

FRANCHISE DISCLOSURE DOCUMENT



The Sports Bra Franchise LLC
a Delaware limited liability company
2512 NE Broadway Street
Portland, Oregon 97232
Phone: 503-558-6715
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www.thesportsbrafranchise.com

The franchise offered is for operation of a sports bar and restaurant that focuses on supporting, empowering, and promoting women in sports and in the community.

The total investment necessary to begin operation of a The Sports Bra® franchise is between \$400,733 and \$1,168,958. This includes \$55,000 to \$56,500 that must be paid to the franchisor or an affiliate. There is no incremental initial investment cost if you become an area developer, but you will have to pay us or our affiliates \$55,000 to \$56,500 for the first The Sports Bra® franchise that you are required to develop and \$44,000 for each additional The Sports Bra® franchise that you must open if you sign an Area Development Agreement. If your Area Development Agreement is for the right to begin operation of three The Sports Bra® franchises, the total investment necessary to begin operation of the three The Sports Bra® franchises is between \$1,136,199 and ~~\$3,035,874~~\$3,440,874. This includes between \$99,000 and \$103,500 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jenny Nguyen at 2512 NE Broadway, Portland, OR 97232 and 503-558-6715.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is The Sports Bra Franchise LLC, and will be referred to in this document as “**Franchisor**”, “**we**”, “**us**” or “**our**”. A person who buys a franchise from us will be referred to as “**you**.” If you are a corporation, limited liability company, partnership or other entity, “you” also includes your owners.

We are a Delaware limited liability company organized on April 18, 2024. Our principal place of business address is 2512 NE Broadway Street, Portland, Oregon 97232. We conduct business under the name The Sports Bra®. **Exhibit B** lists state officials that serve as our agents for service of process if we do business in those states.

Parents, Predecessors and Affiliates

Our parent is The Sports Bra Hold Co., a Delaware public benefit corporation incorporated on April 1, 2024 (“**Parent**”). Our Parent’s principal business address is 2512 NE Broadway Street, Portland, Oregon 97232.

We have no predecessors. Our affiliates include The Sports Bra, LLC, an Oregon limited liability company organized on December 17, 2021 (“**The Sports Bra Portland**”), whose principal place of business is 2512 NE Broadway Street, Portland, OR 97232. Our affiliate owns and operates the original The Sports Bra® location in Portland, Oregon. The Sports Bra Portland does not provide any products or services to our franchisees, and has never offered franchises in any lines of business.

The Franchises We Offer

We grant franchises for the operations of a sports restaurant and bar to be operated under The Sports Bra® name. We do not operate businesses of the type being franchised to you. However, our affiliate does operate the type of business being franchised to you. We do not engage in other business activities and have never offered franchises in any other line of business. Our mission is to make great food and delicious drinks, and provide a space that supports, empowers, and promotes girls and women in sports and in the community. We aim to develop relationships with women’s sports at all levels and ages with a focus on under-represented populations, such as LGBTQ and BIPOC. We also support female-owned vendors and other businesses and local community businesses.

If we grant you a franchise to operate a The Sports Bra® franchise, you and we will enter into a franchise agreement (“**Franchise Agreement**”). The form of Franchise Agreement is enclosed as **Exhibit D**. The business you will conduct (“**Franchised Business**”) refers to a business using our The Sports Bra® service mark and associated logos and symbols we designate from time to time (“**Proprietary Marks**”) to provide a sports bar and restaurant that focuses on women’s sports. For example, sports programming at the Franchised Business must be focused solely on women’s sporting events at the college and professional level. You will operate the Franchised Business from a location that we approve (“**Approved Location**”). You will be serving both food and alcoholic beverages at the Franchised Business. The food menu includes a range of appetizers, salads, burgers, sandwiches, and sides. The Franchised Business will also maintain a full bar, including a range of signature cocktails. Your Approved Location will be approximately 2,500 to 3,500 square feet, ideally with additional space for

outdoor dining. You must open the Franchised Business to the public at least five days a week, but may operate it additional days if you wish. The Franchised Business will use the methods and procedures we have developed (“**System**”) and includes our standards and methods of operations, accounting, marketing, advertising and public relations. Our standards, specifications and procedures for developing and operating a Franchised Business are set forth in our confidential operations manual (“**Manual**”). We expect franchisees to advance the mission of The Sports Bra® in their communities. For example, we require all franchisees to spend 1% of their Gross Revenue on charitable and other causes promoting women’s sports in their community.

