

11. Your monthly rent expense may vary from our estimate based on numerous factors such as the location of the Premises, the visibility of the Premises, access to major streets, the age and type of structure in which the Premises are located, any lease arrangements negotiated with your landlord, real estate taxes, common area maintenance charges and the like. In some cases, our affiliates have been able to negotiate a lease without a security deposit or personal guarantee.

~~12.— We recommend that you consult with an attorney, accountant or other advisor prior to purchasing a franchise. You must obtain state and local licenses and business licenses. You may have to post bonds in order to obtain certain governmental permits.~~

~~13.12.~~ You must, at your own expense, keep in force insurance policies for your D1 Training Facility. You will likely have to prepay for a portion of the first year's premiums for insurance. See Item 8 for a detailed description of our current insurance requirements. Your individual insurance carrier and state may require you obtain additional insurance coverage.

~~14.13.~~ Our estimates of the amounts needed to cover your Businesses' expenses for the start-up phase (i.e., 3 months from the date your Business opens for business) include: replenishing your inventory, initial advertising and promotional expenditures, payroll for managers and other employees, uniforms, utilities and other variable costs. These amounts do not include any estimates for debt service on loans that you obtain to finance your Business. The estimated initial investment figures shown above for setting-up and opening each D1 Training Facility are based primarily on the costs incurred by or projected to be incurred by franchisees.

~~15.14.~~ The initial investment range presented in this table is for the development of a D1 Training Facility with approximately 4,300 square feet with an average estimated initial investment of \$711,123. If you elect to develop a larger D1 Training Facility with more square footage, the total investment range would increase.

The estimated initial investment figures shown above for setting-up and opening each D1 Training Facility are based primarily on the costs incurred by or projected to be incurred by franchisees. Neither we nor any of our affiliates offer direct or indirect financing for any part of the initial investment.

~~You should review all figures in this Item 7 carefully with a business advisor before you decide to purchase the franchise.~~

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sportswear; developing sales tools; supporting public relations, market research, event marketing, and other advertising, promotion, and marketing activities; providing customer service support; coordinating and managing athlete events, appearances, content procurement and other public relations activities; and hosting and sponsoring brand development events. The Brand Fund will give you samples of advertising, marketing, and promotional formats and materials at no cost.

We will account for the Brand Fund separately from our or our affiliates' other funds. We may reimburse ourselves or pay our affiliates or other designees from the Brand Fund for the reasonable salaries and benefits of personnel who manage and administer the

Brand Fund, the Brand Fund's other administrative costs, travel expenses of personnel while they are on Brand Fund business, meeting costs, general business overhead, and other expenses that we incur in activities reasonably related to administering or directing the Brand Fund and its programs, including conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for contributions to the Brand Fund.

Neither we nor our affiliates owe any fiduciary obligation to you for administering the Brand Fund or any other reason. The Brand Fund may spend in any fiscal year more or less than the total contributions to the Brand Fund in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. All interest earned on the contributions to the Brand Fund will be used to pay costs before using the Brand Fund's other assets. We will provide unaudited financial statements of the Brand Fund upon reasonable request. ~~We are not obligated to provide periodic accounting of how fees are spent.~~ We may incorporate the Brand Fund or operate it through separate entities whenever we deem appropriate.

We intend for the Brand Fund to promote recognition of the applicable Marks and patronage of D1 Training Facilities generally. Although we will try to use and cause the Brand Fund to host and sponsor brand development events, and develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all D1 Training Facilities contributing to the Brand Fund, we need not ensure that the Brand Fund's expenditures in or affecting any geographic area are proportionate or equivalent to Brand Fund's contributions by D1 Training Facilities operating in that geographic area or that any D1 Training Facility benefits directly or in proportion to its contribution from hosting and sponsoring of brand development events, the development of advertising and marketing materials or the placement of advertising and marketing. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect contributions to the Brand Fund at the Brand Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Fund.

We may at any time defer or reduce contributions of a D1 Training Facility franchise owner and, upon 30 days' prior notice to you, reduce or suspend contributions to the Brand Fund and the Brand Fund's operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will spend all remaining monies in the Brand Fund in our sole discretion.

D1 Training Facilities that we or our affiliates own (except for those that were already

Table IV below sets forth the base rent costs for ~~19~~26 of our franchised Businesses that executed leases in 2023.

TABLE IV

Base Rent Costs (2023 Leases Executed)				
	High	Average	Median	Low
Gross Rent (Annual)	171,097.86	127,678.35	126,965.00	79,034.67
Triple Net Rent (Annual)	131,580.00	96,608.86	98,263.91	61,776.00

NOTES TO ITEM 19

1. Gross Revenues means the total revenue derived from the operation of the Business and is inclusive of sales tax. Gross sales for royalty purposes excludes sales tax. 9/26 (34.6%) franchised Businesses achieved Gross Revenues higher than the average presented.

