference for continued education per year after the first year the Franchise Business is open.
Marketing Fee ⁵	\$350 - \$850 per month, depending on market standards	Payable monthly, by the 10 th of the month	You must participate in digital advertising monthly conducted by the Corporate Marketing Team Lil' Kickers' corporate marketing team .
Approval of Products or Suppliers ⁶	\$2,000 - \$4,000	Time of evaluation	Applies to our evaluation of new suppliers you wish to purchase from or products you wish to purchase.
Option and Right of First Refusal for Adjacent Territory	\$1,000 - \$10,000 per year	At time of signing, and each anniversary thereafter	If we offer it to you, you may purchase an option and right of first refusal for the development of a Lil' Kickers Program in a territory adjacent to yours.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Low/High Range Traditional Lil' Kickers Program	Low/High Range Micro Lil' Kickers Program	Method of payment	When due	To whom payment is to be made
Franchise Fee ¹	\$25,000	\$15,000	EFT Transfer or cash	Upon signing Franchise Agreement	Us
Technology Set-up Fee ²	\$500	\$500	EFT Transfer or cash	Upon signing Franchise Agreement	Us
Initial Training Program ³	\$0 - \$5,000	\$0 - \$5,000	As airlines, hotels, restaurants , etc. require	As airlines, hotels, restaurants , etc. require	Airlines, hotels, restaurants , etc.
Real Property ⁴	N/A	N/A	N/A	Before beginning operations	Third parties
Equipment, signs, and decorating costs ⁵	\$12,500 - \$16,500	\$6,900 - \$12,500	Cash, EFT Transfer transfer , or credit as per agreement with suppliers	If to us, after first week of classes; as incurred for other suppliers	Us and various suppliers

Type of expenditure	Low/High Range Traditional Li' Kickers Program	Low/High Range Micro Li' Kickers Program	Method of payment	When due	To whom payment is to be made
Inventory to begin operating ⁶	\$1,000 - \$3,000	\$1,000 - \$3,000	Cash, EFT Transfer , or credit as per agreement with suppliers	If to us, after first week of classes; as incurred for other suppliers	Us and/or other suppliers
Insurance (annual premium) ⁷	N/A	N/A	N/A	Before beginning operations	Insurance agent
Security deposits and other prepaid expenses required to commence operations and working capital ⁸	\$0 - \$1,000	\$0 - \$1,000	Cash or Credit	As incurred	Various vendors and suppliers
Marketing Fee – Initial Three Months ⁹	\$1,050 - \$2,550 (\$350/mo. - \$850/mo.)	\$1,050 - \$2,550 (\$350/mo. - \$850/mo.)	EFT Transfer	Upon signing Franchise Agreement and monthly thereafter	Us

Type of expenditure	Low/High Range Traditional Lil' Kickers Program	Low/High Range Micro Lil' Kickers Program	Method of payment	When due	To whom payment is to be made
DaySmart Recreation system – Initial three months ¹⁰	\$0 - \$940 (\$255/mo. + \$0.14 processing fee per credit card transaction, + \$0.15 per adult waiver, and \$0.05 per minor waiver)	\$0 - \$940 (\$255/mo. + \$0.14 processing fee per credit card transaction, + \$0.15 per adult waiver, and \$0.05 per minor waiver)	EFT Transfer nsfer	Monthly upon beginning operations	DaySmart Recreation
Additional funds – three months ¹¹	\$0 - \$10,000	\$0 - \$10,000	As expenses occur	Payroll as per your policies; other purchases according to agreed-on terms	Employees, suppliers of goods and services
Total (excluding real property⁴)	\$40,050 - \$64,490	\$24,450 - \$50,490			

¹ The Franchise Fee is described in greater detail in Item 5 of this disclosure document.

² The Technology Set-up Fee is described in greater detail in Item 5 of this disclosure document.

³ There is no fee for the [initial training \(the “Initial Training” or “Initial Training Program”\)](#), but you are responsible for transportation and expenses for meals and lodging while attending training, if you attend an in-person Initial Training. The total cost will vary depending on the number of people attending, how far you travel, and the type of accommodations you choose. These expenses are typically not refundable. See Item 11 for more information on training.

⁴ Typically, franchisees already own, lease, or operate an established arena or similar facility before becoming a participant in the Lil' Kickers System. Under this assumption, you are not required to make additional investment in land, improvements, furniture, insurance, deposits, prepaid expenses

sales and scheduled programs. There are no startup or initial registration fees for using DaySmart Recreation services, just an ongoing monthly fee and processing fees for use as a Lil' Kickers Program. If, however, you have already purchased the full commercial version of the DaySmart Recreation software, the monthly fee is waived. The average cost of the full commercial version of DaySmart Recreation (for non-Lil' Kickers Program users), by comparison, is \$795 per month. Use of the DaySmart Recreation program is web-based and is accessible via the internet from any device that has internet access. [DaySmart Recreation fees may increase by up to \\$15 per month in each renewal term.](#)

¹¹The estimate of additional funds for the initial phase of your business is based on your staff salaries and operating expenses for the first three months of operation. The estimate of additional funds does not include an owner's salary or draw.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.

To maintain uniform standards of quality, appearance, and marketing, it is essential that you conform all goods, services, inventory, equipment, software, advertising, marketing, trademark usage, trade dress, and materials required for the operation of the Franchised Business, to our standards and specifications. You will manage your own operations and employees.

Approved Suppliers. All products, supplies, signs, on-site brochures, promotional items, and other specified items and services for use or sale in your Franchised Business must be purchased from an approved supplier, which may be us or an affiliate. Currently, we are the only approved supplier of all uniforms, equipment, signs, marketing materials and services for you. As noted in Item 6, our affiliate, DaySmart Recreation is the only approved supplier of software for the operation of your Lil' Kickers Program. Except for the Franchisor, no franchisor officer owns an interest in any supplier.

Initial Equipment and Supplies. You must purchase initial soccer equipment and supplies from us and other approved Lil' Kickers suppliers. The purchases from us are not refundable. This may include purchasing and installing an automated external defibrillator (AED), which is required in some states. Otherwise, there are no costs to install any equipment.

Initial Inventory. You must purchase a minimum level of inventory necessary to operate the Lil' Kickers Program from us and/or other approved Lil' Kickers suppliers. Inventory items include paper products and other collateral materials (e.g., brochures describing features and benefits, etc.), and player uniforms, equipment, and other retail items. These purchases are not refundable.

Computer and Communications Systems. You must acquire, maintain, and upgrade at your expense, computer and communications systems that are compatible with the DaySmart Recreation system and can function and communicate with other Lil' Kickers Programs' computers. This includes all applicable hardware and software as we may prescribe, as well as broadband Internet and other network access. The required computer system includes a standard business desktop or laptop computer, the establishment of a credit card processing merchant account, bar code reader, credit card machine, and web camera. But except for the DaySmart Recreation software, you may acquire such computer and communications systems from vendors of your choice.

Manuals. We will grant you access to the confidential [Lil' Kickers Program Curriculum](#), [training modules](#), and [electronic manuals](#) (the "Manuals"). We will provide, in the Manuals or by other written or electronic form, a list of items you will need to purchase for resale or as promotional items to operate your Franchised Business and, if required, a list of approved suppliers and specifications governing some or all of these items. Our specifications may include minimum standards for performance, design, appearance, and quality. We formulate and modify our specifications and standards for services and products based upon our industry knowledge and our affiliates' and franchisees' experience in operating Lil' Kickers Programs.

Approval of New Items or Services. If you would like to use any item or service in establishing or operating the Franchised Business that we have not approved (for items or services that require our approval), you must first notify us in writing and send us sufficient information, specifications and/or samples for us to determine whether the item or service complies with our standards and specifications or the supplier meets our approved supplier criteria. We may charge a reasonable fee to you or the prospective supplier in connection with determining whether we will approve an item, service or supplier. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease such items or services or from such supplier. We apply the following and other general criteria in approving a proposed supplier: the ability to provide sufficient quantity of product; quality of services and/or products at competitive prices; production and delivery capability; and dependability and general reputation of the supplier.

Revocation of Approval. Periodically, we may reassess our approval of any item, service, or supplier. We will notify you if we revoke our approval of an item, service, or supplier, and you must immediately stop purchasing disapproved items or services, or must immediately stop purchasing from a disapproved supplier.

Revenues We Receive. As noted above, we and our affiliate receive revenue if you purchase any required items from us. These revenues cover our costs to develop, acquire, and/or approve the items. For the fiscal year ended December 31, 2023, our total revenue from these purchases was 37%, or \$1,367,660 of our total revenue of \$3,697,977. ~~(Note: revenue numbers represent gross revenue before cost of goods and operating expenses and do not represent profits or net income to us or our affiliate.)~~

From time to time we may negotiate purchase arrangements with suppliers for the benefit of the Lil' Kickers System, which may include volume discounts. Presently, we do not have any such purchase or supply agreements in effect and you must purchase all uniforms, signs, equipment, and marketing materials from us. In addition, we and our affiliates may from time to time have the right to receive payments from unaffiliated suppliers on account of their actual or prospective dealings with you and other franchisees and to use the amounts received without restriction (unless we or our affiliates agree otherwise with the supplier) for any purpose we or our affiliates deem appropriate. Sometimes suppliers pay fees to us and/or our affiliates for products purchased through these negotiated agreements, and willingness to pay us and/or our affiliates fees may be a condition for approving a supplier. These fees generally range from 0% to 20% of the sale price of an order. Revenues received from equipment suppliers will be used, in part, for: negotiating supply agreements; collecting or processing franchisee orders; inspecting the suppliers' goods and/or premises, or otherwise maintaining quality control; distributing product information or promotional literature to franchisees; warehousing or distributing products to franchisees; collecting payments from franchisees and similar back office functions; and guaranteeing payment by franchisees.