If we grant you area development rights, you will enter into an area development agreement (“**Area Development Agreement**”) with us that gives you the right to open multiple Franchised Business locations. The form of Area Development Agreement is enclosed as **Exhibit C**. The Area Development Agreement will contain a development schedule that specifies the number of Franchised Businesses you are to open, the geographic area the locations must be located in, and the timetable for opening. There is no set number of Franchised Businesses that you must open pursuant to an Area Development Agreement. We will negotiate the development schedule with you before we enter into the Area Development Agreement. For each Franchised Business you open under an Area Development Agreement, you will have to sign the form of Franchise Agreement that we use at the time the Franchise Agreement is entered into, ~~but your royalty and other fees will stay the same~~ which may differ from the Franchise Agreement included in this disclosure document.

All owners of a franchisee or area developer will be required to sign an Owner’s Acknowledgment, agreeing to be bound by provisions in the Franchise Agreement and Area Development Agreement that apply to them personally. They will also be required to sign a Personal Guaranty guaranteeing the franchisee’s performance and a Covenant Agreement in which they agree to keep our proprietary information confidential and agree not to compete with The Sports Bra® brand.

General Market and Competition

The Sports Bra® locations are focused on providing a sports restaurant and bar that provides sports programming focused solely on women’s sporting events at the college and professional level.

As a franchisee, you will compete with other national regional and local sports bars and restaurants and other companies providing similar services. While there is competition from general sports bars, there is limited competition in women’s focused sports bars. We do not expect the business to be seasonal.

Laws and Regulations

You must comply with any state or local licensing or regulatory requirements for the activities you offer through your Franchised Business. The restaurant industry is regulated both on a federal and a state and local level. For example, you must comply with the Americans with Disabilities Act, federal wage and hour laws, and the Occupational Safety and Health Act, as they apply to restaurants and entertainment venues. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, the Federal Trade Commission and state and local health

- (15) **Learning Management System.** You must purchase a subscription to a learning management system. The subscription fee is currently \$150 for up to two users. An additional fee of \$25 per user applies for any additional users.
- (16) **Professional Fees.** You may wish to hire an attorney or accountant to help you review this offering, set up a business to operate your franchise, and negotiate the lease for the Franchised Business.
- (17) **Inventory to begin operating.** Includes your initial inventory of food, beverage, paper products, uniforms and other consumable supplies. It also includes an estimate of \$5,000 to \$8,000 paid for merchandise purchased before opening your Franchised Business. You pay the manufacturer directly for the merchandise.
- (18) **Insurance.** Our current minimum insurance requirements are set out in Item 8. All insurance must be procured at the earliest possible time that you have an insurable interest with respect thereto, but in no event later than the opening of your Franchised Business.
- (19) **Pre-opening and grand opening advertising and marketing.** These costs are for the initial marketing for your Franchised Business. Within the period beginning 60 days before the scheduled opening of the Franchised Business and ending 60 days after the opening of your Franchised Business, you must spend at least \$5,000 on approved grand opening marketing and promotion.
- (20) **Additional Funds.** This is an estimate of the additional working capital, in excess of revenue, that you may need to operate your Franchised Business during the first three months of operation. This estimate is based on our affiliate's experience operating its The Sports Bra® location. You will need to have on hand sufficient additional capital to cover salaries, payroll taxes, and benefits for your employees, as well as other costs. ~~The expenses you incur during the initial period will depend on factors such as the time of year you open, local economic and market conditions, the cost of labor in your area, the amount you pay your staff, the number of employees you hire, your experience and business acumen, competition, and the sales level you reach during this initial period.~~ The estimate does not include any salary to your owners, required payments on any financing you may obtain, or taxes. It also does not include Royalty Fees or Brand Development Fund contributions, which are based on a percentage of your Gross Sales.