2. Royalty means the royalty paid to us per the terms of the franchise agreement. The royalty rate in our current franchise agreement is 7%. Some facilities are operating on earlier versions of the franchise agreement that may have a different royalty structure. 10/26 (38.5%) Franchised Businesses paid more in Royalty than the average presented.

3. Marketing Expenditures means the monies paid by the Business to the Brand Fund per the terms of the franchise agreement as well as monies spent locally advertising the Business. 13/26 (50%) franchised Businesses expended more in Marketing Expenditures than the average presented.

4. Labor means the total payroll expenses as reported to us by each franchisee. 9/26 (34.6%) franchised Businesses expended more in Labor than the average presented.

5. Revenue Less Disclosed Expenses means Gross Revenues less Royalty, Marketing Expenditures and Labor. 10/26 (38.5%) Franchised Businesses achieved Revenue Less Disclosed Expenses higher than the average presented.

6. The median figure is the figures in which one half of the Businesses presented in each part had achieved a higher result for that metric and one half of the Business achieved a lower result for that metric.

7. For Table IV regarding Base Rent Costs, 14/26 (53.8%) franchised Businesses had higher NNN than the average presented and 13/26 (50%) had higher Gross Rent than the average presented.

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

D1 SPORTS FRANCHISE, LLC

MINNESOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

For franchises and franchisees subject to the Minnesota Franchise Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the D1 Sports Franchise, LLC Franchise Disclosure Document.

Please be advised that we have secured a surety bond in the amount of \$60,000 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees/developers under the Franchise Agreement and/or Area Development Agreement. This financial assurance requirement was imposed by the Minnesota Department of Commerce due to Franchisor's financial status. A copy of the Surety Bond is on file with the Minnesota Department of Commerce.

Item 6

Minnesota Statute 604.113 provides that the maximum amount you can be charged for an NSF check is \$30.00.

Item 13

D1 Sports Franchise, LLC will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

Item 17.

Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Franchise Disclosure Document, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 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 for nonrenewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 provides that any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of Minnesota or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance or which has the effect of waiving compliance with any provision of §§80C.01 to 80C.22 of the Minnesota Franchises Act, or any rule or order thereunder, is void.

Minn. Stat. §80.C.21 and Minn. Rule 2860.4400J prohibits D1 Sports Franchise, LLC requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your 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.

To the extent you are required to execute a general release in favor of D1 Sports Franchise, LLC, such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. §80C.01 *et seq.* as provided by Minn. Rule 2860.4400J.

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.

Notwithstanding anything in this Disclosure Document to the contrary, according to Minn. Rule 2860.4400J, you cannot consent to us obtaining injunctive relief. We may seek injunctive relief. A court will determine if a bond is required.

D1 SPORTS FRANCHISE, LLC
MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT

This Amendment shall pertain to franchises sold in the State of Minnesota and shall be for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement shall be amended as follows:

1. Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Agreement, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 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 non-renewal of the Franchise Agreement.

2. D1 Sports Franchise, LLC will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

3. The Franchise Agreement shall be supplemented by the following provision:

Pursuant to Minn. Stat. Sec. 80C.21, nothing in this Agreement shall, in any way abrogate or reduce any of your rights as provided in Minnesota Statutes, Chapter 80C, including but not limited to the right to submit matters to the jurisdiction of the courts of Minnesota.

4. Minn. Stat. '80.C.21 and Minn. Rule 2860.4400J prohibit D1 Sports Franchise, LLC from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your 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.

5. Notwithstanding anything in the Franchise Agreement to the contrary, according to Minn. Rule 2860.4400J, you cannot consent to us obtaining injunctive relief. We may seek injunctive relief. A court will determine if a bond is required.

6. To the extent you are required to execute a general release in favor of D1 Sports Franchise, LLC, such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. '80C.01 *et seq.* as provided by Minn. Rule 2860.4400J.

7. Any claims brought pursuant to the Minnesota Franchises Act, '80.C.01 *et seq.* must be brought within 3 years after the cause of action accrues. To the extent that any provision of the Franchise Agreement imposes a different limitations period, the provision of the Act shall control.

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

D1 SPORTS FRANCHISE, LLC

By: _____

Name: _____

Title: _____

Date Signed: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

Date Signed: _____

EXHIBIT I

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

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

This disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	Pending Registration
Hawaii	Pending Registration
Illinois	Pending Registration
Indiana	April 19, 2024
Maryland	Pending Registration
Michigan	August 24, 2023
Minnesota	Pending Registration
New York	Pending Registration <u>May 30, 2024</u>
North Dakota	Pending Registration <u>May 24, 2024</u>
Rhode Island	Pending Registration <u>Effective</u>
South Dakota	Pending Registration <u>April 20, 2024</u>
Utah	May 14, 2023
Virginia	Pending Registration <u>May 3, 2024</u>
Washington	Pending Registration
Wisconsin	April 19, 2024

Other
may
require

states

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