For the fiscal year ended December 31, 2023, we received \$0 in rebates from approved suppliers.

We estimate that the required purchases from us described above are approximately 70% to 80% of the cost to establish a Lil' Kickers Program and approximately 10% to 15% of ongoing operating expenses. Note: this estimation does not take into account the cost of acquiring and maintaining your arena or location.

There are no purchasing or distribution cooperatives you must join. We do not provide material benefits to you (such as renewal rights or the right to open additional franchises) if you purchase through the sources we designate or approve; however, purchases of unapproved products or purchases from unapproved suppliers in violation of the Franchise Agreement will entitle us, among other things, to terminate the Franchise Agreement.

Marketing Campaigns. You must pay us a monthly ~~fee~~ Marketing Fee for marketing services that we conduct on your behalf. ~~This fee, called the "The Marketing Fee,"~~ will be used by us to purchase online ad campaigns for your franchise and to pay our ~~Corporate Marketing Team~~ corporate marketing team for managing digital ads and generating analytics reports from such campaigns. Marketing Fees vary based on market, digital platform, and the ad campaigns you choose; all of which is subject to the terms of the Franchise Agreement.

This monthly fee for marketing services is required for your initial term. In renewal terms you may choose to conduct the required marketing ad campaigns independently from the ~~Corporate Marketing Team~~ corporate marketing team, but you will need to give 30 days' notice to us and abide by the following guidelines:

- a. You must only use ~~Approved Advertisements~~ advertisements provided by or approved by our ~~Corporate Marketing Team~~ corporate marketing team ("Approved Advertisements");
- b. You must have a knowledgeable digital marketing expert (as determined in our reasonable discretion) managing your monthly campaigns;
- c. You must submit reporting and analytics from the campaigns to us monthly;
- d. You must spend a minimum amount monthly on digital advertising (which may include, but shall not be limited to, Google and Facebook advertising) to continuously promote the franchise program for new customer acquisition.

Insurance. In addition to any other insurance that may be required by applicable law, you are required to maintain certain insurance policies as further detailed in Section 15 of the Franchise Agreement, including:

- "all risk" property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies, and other property used in the operation of the Lil' Kickers Program, with a minimum limit equal to the full replacement cost of all assets;
- workers' compensation insurance and employer liability coverage with a minimum limit of \$100,000.00 or, if higher, the statutory minimum limit as required by state law;

- comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by, or occurring in conjunction with, the operation of the Lil' Kickers Program, or your conduct of the business, with a minimum liability coverage of \$1,000,000.00 per occurrence, and \$2,000,000.00 in the aggregate, or, if higher, the statutory minimum limit required by state law; and
- business interruption insurance in amounts and with terms acceptable to us.

We do not require you to use any specific insurance carrier and your choice of insurance carrier is not subject to our approval; however, all insurance policies must be written by an insurance company licensed or admitted in the state in which you operate and have at least an "A-" ~~Rating Classification~~ [rating classification](#) as indicated in the latest issue of A.M. Best's Key Rating Guide.

ITEM 9. FRANCHISEE'S OBLIGATIONS.

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

<u>Obligation</u>	<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
a. Site selection and acquisition/lease	Sections 5.1, 5.2 of Franchise Agreement	Item 11
b. Pre-opening purchases/leases	Sections 5.3, 5.4 of Franchise Agreement	Item 8
c. Site development and other pre-opening requirements	Sections 5.3, 5.4 of Franchise Agreement	Item 11
d. Initial and ongoing training	Sections 8.1, 8.5 of Franchise Agreement	Item 11
e. Opening	Section 5.4 of Franchise Agreement	Item 11
f. Fees	Sections 3.1 – 3.6 of Franchise Agreement; Sections 5, 7, 9 of Addendum for Micro Lil' Kickers Program; Section 2 of Addendum for Option and Right of First Refusal	Items 5 and 6
g. Compliance with standards and policies/operating manual	Sections 10.1, 10.2 of Franchise Agreement	Item 11
h. Trademarks and proprietary information	Sections 6.1 – 6.5 of Franchise Agreement	Items 13 and 14
i. Restrictions on products/services offered	Sections 13.1, 13.3 of Franchise Agreement	Items 8 and 16
j. Warranty and customer service requirements	Section 13.9 of Franchise Agreement	Item 11
k. Territorial development and sales quotas	Section 13.2 of Franchise Agreement; Section 7 of Addendum for Micro Lil' Kickers Program	Item 12
l. Ongoing product/service purchases	Sections 13.1, 13.3 of Franchise Agreement	Items 8 and 16
m. Maintenance, appearance, and remodeling requirements	Sections 10.1, 10.2, 13.4 of Franchise Agreement	Item 11
n. Insurance	Section 15 of Franchise Agreement	Item 7
o. Advertising	Sections 11.1 – 11.5 of Franchise Agreement	Item 11
p. Indemnification	Section 20.3, 22.5 of Franchise Agreement	Items 6 and 13

acceptable site for another sixty (60) days so long as you continue to actively and diligently seek to obtain a suitable location and/or lease and otherwise pursue the opening of the Franchised Business. (Franchise Agreement, Section 5.2)

We consider the following factors when approving facility sites: the condition and size of the facility, demographics of the surrounding area, proximity to other Lil' Kickers Programs, proximity to other youth soccer programs, lease requirements, traffic patterns, vehicular and pedestrian access, proximity to major roads, available parking, and overall suitability. (Franchise Agreement, Section 5.1)

- b. ~~Neither we nor any of our employees have special expertise in selecting sites; we make no representations that your Franchised Business will be profitable or successful by being located at the location we approve. Any approval is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience.~~ We will designate your Territory as an Exclusive Area or Non-exclusive Area, as applicable. See Item 12 for more information on territory. (Franchise Agreement, Section 2.5 and Schedule 1; Addendum for Micro Lil' Kickers Program Sections 2, 3)
- c. We will provide a list of required equipment, decoration, inventory, and supplies used in or for the Lil' Kickers Program, which you must purchase from us or an approved supplier. You must purchase initial equipment and supplies from us or other approved suppliers at least two weeks prior to beginning classes under the Lil' Kickers System. We do not install any of these items. (Franchise Agreement, Section 13.1)
- d. We will sell you any required equipment, décor, inventory, or supplies for which we are an approved supplier. (Franchise Agreement, Section 13.1)
- e. We will provide you with the initial training program. The initial training program will be conducted by Don Crowe, Ty Redinger, Gene Hogan or Karen Crowe, as well as other employees and contractors of us and our affiliate. Mr. Crowe, Mr. Redinger, Mr. Hogan and Ms. Crowe have a minimum of fifteen years (15) of experience in the subject each teaches. Other trainers will have a minimum of one (1) year of experience in the subject he or she teaches. We may also utilize outside trainers as we deem appropriate. This training is described in detail later in this Item. The initial training program must be completed before opening the business, and within 120 days after signing the franchise agreement unless otherwise agreed by us. (Franchise Agreement, Section 8.1)
- f. We will grant you access to the Manuals. You must strictly comply with the Manuals in operating your Franchised Business. We may change the Manuals at our discretion. You must comply at your cost with these changes when you receive them, but they will not materially alter your rights and obligations under the Franchise Agreement unless such changes are necessary to comply with applicable law. (Franchise Agreement, Section 9)
- g. We will assist with your initial set-up of software used to track and coordinate products, seasons, leagues, classes, annual registration fees, discounts, internal calendars, email templates, and online registration associated with Lil' Kickers Programs. (Franchise Agreement, Section 3.3, 8.1)

- h. You must pay us a monthly Marketing Fee for marketing expenses that we conduct on your behalf. The Marketing Fee will be used by us to purchase online ad campaigns for your franchise and to pay our ~~Corporate Marketing Team~~ [corporate marketing team](#) for generating analytics reports from such campaigns. Marketing Fees vary based on market, digital platform, and the ad campaigns you choose; all of which is subject to the terms of the Franchise Agreement. Depending on the agreed-upon monthly spend, the Marketing Fees will range from \$350 to \$850 per month, regardless of whether you operate a traditional Lil' Kickers Program or a Micro Lil' Kickers program. Your initial three months of Marketing Fees (\$1,050 to \$2,550, depending on agreed-upon spend) will become due when you sign the Franchise Agreement, with ongoing Marketing Fees paid monthly thereafter. This fee is not refundable. You may not create your own Lil' Kickers marketing materials; however, you may include Lil' Kickers in your general facility marketing pieces, subject to our review and written approval. Upon your request and subject to our availability, we may provide you with assistance in creating and distributing optional forms of marketing materials or services not required by us, at our then-current hourly rates or other prices and terms. (Franchise Agreement, Sections 3.4, 11.1, 11.3, 14.2)
- i. We will approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose within twenty (20) business days of receipt. If we do not respond within twenty business (20) days, the material is denied approval. (Franchise Agreement, Section 11.3)