AREA DEVELOPMENT AGREEMENT – COST OF OPENING 3 FRANCHISED LOCATIONS

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee ⁽¹⁾	\$99,000	Lump Sum	Upon signing Franchise Agreement	Us
Training Expenses ⁽²⁾	\$9,000 - \$27,000	As incurred	As incurred	Travel vendors and us
Site Location and Market Analytics Fee ⁽³⁾	\$15,000 – \$22,500	As incurred	As arranged	Approved supplier
Lease, utility and security	\$77,499 - \$413,124	As incurred	Lump Sum	Landlord,

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
deposits ⁽⁴⁾				government agencies
Architect and Design fees ⁽⁵⁾	\$45,000 - \$135,000	As incurred	As arranged	Architect, designers and other suppliers
Architect Review Fee ⁽⁶⁾	\$0 - \$18,000	Lump Sum	As arranged; applies only if you do not use our designated architect	Designated architect
Leasehold improvements ⁽⁷⁾	\$150,000 - \$900,000	As incurred	As arranged	Contractors and other suppliers
Signage ⁽⁸⁾	\$15,000 - \$60,000	As incurred	As arranged	Suppliers
Furniture, Fixtures, Other Fixed Assets, Security Systems ⁽⁹⁾	\$16,050 - \$153,000	As incurred	As arranged	Contractors and other suppliers
Equipment and Smallwares ⁽¹⁰⁾	\$75,000 - \$240,000	As incurred	As arranged	Suppliers
POS and Back-Office Computer System ⁽¹¹⁾	\$23,700 - \$31,650	As incurred	As arranged	Suppliers
Office Equipment and Supplies ⁽¹²⁾	\$4,500 - \$15,000	As incurred	As arranged	Suppliers
Business Licenses and Permits ⁽¹³⁾	\$15,000 - \$225,000	As incurred	As arranged	Government agencies
Audio/Visual/Television ⁽¹⁴⁾	\$180,000 - \$360,000	As incurred	As arranged	Suppliers
Learning Management System Fees ⁽¹⁵⁾	\$450 - \$600	As incurred	As arranged	Designated Vendor
Professional Fees ⁽¹⁶⁾	\$30,000 - \$60,000	As incurred	As arranged	Attorneys, accountants
Inventory to begin Operating ⁽¹⁷⁾	\$105,000 - \$165,000	As incurred	As arranged	Suppliers
Insurance ⁽¹⁸⁾	\$21,000 - \$36,000	As incurred	As arranged	Insurance company
Pre-opening and grand opening advertising and marketing ⁽¹⁹⁾	\$15,000 - \$30,000	As incurred	As arranged	Suppliers
Additional Funds ⁽²⁰⁾ (3 months)	\$240,000 – 450,000			Suppliers
Total	\$1,136,199 - \$3,035,874 <u>3,440,874</u>			

This table shows the estimated initial expenses that you will incur if you sign an Area Development Agreement requiring you to sign Franchise Agreements to open a total of 3 locations. Each Area Development Agreement is negotiated with respect to the number of locations you agree to open. If you are required to open fewer than 3 locations, or more than 3, you will have to adjust the estimated initial investment. No matter how many locations you are

this marketing package will be dependent on your location and recommendations from your marketing partner but could include: digital marketing, billboards, direct mailers, social media advertising and other related items.