Time to Open. You must typically begin operating the Franchised Business within 120 days of signing a franchise agreement; however, if you are opening a new arena, it may take significantly longer. Factors that affect this time and your program status include hiring needed staff to operate the program, marketing lead time to solicit new customers, and availability and timing of the initial training sessions. If you do not commence operations of the Franchised Business within 120 days after signing the franchise agreement, we have the right to terminate the franchise agreement. We may agree to a longer period if your site will not be available until after 120 days of signing, including but not limited to due to laws or orders related to the COVID-19 pandemic that restrict operations or occupancy at your site. (Franchise Agreement, Section 5.4)

Other Assistance During the Operation of the Franchised Business. During the operation of your Franchised Business, we will do the following:

- a. We will periodically, and subject to availability, advise and offer general guidance to you by telephone, e-mail, newsletters, and other methods. Our guidance is based on our and our predecessor's experience in operating Lil' Kickers Programs. (Franchise Agreement, Section 14.1)
- b. We will use commercially reasonable efforts to provide information pertaining to the source of supplies, including items identified with the Lil' Kickers logo, and to negotiate bulk purchase rates with suppliers and to make any discounts from suppliers available to you. (Franchise Agreement, Section 13.1)
- c. We will use the Marketing Fee for promotional and marketing efforts on behalf of your Franchised Business. This includes the production and placement of online advertising

campaigns and the generation of related analytics from such campaigns. We may also use the Marketing Fee to reimburse ourselves for administrative costs (including but not limited to bookkeeping expenses, legal expenses, and taxes) incurred by us in connection with administering the promotion and marketing of the Lil' Kickers System (Franchise Agreement, Sections 11.2, 3.4)

- d. We will provide, upon your request, an on-site visit by one of our trainers sometime in the first year your Franchised Business is open. However, you must cover our trainer's travel and lodging expenses. Additional or refresher training is not required except for the annual Coordinator Training described below. (Franchise Agreement, Section 8.5)
- e. We will offer ~~Coordinator Training~~ refresher training sessions twice per year (each, a "Coordinator Training"). Once per year after the first year of your Franchised Business, you must send one employee to a Coordinator Training, for a fee. The Coordinator Training includes all areas of operations, including running classes, camps and parties on the field, child development theories and practice, administration, marketing, and business development. (Franchise Agreement, Section 8.5)
- f. Upon your request and subject to our availability, we will provide additional training, marketing or management consultation, or other assistance with details regarding the Lil' Kickers System structure and operation, at our then-current hourly rates or other prices and terms. Additional or refresher training is not required except for the annual Coordinator Training described above. (Franchise Agreement, Section 14.2)
- g. We will approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose within twenty (20) business days of receiving your request. If we do not respond within twenty (20) business days, the material is denied approval. (Franchise Agreement, Section 11.3)
- h. We will make available to you (at your cost) changes and additions to the Lil' Kickers System. (Franchise Agreement, Sections 10.2, 14.3)
- i. We will provide you (at your cost) with modifications to the Manuals. (Franchise Agreement, Section 9.2)
- j. We will continue to sell you any required equipment or inventory for which we are an approved supplier. (Franchise Agreement, Section 13.1)

Advertising and Promotion. You may only use such advertising and promotional materials as are furnished, approved, or made available by or through us, or an approved source. You may only use materials in the manner approved by us. The Internet and social media are channels of distribution reserved exclusively to us, and you may only market on the Internet or on social media with our consent.

You must participate in advertising and marketing campaigns established by us from time to time; however, you may select the type and level of advertising campaign. During the initial term, you must pay us a monthly Marketing Fee, depending on the advertising campaign(s) and ad spend you select. This fee may be used by us to purchase the corresponding ad campaigns and reimburse ourselves for

the administrative costs associated with managing such marketing and promotion efforts. In renewal terms you may choose to conduct the required marketing ad campaigns independently from the ~~Corporate Marketing Team~~[corporate marketing team](#), but you will need to give 30 days' notice to us and abide by the following guidelines: (i) you must only use Approved Advertisements provided by or approved by our ~~Corporate Marketing Team~~[corporate marketing team](#); (ii) you must have a knowledgeable digital marketing expert (as determined in our reasonable discretion) managing your monthly campaigns; (iii) you must submit reporting and analytics from the campaigns to us monthly; (iv) you must spend a minimum of \$350 monthly on digital advertising (which may include, but shall not be limited to, Google and Facebook advertising) to continuously promote the franchise program for new customer acquisition. If you fail to complete the monthly marketing campaigns to our satisfaction, we can require the use of our ~~Corporate Marketing Team~~[corporate marketing team's](#) services at the then-current rates. Your initial Marketing Fee will become due when you sign the Franchise Agreement, with ongoing Marketing Fees due monthly by the 10th of each month. This fee is not refundable. (Franchise Agreement, Sections 3.4, 11.2)

Currently, we direct all advertising programs and control the creative concepts, materials and media used, and allocation. But we may, in our discretion, use an advertising agency or other outside source to create and place these materials. We are not required to spend a specific amount or percentage of the Marketing Fees collected or our other revenue on advertising in any area or territory. We are not required to ensure that our marketing and advertising expenditures benefit you or other franchisees in a way that would benefit each franchisee equally or in a way that would benefit you proportionally to the Marketing Fee you pay. We are not required to spend the aggregate amount of Marketing Fees collected by us each year, and any excess amounts may be retained by us and used for advertising, marketing and promotion expenditures in subsequent years. (Franchise Agreement, Section 11.2)

We begin collecting Marketing Fees in September 2017. Accordingly, in our fiscal year ending 2023, we collected and spent \$96,194.35 in Marketing Fees. Of the Marketing Fees collected in our last completed year, 25% (\$24,048.50) were paid to advertisers; 25% (\$24,048.50) were spent on production; 25% (\$24,048.50) were spent on media placement and execution; and 25% (\$24,048.50) were spent on administration. We separately collected \$0.00 in our last completed year from providing assistance to franchisees with respect to optional forms of marketing undertaken by such franchisees with our permission. We have not conducted any advertising in the last fiscal year other than with respect to the Lil' Kickers website, Lil' Kickers social media platforms, and assistance provided to franchisees with respect to optional forms of marketing.

Unless we approve otherwise, you must charge an annual registration fee to your customers. The amount of this fee will vary based on the market in which you operate. You must provide each new customer a free promotional Lil' Kickers jersey upon receiving payment of the annual registration fee.

You must reserve two billboard spaces at your facility for use in our advertising sponsorship campaigns. You will receive a portion of the proceeds from our sponsorship campaigns based on the total number of billboard spaces used in all facilities, the number of customers at your facility, and other variables that we may determine. (Franchise Agreement, Section 11.5).

You may, at your own cost, develop advertising materials for your sports arena that include Lil' Kickers programs. As stated above, we must approve these advertising materials in advance and in writing. If we do not respond within twenty (20) business days after receiving your proposed advertising material,

the material is denied approval. These materials do not relieve you of your obligations to conduct required Lil' Kickers marketing campaigns or to use required Lil' Kickers marketing materials. (Franchise Agreement, Section 11.1, 11.2)

We may include your location in any lists or directories of Lil' Kickers locations published by us. We may advertise and promote the Lil' Kickers System and franchised Lil' Kickers Programs on Internet search engines, which may provide national coverage. We currently maintain a Lil' Kickers website and will include your Franchised Business on its list of locations.

There is no advertising council composed of franchisees that advises us on advertising policies. The Franchise Agreement does not give us the power to form, change, or dissolve an advertising council.

We do not participate in a local or regional advertising cooperative that you are required to participate in. The Franchise Agreement does not give us the power to form, change, or dissolve an advertising cooperative.

We do not maintain any advertising fund that you must contribute to. While we do collect a monthly Marketing Fee, that fee is not maintained as a separate fund [and these fees are not separately audited](#). Rather, all Marketing Fees are deposited by us into a general operating account and commingled with other funds of ours that are used to pay for general operating costs. We do not have any obligation to provide you with financial statements or other periodic accounting of the Marketing Fees collected by us, [but we will provide a quarterly report of fees and spending to each franchisee individually](#). (Section 11.2 of the Franchise Agreement).

We do not anticipate that any part of the Marketing Fees will be used principally to solicit the sale of new franchises, although we reserve the right to include "Franchises Available" or similar language with our contact information on any advertising purchased or created by us. Furthermore, all Marketing Fees will be deposited into our general operating fund and therefore commingled with other funds of ours that may be used to solicit the sale of additional franchises. (Section 11.2 of the Franchise Agreement).

Computer/Point-of-Sale Systems. We require you to purchase and maintain proprietary software for the administration and management of the Franchised Business from DaySmart Recreation. The DaySmart Recreation software commercial product tracks all customer contact records, enrollment history, sales, payment processing, online registration tools, membership status, and class rosters, and it provides efficient and effective communication tools with past and present customers. Our predecessor has been using the DaySmart Recreation software (previously branded as the Sports IT software) continuously since 2001. (Franchise Agreement, Section 13.3)

You must pay us an initial fee of \$500 as a technology set-up fee upon signing the Franchise Agreement. This fee is compensation to us for the assistance we will provide you for the initial set-up of software that will be used to track and coordinate products, seasons, leagues, classes, annual registration fees, discounts, internal calendars, email templates, and online registration associated with Lil' Kickers Programs. (Franchise Agreement, Section 3.3)

We require you to acquire, maintain, and upgrade computer and communications hardware and software as we may prescribe that is compatible with the DaySmart Recreation system and can function and communicate with other Lil' Kickers Programs' computers, including Internet and other network

Exhibit F), including signing a new, then-current franchise agreement, and paying us the difference between the new initial franchisee fee and the initial \$15,000 franchise fee you already paid. If we offer you the option to convert to a traditional Lil' Kickers Program, we will provide you with our then-current franchise disclosure document and the disclosures in that disclosure document will apply to your converted Franchised Business.