- (20) **Additional Funds.** This is an estimate of the additional working capital, in excess of revenue, that you may need to operate your Franchised Business during the first three months of operation. This estimate is based on our affiliate's experience operating its The Sports Bra® location. You will need to have on hand sufficient additional capital to cover salaries, payroll taxes, and benefits for your employees, as well as other costs. ~~The expenses you incur during the initial period will depend on factors such as the time of year you open, local economic and market conditions, the cost of labor in your area, the amount you pay your staff, the number of employees you hire, your experience and business acumen, competition, and the sales level you reach during this initial period.~~ The estimate does not include any salary to your owners, required payments on any financing you may obtain, or taxes. It also does not include Royalty Fees or Brand Development Fund contributions, which are based on a percentage of your Gross Sales.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers and Specifications

Except as described below, neither we, nor any of our affiliates, currently require you to purchase or lease any products or services related to establishing or operating the franchised business either from us, our affiliates or other designated suppliers, or from suppliers approved by us, or under our specifications.

To ensure the high and uniform standards of service and quality to be maintained by all The Sports Bra® locations, you must operate your Franchised Business in conformity with our mandatory methods, standards and specifications. Certain goods, services, supplies, FF&E, signage, computer hardware or software, and comparable items related to establishing and operating the Franchised Business, including kitchen equipment, other equipment, furniture and fixtures, smallwares, bookkeeping and related financial services, art and other décor, architectural services, construction services, real estate advisory services, site selection services, food and beverage, linen service, sportswear, posters, stickers and other branded items must be purchased under our specifications and in some cases only from approved vendors.

Software and hardware for your point of sales system must meet our specifications; currently, we require you to use a point of sale system from Square. In addition, beginning 30 days before you open your Franchised Business and for the first two years of operation, you must also use of an accounting firm designated by us (currently, OnePoint Accounting). You will sign an agreement directly with the accounting firm and they will provide you with monthly bookkeeping services. Currently, the estimated cost of the service is \$750/month plus a one-time set-up fee of \$650-\$800.

to accept or decline the proposed site, but we will strive to do so within 30 days after we receive all required information from you. (Franchise Agreement, Section 5.1). If you and we have not yet agreed on a general area for your Franchised Business when you and we sign the Franchise Agreement, we will specify a Site Selection Area in which you must find a site.

Your site and its layout are subject to our acceptance. (Franchise Agreement, Section 5.2). It is your obligation to locate an appropriate site, but we will review it and, if it meets our System standards, accept it. The factors that we will consider in accepting your site include general location and neighborhood, physical characteristics of any existing building, traffic patterns and visibility of the location, parking, size, lease terms and local competition. (Franchise Agreement, Section 5.1). Our acceptance of the site means only that the site meets our current site criteria.

If we decline your initial proposed site, we will give you the opportunity to submit another site for our consideration. If that site is also not accepted by us, we have the right to terminate the Franchise Agreement. You should also be mindful of the construction-related deadlines in the Franchise Agreement. It contains deadlines for finishing construction that are tied to the effective date of the Franchise Agreement. You must finish your construction and open your Franchised Business within 365 days of the effective date of the Franchise Agreement.

Lease Review: You will negotiate the terms of your lease. The Addendum to Lease attached to the Franchise Agreement (**Exhibit D, Schedule 9**) includes terms that we require your lease to include for our benefit. If you own the land on which the Franchised Business will be located, you do not need to sign the Addendum to Lease. We do not typically own, or lease to you, the site from which you will operate your Franchised Business, but may do so.

Plans and Specifications: We will provide you with our layout requirements for your Franchised Business, and discuss layout with you. (Franchise Agreement, Section 6.1). You must use an architect and general contractor that has been approved by us. We may in the future designate a required architect. You must also submit your architectural plans to us for our review and approval. (Franchise Agreement, Section 5.2). Our acceptance of your plans signifies only that the plans meet our current criteria. You must always make sure that your Approved Location and the premises of your Franchised Business comply with local ordinances and business codes. You must also ensure that you obtain the required permits for the build-out of your premises. You are responsible for all costs associated with the design of your Franchised Business.