Remote Locations in Adjacent Territories. If we offer and you enter into an Addendum for Remote Locations in Adjacent Territory (see Exhibit G), you may operate additional Lil' Kickers programs and events at off-site locations outside of your Exclusive Area or Non-exclusive Territory that meet our standards and specifications. These off-site locations may only be located in a geographic area that will be designated on a schedule attached to the Addendum for Remote Locations in Adjacent Territory. These off-site locations may not be located: (i) within the Exclusive Area of another franchisee or licensee, or (ii) in a facility whose primary function is serving as an indoor or outdoor sports facility that is capable of supporting a separate Franchised Business, as determined in our sole discretion. You will have no exclusive rights in these adjacent territories, and we may establish, own, operate, or franchise any business, including competitive businesses, and may sell or produce any products and services, using any trademarks and any channel of distribution, in these adjacent territories. If we sell a traditional Lil' Kickers Program with an Exclusive Area that overlaps with the Adjacent Territory, you will be required to cease operations at any off-site locations in that Exclusive Area at the end of the then-current season.

Option and Right of First Refusal. If we offer and you enter into an Addendum for Option and Right of First Refusal to Purchase Franchise for Adjacent Territory (attached as Exhibit H) ("ROFR Addendum") with us, you will have an option and right of first refusal to purchase a traditional Lil' Kickers Program for a designated territory adjacent to your Exclusive Area. While the ROFR Addendum is in effect, you will have the option at any time to purchase a traditional Lil' Kickers Program for the adjacent territory by signing our then-current franchise agreement and paying the then-current initial franchise fee. If you exercise the option but do not sign our then-current franchise agreement or pay the then-current initial franchise fee within 30 days, your option permanently lapses. If you have not exercised the option but we have a bona fide offer from a third party to purchase a Lil' Kickers Program in the adjacent territory, you have 30 days from the date we notify you to exercise your option and purchase a traditional Lil' Kickers Program for that territory. If you do not sign the then-current franchise agreement and pay the then-current initial franchise fee within that 30 days, your option and right of first refusal permanently lapses. You must pay an annual fee to maintain the option and right of first refusal. If you fail to pay the annual fee, the option and right of first refusal permanently lapses.

Other Disclosures Related to Territory. We have no current plans to operate a competing franchise system offering products or services similar to the Lil' Kickers Programs.

You may not relocate your Franchised Business without our prior written consent. We must ensure the new location meets our standards before we will consent to relocation. If you relocate outside your Exclusive Area or Non-exclusive Territory, you must enter into a new Franchise Agreement; however, a new franchise fee will not be required. Any relocation will be at your sole expense. We may charge you for any costs we incur in providing relocation assistance for you, including, but not limited to, legal and accounting fees. However, we have no obligation to provide relocation assistance.

the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Guaranty and Assumption of Obligations attached to the Franchise Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.

You must operate the Franchised Business in strict conformity with the methods, standards, and specifications in the Manuals and as we may require otherwise in writing. You may not deviate from these standards, specifications, and procedures without our written consent.

You must offer the products and services we specify in strict accordance with our standards and specifications. Please refer to the restrictions and limitations on products and services in Item 8 of this disclosure document. We have the right to change the types of authorized goods and services that you must offer, as well as add additional authorized goods and services that you must offer. There are no limits on our right to do so.

You may not advertise, promote, or operate soccer classes or Enrichment in Motion for children ages 12 and under, soccer leagues for children ages 7 and under, or soccer camps or soccer parties for children ages 6 and under, other than Lil’ Kickers on your premises or in any of your advertising materials. If you use our [Enrichment in Motion and Skills Institute program \(“Skills Institute”\)](#), you may not advertise, promote, or operate similar skills classes for children ages 12 and under, other than our Skills Institute on your premises or in any of your advertising materials. If you do not use our Skills Institute program, you may, with our prior approval, advertise, promote, and operate advanced-level soccer instruction programs for children ages 7 and higher on your premises. The nature of such advanced classes cannot in any way resemble or compete with the Lil’ Kickers Program.

Periodically, we may allow certain services or products that are not otherwise authorized for general use as a part of the Lil’ Kickers System to be offered locally or regionally based upon such factors as we determine, including test marketing, your qualifications, and regional or local differences.

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

THE FRANCHISE RELATIONSHIP

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

Provision		Section in Franchise Agreement	Summary
a.	Length of the franchise term	4.1	The standard term is 5 years, unless otherwise agreed.
b.	Renewal or extension of the term	4.2, 4.3	You can sign successor franchise agreements for terms of 5 years each if we are franchising in you state and you meet all of the conditions in (c) below. This means that you may be asked to sign an agreement with terms and conditions

<u>Provision</u>		<u>Section in Franchise Agreement</u>	<u>Summary</u>
v.	Choice of forum	22.2	Subject to state law, any litigation must be pursued in courts located in Seattle, Washington.
w.	Choice of law	22.1	Subject to state law, Washington law applies to the Franchise Agreement, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.).

See also [Exhibit E](#), the Multi-State Addenda, which provides additional information regarding rules specific to these states.

ITEM 18. PUBLIC FIGURES.

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

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS.

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

~~You should carefully read and understand this entire Item 19 and the limited value of the information provided.~~

~~Your individual financial results are likely to differ from the results stated in this Item 19. It may take several years for you to achieve your income potential. There is no assurance you'll do as well as the financial results stated in this Item 19.~~

Written substantiation of the data used in preparing this Item 19 will be made available to you upon reasonable request.

Information Presented in the Table

Table 1 below presents unaudited information about the actual gross sales and enrollment figures for all of our franchisees running "traditional" Lil' Kickers Programs and all of Arena Sports' licensees, provided that the location was in business and operating for all or most of the 12-month period ending December 31, 2023 (the "Traditional Reporting Outlets"). Incorporating the information from these Arena Sports licensees provides a much larger set of data than franchisees alone, thereby allowing a more accurate

representation of historical performance. ~~See Items 1, 12, and 13 of this disclosure document for more information about these Arena Sports licensees. See our website, www.lilkickers.com, for the location of these licensees.~~ This table excludes 8 traditional franchisees that opened during the 2023 calendar year, the 2 franchisees and Arena Sports licensees that closed during the 2023 calendar year, 2 that did not operate for all of 2023 calendar year, as well as five corporate locations. This table also excludes the licensees that have been granted limited licenses to use our program curriculum and training modules ~~as described in Item 1~~, as these licensees are not permitted to use any trademark of ours and do not conduct Lil' Kickers Programs.

Table 2 presents unaudited information about the actual gross sales and enrollment figures for all of our franchisees running Micro Lil' Kickers Programs, provided that the location was in business and operating for all or most of the 12-month period ending December 31, 2023 (the "Micro Reporting Outlets"). This table excludes the 1 franchisee that closed during the 2023 calendar year.

We refer to the Traditional Reporting Outlets and the Micro Reporting Outlets collectively as the "Reporting Outlets."

As of December 31, 2023, there were ~~55~~ 50 traditional franchisees in the Lil' Kickers system, including one outlet which is partly owned by Arena Sports; 11 Micro franchisees in the Lil' Kickers system; and 5 Arena Sports licensees. The Traditional Reporting Outlets consist of 50 traditional franchisees and 5 licensees, which operate on a total of 83 fields. The Micro Reporting Outlets consist of ~~all 11~~ all 11 Micro franchisees, which operate on a total of 11 fields.

Table 1 generally presents two categories of information: (i) the annual gross sales for 2023 of each of the Traditional Reporting Outlets; and (ii) the annual enrollment for 2023 for each of the Traditional Reporting Outlets. These two categories are reported first as total figures, and then on a "per field" basis, meaning the total reported figure—gross sales or enrollment—was divided by the number of fields at the facility used in connection with the Franchised Business.

For both annual gross sales and annual enrollment, Table 1 presents (i) the average of all Traditional Reporting Outlets; (ii) the lowest Traditional Reporting Outlet; (iii) the highest Traditional Reporting Outlet, as applicable; and (iv) the median value.

Table 1 then presents the number and percentage of the Traditional Reporting Outlets that attained or surpassed the stated average. These results are presented first for all Reporting Outlets, and then broken down by number of fields used at the outlet, and then by whether the outlet runs off-site programs.

Table 2 presents the same categories of information as Table 1 as detailed above, but for Micro Reporting Outlets only.

Gross Sales. Gross sales means the aggregate of all revenue from the sale of services from all sources in connection with the Franchised Business, including, without limitation, all annual registration fees, sales of classes, camps, parties, facility memberships, field trips, local program sponsorships, and proceeds from any business interruption insurance, but excluding (a) all refunds made in good faith, (b) any sales and equivalent taxes that are collected by an outlet for or on behalf of any governmental taxing authority and paid thereto, and (c) any rebate received by an outlet from a manufacturer or

supplier. Membership sales refer to individuals who paid annual membership or registration fees charged by a facility as a direct result of signing up for a Lil' Kickers program. Gross sales do not reflect the costs of sales, operating expenses, or other costs and expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit.

Enrollment. Enrollment figures represent individuals who registered for one quarter of classes. An individual is counted each time he or she enrolls; thus, the same person may be counted 4 times in one year's results if they participated for the entire year. Enrollment occurs on a rolling basis, so the enrollment figures may also include partial seasons, for which class fees are typically pro-rated.

Number of Fields. Outlets use different numbers of fields in connection with the Franchised Business. Of the 55 Traditional Reporting Outlets, 4 outlets (or 7%) use three or more fields, 18 outlets (or 33%) use two fields, and 33 outlets (or 60%) use one field. Of the 11 Micro Reporting Outlets, all (100%) use one field.

Some outlets also have different sized fields, which accommodate different numbers of class participants, and some that have multiple fields do not use all fields as part of the franchised business. The break down by number of fields in the table below corresponds to the number of fields at each facility, but does not take the size or actual use of those fields into account.

Off-site Programs. Subject to our standards, outlets can run classes at local community centers, fitness clubs, gymnasiums, or, in the summer months, local parks. Of the 55 Traditional Reporting Outlets, 6 (or 11%) run these types of off-site programs. Of the 11 Micro Reporting Outlets, none operate these type of off-site programs. The gross sales and enrollment figures in the table below include activities at off-site locations, if any. ~~Your area may not be suitable for off-site programs.~~

Assumptions

Most Reporting Outlets are in or near large metropolitan areas. ~~The market where your Franchised Business is located, however, may be in a smaller urban or suburban area. The sport of soccer is more popular in certain areas of the U.S., and indoor arenas are also more popular in areas with frequent inclement weather. Soccer and indoor arenas may not be as popular in your market. Accordingly, the results achieved by our Reporting Outlets may not be typical for those in your area.~~

A majority of Reporting Outlets have been open (at least as indoor sports facilities) for three or more years, ~~and there was probably less competition at that time than you will face in your market.~~ Many, if not most, Reporting Outlets are in facilities owned by the franchisee or licensee, and therefore receive full assistance in marketing and administrative support. ~~If you are just opening a facility, or do not have an existing arena and administrative support, you are not likely to achieve similar results.~~

Finally, most Reporting Outlets strictly follow the methods and procedures of the Lil' Kickers System.

~~If you fail to fully implement or follow our System, your results are likely to be less.~~ **Costs and Expenses Not Reflected**

~~The following figures do not reflect the costs of sales, operating expenses, or other costs and expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. For most outlets, such costs and expenses are often associated with several different programs~~

operating at the franchisee's facility, not just the Franchised Business. The size of facilities varies among our franchisees, as well as the number and type of programs offered. As a result, these costs and expenses vary significantly from location to location. Accordingly, we are unable to provide expense information that would be useful and not misleading. You should conduct an independent investigation of the costs and expenses you will incur in operating your Lil' Kickers franchise. One source of cost and expense data may be existing franchisees listed in Item 20 or Arena Sports' licensees.

**Table 1 – Traditional Lil' Kickers Outlets
Statement of 2023 Gross Sales and Enrollment**

	2023 Gross Sales	2023 Gross Sales / Field	2023 Enrollment	2023 Enrollment / Field
Average	\$ 410,566.00	\$243,364.00	1929	1225
Lowest ***	\$ 38,962.00	\$38,962.00	209	209
Median	\$ 307,780.00	\$235,295.00	1254	1024
Highest **	\$ 2,458,615.00	\$614,654.00	7,952	3,389
Number and (Percent) of locations that attained or surpassed the average stated above				
All Locations	18 of 55 (33%)	23 of 55 (42%)	24 of 55 (44%)	23 of 55 (42%)
By Field				
Locations with 3 fields*	4 of 4 (100%)	4 of 4 (100%)	4 of 4 (100%)	4 of 4 (100%)
Locations with 2 fields	9 of 18 (50%)	8 of 18 (44%)	12 of 18 (67%)	8 of 18 (44%)
Locations with 1 field	5 of 33 (15%)	10 of 33 (30%)	8 of 33 (24%)	11 of 33 (33%)
By off-site program				
Locations that run off-site programs	6 of 18 (33%)	5 of 23 (22%)	5 of 24 (21%)	6 of 23 (26%)
Locations that do not run off-site programs	12 of 18 (66%)	18 of 23 (78%)	19 of 24 (79%)	17 of 23 (74%)

* Highest Performing Location. This Location operates in more than 3 fields.

** High Performing Location. This location is especially high performing. The next highest Location had a 2023 total gross sales of \$1,481,221.00 and \$562,251.00 per field.

*** Lowest Performing Location. This location operates in only 1 field. The next lowest location had 2023 total gross sales of \$38,962.00 and \$38,962.00 per field.

~~Note: Some outlets have sold this amount. Your individual results may differ. There is no assurance you'll sell
as much.~~

by contacting Don Crowe at 9040 Willows Road NE, Suite 101, Redmond WA 98052 and (866) 650-0007, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION.

[The following tables include the Arena Sports licensees.](#)

**Table No. 1 - Systemwide Outlet Summary
For years 2021 to 2023**

<u>Outlet Type</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets at the End of the Year</u>	<u>Net Change</u>
Franchised	2021	79	73	-6
	2022	73	74	+1
	2023	74	80	+6
Company-Owned	2021	6	6	0
	2022	6	6	0
	2023	6	6	0
Total Outlets	2021	85	79	-6
	2022	79	80	+3
	2023	80	86	+6

**Table No. 2 - Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For years 2021 to 2023**

<u>State</u>	<u>Year</u>	<u>Number of Transfers</u>
California	2021	0
	2022	0
	2023	2
Illinois	2021	0
	2022	1
	2023	0
TOTALS	2021	0
	2022	1
	2023	2

New York	0	0 to 2	0
North Carolina	0	0 to 2	0
Ohio	0	0 to 2	0
Oklahoma	0	0 to 1	0
Oregon	0	0 to 2	0
Pennsylvania	0	0 to 2	0
Tennessee	0	0 to 2	0
Virginia	0	0 to 2	0
Washington	0	0 to 2	0
West Virginia	0	0 to 1	0
Wisconsin	0	0 to 1	0
TOTAL	1	0 to 42	0

Current Franchisees

State	Facility Name	Contact	Phone Number	Address
AZ	Maracana Indoor Soccer	Mladen Kozak	(520) 235-7094	2317 W. Monet Way Tucson, AZ 85741
AZ	American Sports Center Avondale	Mike Gallups	(714) 917-3602	755 N. 114 Ave. Avondale, AZ 85323
	Maracana Indoor Soccer	Mladen Kozak	(520) 235-7094	2317 W. Monet Way Tucson, AZ 85741
CA	Sofive Soccer - Alameda	Jean-Damien Ladeuil	(510) 814-4999	800 West Tower Avenue Bldg 40 Alameda, CA 94501
	East Bay Sports - San Ramon SoCal Lil' Kickers	John Penna Amy Chueng	(925) 212-0605 626-677-7733	2411 Old Crow Canyon Rd. San Ramon, CA 94583 1350 Maple Hill Rd. Diamond Bar, CA 91765
	North County Soccer Parks	Dave Brennen	(858) 748-4260	14530 Espola Rd. Poway, CA 92064
	Olympus Sports Coliseum	Kristine Spencer	(916) 572-4945	625 Bell Ave, Sacramento, CA 95838
	The Plex	Andrea Scott	(408) 225-1843	800 Embedded Way San Jose, CA 95138
	Lil' Kickers South OC	Andy Otto	(949) 212-2393	32701 Calle Perfecto San Juan Capistrano, CA 92675

State	Facility Name	Contact	Phone Number	Address
	East Bay Sports- San Ramon	John Penna	(925) 212-0605	2411 Old Crow Canyon Rd. San Ramon, CA 94583
	Sports City Indoor Soccer	Brad Bergum	(707) 708-4625	3215 Coffey Ln. Santa Rosa, CA 95403
	Santa Clarita Soccer Center	Meir Cohen	(661) 288-2600	21613 Soledad Canyon Rd. Saugus, CA 91350
	Sofive Soccer - Southgate	Jean-Damien Ladeuil	(323) 923-4650	9599 Pinehurst Ave, South Gate, CA 90280
	Vacaville Indoor Sports Complex	Chris Chaikittirattana	(808) 489-3475	3777 Vaca Valley Pkwy, Sutie -Suite C Vacaville, CA 95688
	Sofive Soccer- Upland	Jean-Damien Ladeuil	(909) 985-7903	1721 West 11th Street- Upland, CA 91786
	Sofive Soccer- Alameda	Jean-Damien Ladeuil	(510) 814-4999	800 West Tower Avenue Bldg 40 Alameda, CA 94501
	Sofive Soccer- Southgate	Jean-Damien Ladeuil	(323) 923-4650	9599 Pinehurst Ave, South Gate, CA 90280
	SoCal Lil' Kickers	Amy Chueng	626-677-7733	1350 Maple Hill Rd. Diamond Bar, CA 91765
	Sports City Indoor Soccer	Brad Bergum	(707) 708-4625	3215 Coffey Ln. Santa Rosa, CA 95403
	Olympus Sports Coliseum	Kristine Spencer	(916) 572-4945	625 Bell Ave, Sacramento, CA 95838
	Lil' Kickers South OC	Andy Otto	(949) 212-2393	32701 Calle Perfecto San Juan Capistrano, CA 92675
	The Riley Youth Center	Maya Riley	(818) 620-7274	21320 Oxnard Street Woodland Hills, CA 91367
	The Plex	Andrea Scott	(408) 225-1843	800 Embedded Way San Jose, CA 95138
IL	Top Class Coaching - St. Charles	Simon Brinklow	(630) 762-0029	1400 Foundry Street St. Charles, IL 60174
<u>IL</u>	Canlan Sports -Lake Barrington	Joey St. Aubin	(847) 382-3433	28156 W Northpointe Pkwy Barrington, IL 60010
	LK Soccer West Dundee	Brian Loftin	(877) 545-5457	202 S. Western Ave, Carpentersville, IL 60110
	Top Class Coaching - St. Charles	Simon Brinklow	(630) 762-0029	1400 Foundry Street St. Charles, IL 60174

State	Facility Name	Contact	Phone Number	Address
	LK Soccer – Bradley Place	Brian Loftin	(877) 545-5457	2640-B W Bradley Pl. Chicago, IL 60618
	LK Soccer -Lake Street	Brian Loftin	(877) 545-5457	1911 W. Lake Street Chicago, IL 60612
	LK Soccer - Lombard	Brian Loftin	(877) 545-5457	600 Western Ave. Lombard, IL 60148
	LK Soccer -McCook Athletic	Brian Loftin	(877) 545-5457	4750 S.Vernon Ave. McCook, IL 60525
	LK Soccer – Bradley Place	Brian Loftin	(877) 545-5457	2640-B W Bradley Pl. Chicago, IL 60618
	LK Soccer – Morton Grove	Brian Loftin	(877) 545-5457	8200 Lehigh Ave Morton Grove, IL 60053
	LK Soccer – Vernon Hills	Brian Loftin	(877) 545-5457	701 N Milwaukee Ave Vernon Hills, IL 60061
	LK Soccer – Highland Park	Brian Loftin	(877) 545-5457	701 N Milwaukee Ave Vernon Hills, IL 60061
	LK Soccer – Oak Park	Brian Loftin	(877) 545-5457	809 S. Oak Park Ave. Oak Park, IL 60304
	LK Soccer – Lombard Just for Kicks	Brian Loftin Terry Knafel	(877) 545-5457 (630) 904-4505	600 Western Ave. Lombard, IL 60148 10200 Soccer Dr. Plainfield, IL 60585
	LK Soccer - Roselle	Brian Loftin	(877) 545-5457	835 E. Nerge Rd. Roselle, IL 60172
	LK Soccer West Dundee Just for Kicks	Brian Loftin Terry Knafel	(877) 545-5457 (630) 904-4505	202 S. Western Ave, Carpentersville, IL 60110 10200 Soccer Dr. Plainfield, IL 60585
	Soccer Planet	Achim von Bodman	(217) 367-9999	2400 N Willow Rd. Urbana, IL 61802
	LK Soccer – Vernon Hills	Brian Loftin	(877) 545-5457	701 N Milwaukee Ave Vernon Hills, IL 60061
	LK Soccer – Highland Park	Brian Loftin	(877) 545-5457	701 N Milwaukee Ave Vernon Hills, IL 60061
IN	Off the Wall Sports	Dale Moulton	(317) 580-5902	1423 Chase Ct. Carmel, IN 46032
KS	All American Indoor Sports	David Quinn	(913) 888-5425	8875 Rosehill Rd Lenexa, KS 66215

State	Facility Name	Contact	Phone Number	Address
LA	Nola Sports Center	Rafael Carmona	(504) 355-1628	1710 10th St, Kenner, LA 70062
MA	Danvers Indoor Sports	Kelly Cragg	(978) 777-7529	150R Andover St (Rte 114) Danvers, MA 01923
MA	Fore Kicks Norfolk	Pat Teager	(508) 208-8339	190 Rolling Meadow Drive Holliston, MA 01746
	Fore Kicks Marlborough	Pat Teager	(508) 208-8339	219 Forest Street Marlborough, MA 17250
	Fore Kicks Taunton	Pat Teager	(508) 208-8339	223 Fremont St. Taunton, MA 02780
	Danvers Indoor Sports	Kelly Cragg	(978) 777-7529	150R Andover St (Rte 114) Danvers, MA 01923
MD	Coppermine Fieldhouse	Alex Jacobs	(866) 632-8217	1400 Coppermine Terrace Baltimore, MD 21209
	Coppermine Du Burns	Alex Jacobs	(410) 337-7781	3100 Boston St, Baltimore, MD 21224
	Sofive Soccer - Columbia	Jean-Damien Ladeuil	(410) 505-0595	7125 Columbia Gateway Dr, Suite #105, Columbia, MD 21046
	Harford Sports Performance Center	Sue Taylor	(410) 420-8442	121 Industry Ln, Forest Hill, MD 21050
	Sofive Soccer-Rockville	Jean-Damien Ladeuil	(301) 321-8484	1008 Westmore Ave, Rockville, MD 20850
	Sofive Soccer - Columbia	Jean-Damien Ladeuil	(410) 505-0595	7125 Columbia Gateway Dr, Suite #105, Columbia, MD 21046
MI	High Velocity Sports	Bryan Finnerty	(734) 487-7678	46245 Michigan Ave. Canton, MI 48188
	Taylor Sportsplex	Bryan Finnerty	(734) 487-7678	13333 Telegraph Rd. Taylor, MI 48180
	Lil' Kickers West Michigan	Chris Buitenhuis	(616) 502-3289	6875 Norton Pines Dr Spring Lake, MI 49456
	Taylor Sportsplex	Bryan Finnerty	(734) 487-7678	13333 Telegraph Rd. Taylor, MI 48180
MO	Allison Sports Town	Stan Leidel	(417) 530-1600	209 Airport Blvd, Springfield, MO 65802
	Vetta Sports	Pete Spanos	(314) 842-3111	12320 Old Tesson Rd, St. Louis, MO 63128

State	Facility Name	Contact	Phone Number	Address
NV	Las Vegas Indoor	Meir Cohen	(702) 233-3600	1400 N. Rampart Blvd. Las Vegas, NV 89134
NH	NH Sportsplex	Justin Benton	(603) 682-0765	68 Technology Dr. Bedford, NH 03110
NJ	Branchburg Sports Center	Mark Lauber	(908) 203-1600	47 Readington Road Branchburg, NJ 08876
	Atlantic Fieldhouse	Ted Pettitt	(917) 349-3644	3324 Bargaintown Rd, Egg Harbor Township, NJ 08234
	Sofive Soccer - Meadowlands	Jean-Damien Ladeuil	(201) 345-5434	2 Palmer Terrace, Carlstadt, NJ 07072
	Atlantic Fieldhouse	Ted Pettitt	(917) 349-3644	3324 Bargaintown Rd, Egg Harbor Township, NJ 08234
NM	International Indoor Soccer Arena	Jeremiah Pena	(505) 363-2264	3312 Cuervo Drive NE Albuquerque, NM 87108
NY	Sofive Soccer – Brooklyn	Jean-Damien Ladeuil	(347) 745-7544	2015 Pitkin Ave, Brooklyn, NY 11207
NY	Sport Center 481	Judy Koegel	(315) 701-1111	6841 Collamer Rd East Syracuse, NY 13057
	Long Island Sports Hub	Alan Brodsky	(516)-883-2975	165 Eileen Way Syosset, NY 11791
	Tri-County Sports Complex	Mike McAlpin	(315) 538-0168	856 Walworth Penfield Rd, Macedon, NY 14502
	Sofive Soccer – Brooklyn	Jean-Damien Ladeuil	(347) 745-7544	2015 Pitkin Ave, Brooklyn, NY 11207
NC	Net Sports	Steve Knier	(919) 816-1761	3717 Davis Drive Morrisville, NC
OH	Lost Nation Sports Park	Mike Srsen	(440) 602-4000	38550 Jet Center Pl, Willoughby, OH 44094
OH	Lost Nation Sports Park - West	Mike Srsen	440-282-7000	2101 All Pro Athletic Ave, Lorain, OH 44053
	Lost Nation Sports Park	Mike Srsen	(440) 602-4000	38550 Jet Center Pl, Willoughby, OH 44094
OK	Soccer City Oklahoma City	Kerry Shubert	(918) 691-2193	4520 Old Farm Rd Oklahoma City, OK 73162
	Soccer City Tulsa	Kerry Shubert	(918) 691-2193	5817 S 118th East Ave Tulsa, OK 74146
OR	Corvallis Sports Park	Blake Leamy	(541) 757-0776	175 SW Twin Oaks Corvallis, OR 97333

State	Facility Name	Contact	Phone Number	Address
	Kick City Sports Park	Blake Leamy	(541) 757-0776	1650 28th St. Springfield, OR 97477
	Portland Indoor Soccer	Brian Childs	(503) 231-6368	418 SE Main Street Portland, OR 97214
	PDX SportsCenter	Brian Childs	(503) 231-6368	8785 SW Beaverton-Hillsdale Hwy Portland, OR 97225
	<u>Kick City Sports Park</u>	<u>Blake Leamy</u>	<u>(541) 757-0776</u>	<u>1650 28th St. Springfield, OR 97477</u>
PA	United Sports	Ted Van Beuren	(610) 466-7100	1426 Marshallton-Thorndale Rd Downingtown, PA 19335
	Nittany Valley Sports Centre	Michael Lee	(814) 689-1802	177 Champion Drive, State College, PA 16803
TN	Lil' Kickers Murfreesboro	Josh Bowden	(415) 500-5648	1848 Blue Raider Dr, Murfreesboro, TN 37132
TX	Lil' Kickers Beaumont	Jalen Carter	(713) 448-0270	9001 Dishman Rd. Beaumont, TX 77713
	Lil' Kickers DFW	Fred Locario	(214) 552-0930	500 Heritage Pkwy S, Mansfield, TX 76063
	The New Braunfels Academy (Rec Center)	Paul Friske	(830) 929-5440	2065 S Walnut Avenue New Braunfels, Texas 78130
VA	Fredericksburg Field House	John Wack	(540) 361-4717	3411 Shannon Park Dr. Fredericksburg, VA 22408
	<u>K Sports Complex</u>	<u>Dahari Kim</u>	<u>(571) 719-6121</u>	<u>10050 Pennsylvania Ave, Manassas, VA 20110</u>
	Total Futbol – Lil' Kickers DMV	Nadir Moumen	(703) 405-4526	P.O. Box 3321 McLean, VA 22103
	Sports Center of Richmond	Mark Grossman	(804) 381-4897	1385 Overbrook Rd Richmond, VA 23220
	<u>Jeff Rouse Swim & Sport Center</u>	<u>John Wack</u>	<u>(540) 318-6332</u>	<u>1600 Mine Rd, Stafford, VA 22554</u>
	Virginia Beach Field House	John Wack	(757) 427-3955	2157 Landstown Rd. Virginia Beach, VA 23456
	Jeff Rouse Swim & Sport Center	John Wack	(540) 318-6332	1600 Mine Rd, Stafford, VA 22554
	K Sports Complex	Dahari Kim	(571) 719-6121	10050 Pennsylvania Ave, Manassas, VA 20110

<i>State</i>	<i>Facility Name</i>	<i>Contact</i>	<i>Phone Number</i>	<i>Address</i>
WA	Tacoma Soccer Center	Lane Smith	(253) 906-7856	2610 Bay St. Tacoma, WA 98421
	Salmon Creek Indoor Sports Arena	Glen Cox	(360) 571-7628	110 NW 139th St. Vancouver, WA 98685
WI	InBounds Training Center	Brian Loftin	(414) 378-1289	2920 W Vera Ave Milwaukee, WI 53209

Former Franchisees

Below are listed our former franchisees who, during the year ending December 31, 2023, ceased to do business under their franchise agreement; or had their outlet terminated, canceled, transferred, or not renewed; or who had ceased communicating with us within 10 weeks of April 5, 2024.

<i>Facility Name</i>	<i>Contact</i>	<i>Phone Number</i>	<i>Address</i>
Longevity Sports Center	Adi Long	(702) 510-5561	5975 Topaz St. Las Vegas, NV 89120
Soccer City -Palatine	David Richardson	(847) 788-9860	545 S. Consumers Ave. Palatine, IL 60074
Mammoth Sports Academy	Jason Farrant	(785) 484-2326	3922 74th St, Meriden, KS 66512

NOTE: If you buy a franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

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

To our knowledge, there are no franchisee organizations associated with the Lil' Kickers System.

ITEM 21. FINANCIAL STATEMENTS.

Attached as [Exhibit D](#) are the following audited financial statements of Lil' Kickers Inc. [for the fiscal years ending December 31](#):

- Balance Sheet as of December 31, 2023 and 2022.
- Statements of Income and Retained Earnings, and of Cash Flows for the years ended December 31, 2023, 2022, and 2021.

following the end of the month in which the applicable Gross Sales were received by Franchisee. The Royalty Fee is due on the tenth (10th) calendar day following such month end.

- (b) Franchisee is required to meet the minimum annual Gross Sales targets listed in Section 13.2. If Franchisee's Gross Sales for any calendar year do not meet the applicable minimum targets, Franchisee shall pay to Franchisor the Royalty Fee on the difference between Franchisee's actual Gross Sales and the minimum Gross Sales targets. Franchisor is entitled to withdraw the amount from Franchisee's Operating Deposit Account.

3.3 Technology Set-up Fee. In consideration of the initial software set-up services Franchisor will provide pursuant to Section 8.1 hereof, Franchisee agrees to pay to Franchisor or its designee (which may be one or more of Franchisor's affiliates) a one-time software set-up fee (the "**Technology Set-up Fee**") equal to FIVE HUNDRED DOLLARS (\$500). The Technology Set-up Fee shall be deemed fully earned upon execution of this Agreement and is nonrefundable. The Technology Set-up Fee shall be in addition to and not in lieu of all other fees owed to Franchisor under this Agreement and is non-refundable. The Technology Set-up Fee will be due upon execution of this Agreement.

3.4 Marketing and Promotion Fees. Franchisee agrees to pay to Franchisor or its designee (which may be one or more of Franchisor's affiliates) a monthly marketing and promotion fee as provided on Schedule 2 ("**Marketing Fee**") during the Initial Term. The Marketing Fee shall be in addition to and not in lieu of all other fees owed to Franchisor under this Agreement and is non-refundable. An initial Marketing Fee will be due upon execution of this Agreement, and thereafter during the Initial Term, Franchisee will be invoiced for the Marketing Fee on the first business day prior to the beginning of each month and the Marketing Fee will be due on the tenth (10th) calendar day following such invoice. Franchisor is entitled to withdraw the Marketing Fee from Franchisee's Operating Deposit Account. During Successor Terms, Franchisee may choose to conduct the required marketing ad campaigns independently from the ~~Corporate Marketing Team~~[corporate marketing team](#), provided that Franchisee (i) gives 30 days' written notice to Franchisor; (ii) only uses Approved Advertisements provided by or approved by our ~~Corporate Marketing Team~~[corporate marketing team](#); (iii) has a knowledgeable digital marketing expert (as determined in Franchisor's reasonable discretion) managing Franchisee's monthly campaigns; (iv) submits reporting and analytics from the campaigns to Franchisor monthly; and (v) spends a minimum of \$350 monthly on digital advertising (which may include, but shall not be limited to, Google and Facebook advertising) to continuously promote the franchise program for new customer acquisition. If Franchisee fails to complete the monthly marketing campaigns to Franchisor's satisfaction, Franchisor may require Franchisee to use Franchisor's ~~Corporate Marketing Team~~[corporate marketing team](#) services at the then-current rates.

3.5 Software Requirement. Franchisee must use a commercial software program called "DaySmart Recreation" for the management and administration of all operations of the Franchised Business and must enter into a separate contract with DaySmart Recreation, as described in Section 13.3. Franchisee shall pay to DaySmart Recreation the monthly fee(s) set forth in Franchisee's agreement with DaySmart Recreation for the use and administration of the DaySmart Recreation software. The DaySmart Recreation fees are due on the tenth (10th) calendar day of each month, but do not apply during any time Franchisee has purchased and is using the full commercial version of the DaySmart Recreation software.

3.6 Training. Each year after the Franchised Business's first year of operation, one (1) of Franchisee's representatives shall complete a coordinator training program as described in Section 8.5. In consideration of the services provided by Franchisor for such training program,

- 11.2 Franchisor's Use of Marketing Fee.** Franchisor or its designated affiliates will use the the Marketing Fees purchase online ad campaigns for Franchisee and to pay Franchisor's ~~Corporate Marketing Team~~ [corporate marketing team](#) for managing digital ads and generating analytics reports from such campaigns. In addition, Franchisor or its designated affiliates will have the right to use Marketing Fees for the marketing, advertising and promotion of the System and the Marks, including but not limited to the production and placement of media and social media advertising, direct response literature, direct mailings, flyers, brochures, specialty and novelty items, radio and television advertising, Internet web pages, collateral advertising material, surveys of advertising effectiveness, and other creative expenditures. Franchisor or its designated affiliates shall also have the right to use Marketing Fees for administrative costs, reasonable accounting, bookkeeping, reporting, and legal expenses, taxes, and other reasonable direct and indirect expenses incurred by Franchisor or its representatives in connection with such marketing, advertising and promotional programs. Such marketing, advertising and promotional programs will be developed by Franchisor or its designees, and may be conducted on a local, regional, or national level as determined by Franchisor in its sole discretion. Franchisor and its designees have the right to determine the composition of all geographic territories and market areas for the implementation of all advertising, marketing and promotional campaigns and to determine the content and concepts of all marketing, advertising and promotional programs. Franchisor has no obligation to ensure that its expenditures for marketing, advertising and promotion in or affecting any geographic area are proportionate or equivalent to the Marketing Fee(s) collected from Franchisee or from other franchises operating in that geographic area, and Franchisor has no obligation to ensure that Franchisee or any franchisee will benefit directly or in proportion to the Marketing Fee(s) it pays. Franchisor and its designees may spend in any fiscal year on advertising, marketing and promotion more or less than the aggregate Marketing Fees collected that year from Franchisee and other franchisees. All Marketing Fees will be deposited into Franchisor's general operating account and commingled with other funds that are used by Franchisor to pay general operating expenses.
- 11.3 Internet Advertising.** Franchisee may, in accordance with Franchisor's standards and specifications and only with Franchisor's prior written consent, establish a presence on, or market using, the Internet or social media in connection with the Franchised Business. Franchisor retains the right to approve or disapprove all advertising or use of the Marks on the Internet and social media, and Franchisee shall immediately comply with Franchisor's requests to remove or cease any disapproved advertising. Franchisee may be requested to provide content for Franchisor's Internet and social media marketing and shall be required to follow Franchisor's intranet, Internet, and social media usage rules, policies, and requirements. Franchisor retains the sole right to approve any linking to, or other use of, the [www.lilkickers.com](#) domain name and website.
- 11.4 Advertising Sponsorship.** Franchisor is entitled to enter into sponsorship arrangements that require placement of other companies' advertising materials at some or all Lil' Kickers Programs. Franchisee shall reserve at the Approved Location two billboard spaces for use by Franchisor in these sponsorship arrangements. Franchisee shall display such sponsored advertising materials according to Franchisor's specifications, subject to Franchisee's right to reject specific sponsored advertising materials, which right shall not be exercised unreasonably. Franchisee is entitled to receive a portion of the revenue Franchisor derives from these sponsorship arrangements, as reasonably determined by Franchisor based on the marketing value of the billboard spaces used. Franchisee's revenues from Franchisor's sponsorship arrangements are not included in determining Gross Sales.
- 11.5 Franchisee's Promotional and Other Activities.** Franchisee agrees to participate in any promotional campaigns, advertising and other programs that Franchisor periodically establishes. Unless Franchisor agrees otherwise, Franchisee shall charge each customer an annual registration fee as specified in the

FOR THE STATE OF CALIFORNIA

This Addendum to the Franchise Agreement is agreed to this ____ day of _____, 20____, is by and between Lil' Kickers Inc. and _____.

1. In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§31000-3516 and the California Franchise Relations Act, Cal. Bus. And Prof. Code §§20000-20043, the Franchise Agreement for Lil' Kickers Inc. is amended as follows:

The California Franchise Relations Act provides rights to Franchisee concerning termination or non-renewal of the Franchise Agreement, which may supersede provisions in the Franchise Agreement, specifically Sections 4.2 and 16.2.

- Section 16.2(d), which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- Section 17.2 contains a covenant not to compete that extends beyond the expiration or termination of the Agreement; this covenant may not be enforceable under California Law.
- The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of action arising under California law.
- The Franchise Agreement requires application of the laws of a state other than California. This provision might not be enforceable under California law.
- Section 18.3 contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- Section 22.7 requires binding arbitration. The arbitration will occur ~~at the forum indicated in Section 22.7~~ in Seattle, Washington, with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside of the State of California.
- Sections 21.6, 23.1, 23.2, 23.4 and 23.5 of the Franchise Agreement are amended to the extent that they are contrary to the Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments (“NASAA SOP”) adopted by the North American Securities Administrators Association, Inc.

any of the provisions of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

3. It is agreed that the provisions of this Addendum supersede any inconsistent portion of the Franchise Agreement, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

4. No provision in any Franchise Agreement is intended to disclaim the express representations made in the Franchise Disclosure Document.

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Lil' Kickers Inc.: _____

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

FOR THE STATE OF MARYLAND

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Lil' Kickers Inc. and _____.

1. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§14-201-14-233, the Franchise Agreement for Lil' Kickers Inc. is amended as follows:

- Sections 4.2(f) and 18.2(b) require Franchisee to sign a general release as a condition of renewal or transfer of the franchise and Sections 5.2 and 8.3 require Franchisee to sign a general release as a condition to receiving a refund of a portion of the Franchise Fee following a termination of the franchise; such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law.
- Section 16.2(d), which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- Any Section of the Franchise Agreement requiring Franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing the Franchise are not intended to, nor shall they, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
- Section 22.4 is amended to the extent that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.
- 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.
- [A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.](#)

FOR THE STATE OF MINNESOTA

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Lil' Kickers Inc. and _____.

~~1. In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the parties to the attached Franchise Agreement agree as follows:~~

1. The last sentence of Section 3.7 is revised to read as follows:

If there are insufficient funds in the Operating Deposit Account, Franchisor has the right to charge Franchisee a reasonable fee, not to exceed \$30.

2. Section 4.2(f) is revised to read as follows:

Franchisee has executed a General Release in substantially the form attached as Exhibit 1, of any and all claims against Franchisor, any Affiliate and against their officers, directors, legal representatives, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), except for any prospective claims against Franchisor that may be subject to the Minnesota Franchise Law.

3. A Section 4.2(g) is added as follows:

~~Sections 4.2, 16.2, and 16.3 are amended to add that with~~ With respect to franchises governed by Minnesota ~~Law~~ law, Franchisor will comply with ~~the Minnesota Franchise Law that requires~~ Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice ~~of~~ for non-renewal of the Franchise Agreement.

4. The second sentence of Section 8.3 is revised to read as follows:

If this Agreement is terminated pursuant to this Section 8.3, Franchisor shall return to Franchisee fifty percent (50%) of the Franchise Fee paid by Franchisee upon Franchisor's receipt of a General Release in substantially the form attached as Exhibit 1 (provided, however, that Franchisee shall not be required to release any prospective claims against Franchisor that may be subject to the Minnesota Franchise Law).

5. ▪Sections ~~4.2(f)~~, 5.2, 8.3, 18.2(b), and 18.2(e) do not provide for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law.
6. The second sentence of Section 18.2 is revised to read as follows:
Neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise (“Transfer”), any interest in this Agreement, the Franchise granted hereby, the Approved Location, or any Controlling Interest in Franchisee without the prior written approval of Franchisor, such approval not to be unreasonably withheld.
7. Section 18.3 is deleted in its entirety.
8. Section 20.5 of the Franchise Agreement is amended to add the following language:
~~▪Section 20.5 is amended to add that as required by Minnesota Franchise Act, Franchisor will reimburse Franchisee for any costs incurred by Franchisee in the defense of Franchisee’s right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given~~The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
9. Section 21.2 is deleted in its entirety.
10. Sections 22.2, 22.5 and 22.6 are deleted in their entirety.
11. Section 22.4 is amended to state that any claim concerning the Franchised Business or this Agreement or any related agreement will be barred unless an arbitration or an action for a claim that cannot be the subject of arbitration is commenced within three (3) years from the date on which Franchisee or

Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.

~~Section 18.3 is deleted in its entirety.~~

~~Section 22.5 is deleted in its entirety.~~

~~Section 22.6 is deleted in its entirety.~~

12. ~~•Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can~~ Nothing in the Franchise Agreement shall be deemed to abrogate or reduce (1) any of ~~Franchisee's~~ the franchisee's rights as provided for in Minnesota ~~Statutes, Chapter 80C, or Franchisee's Statute 80C~~ or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

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

~~2.~~ It is agreed that the provisions of this Addendum supersede any inconsistent portion of the Franchise Agreement, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Lil' Kickers Inc.:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

- h. Sections 21.6, ~~23.1, 23.2, 23.4~~ and ~~23.5~~ of the Franchise Agreement are amended to the extent that they are contrary to the Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments (“NASAA SOP”) adopted by the North American Securities Administrators Association, Inc.
- i. 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.

2. It is agreed that the provisions of this Addendum supersede any inconsistent portion of the Franchise Agreement.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Lil' Kickers Inc.:	Franchisee: _____
By: _____	By: _____
Title: _____	Title: _____

- The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- The Franchise Agreement requires binding arbitration. The arbitration will occur ~~at the forum indicated in Item 17 in Seattle, Washington~~ with the costs being borne by the non-prevailing party. You are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.
- No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. The following URL address is our website: www.lilkickers.com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

7. The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

FOR THE STATE OF ILLINOIS

1. No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire.
2. Illinois law governs the Franchise Agreement (without regard to conflict of laws), and jurisdiction and venue for court litigation shall be in Illinois.
3. Any provision in the Franchise Agreement requiring a general release is void to the extent that such provision requires a waiver of compliance with the Illinois Franchise Disclosure Act. 815 ILCS 705/41.
4. Item 17 of the disclosure document is amended to add the following:
 - The conditions under which a franchise can be terminated and your rights upon non-renewal, as well as the application by which you must bring any claims, may be affected by Sections 705/19 and 20 of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/19 and 705/20.
 - The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.
5. Illinois law requires physical fitness facilities to have at least one automatic external defibrillator (AED) on site and one trained AED user on staff and on site at all times. See the following state law: 210 ILCS 74/1. The cost to provide an AED and train staff is included in the estimated costs in Item 7.
6. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on [any statement made by any franchisor, franchise seller, or other person acting on](#) behalf of the ~~Franchisor~~[franchisor](#). This provision supersedes any other term of any document executed in connection with the franchise.

FOR THE STATE OF MINNESOTA

~~1. Item 13 of Notwithstanding anything to the contrary set forth in~~ the disclosure document ~~is amended as follows:~~or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. The following language is added to Item 13 of the disclosure document:

- ~~As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and given~~ Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. As such, the Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee's use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. Item 17 of the disclosure document is amended ~~as follows~~to add the following:

- With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, ~~and 5,~~ (1) ~~which require,~~ that you a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice ~~of non-renewal of the Agreement for non-renewal of the franchise agreement and~~ (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- ~~Item 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.~~
- ~~Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Franchise Agreement can abrogate or reduce any of your~~ Pursuant to Minnesota Statutes, Section 80C.21 and Minn. Rule Part 2860-4400J, this Section shall not in any way abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- ~~3. In accordance with Minnesota Rule 2860.4400J, to the extent required by law, the disclosure document is modified so that we cannot require you to waive your rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or Minnesota Statutes, Section 80C.21 and Minnesota Rules 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; provided this part shall not bar an exclusive arbitration clause.~~
 - The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief and a court will determine if a bond is required. See Minn. Rules 2860.4400J.
 - You may not bring any action under Chapter 80C of the Minnesota Statutes more than three years after the cause of action accrues.
3. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
4. 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.