Constructing, Remodeling, and Decorating: We will provide you with our design requirements and build-out specifications for your Franchised Business, and information about any required furniture, fixture and equipment (such as equipment, signage, millwork, kitchen equipment, menu boards, and lighting). (Franchise Agreement, Section 6.1). It is up to you to find a contractor to help you with the construction or remodeling, and decorating of your Franchised Business. The contractor must have sufficient experience in constructing restaurants, and must be approved by us. You must complete construction and remodeling at your expense in conformity with the construction drawings that we approve and with applicable building codes, zoning laws, and other laws governing businesses in the area where you locate the Franchised Business.

Area Development Agreement: If you are an area developer, our only obligation is to help you define your Development Area and assign it to you. (Area Development Agreement, Section 7.1). [Our obligations regarding the site location and acceptance for each location you](#)

develop under the Area Development Agreement will be governed by the Franchise Agreement for that location, which will be on our then-current form, and our then-current site criteria will apply.

Other Pre-Opening Obligations

Before you open your business, we will:

1. Provide you with information about the necessary furniture, fixtures and equipment for The Sports Bra® locations, required signage, opening inventory and supplies, but it is your responsibility to procure all such items. In some cases, we will provide you the names of approved vendors that you can (or must) purchase these items from, in other instances we will only provide you brand names or required specifications. (Franchise Agreement, Section 6.1). You will have to make all the purchases yourself, and if installation is required, take care of the installation yourself. We are not required to provide you with equipment, signs, fixtures and opening inventory and we do not deliver or install any of them.

2. Make available to you the Manual. (Franchise Agreement, Section 6.1).

3. Provide a pre-opening training program (“**Home Court Training**”) for your owners and general manager. (Franchise Agreement, Section 6.1). A description of our training program appears later in this Item 11 under the caption “Training Programs.” Apart from the pre-opening training program, we are not required to help train your employees and we are not required to help you hire employees.

4. A The Sports Bra® representative will spend 10 days assisting you and your staff on-site at your Approved Location in connection with the opening of your Franchised Business. (Franchise Agreement, Section 6.1). If you wish for additional support of your management team, you can contract with us for extended training. At this time extended training is \$400 per day per trainer. This rate may change during the term. (Franchise Agreement, Section 7.5).

5. Approve or disapprove all advertising, signage, written communications, electronic or web-based materials and promotional plans, and other materials displaying our Proprietary Marks that we have not prepared or previously approved. (Franchise Agreement, Section 9.1).

6. Upon reasonable request, we will consult with and advise you at our home office concerning the construction and operation of the Franchised Business. (Franchise Agreement, Section 6.1).

Opening of Your Business

We expect that franchisees will typically open their Franchised Businesses 6 to 12 months after they sign a franchise agreement. The factors that affect this time usually include locating a suitable site, completing the leasehold improvements, satisfactorily completing the training, obtaining all necessary equipment and supplies, and obtaining all necessary licenses or permits.

Your Franchised Business may be open for business when you satisfy our requirements. You will have to comply with the following: (i) install all fixtures, furniture and equipment and obtain all business licenses required to operate a Franchised Business; (ii) you

We will offer periodic mandatory and optional additional and refresher training programs for you, your owners, and general manager. Mandatory refresher training is limited to 10 days per year. Refresher and additional training may be offered at any location designated by us in-person, at locations designated by us, or virtually. We may charge a reasonable fee for attending these training programs, intended to offset our cost of the programs. You will also be responsible for all costs incurred by your attendees, such as travel and accommodation.

We also have the right to require that you and your owners attend a national business meeting or annual convention for our franchisees. Participation in the franchisee convention is included in the 10 days per year that we can require that you participate in additional training. We may charge a registration fee for attending. You will also be responsible for all costs incurred by your attendees, such as travel and accommodation.

ITEM 12

TERRITORY

Franchise Agreement:

Protected Area: You will operate your Franchised Business out of an Approved Location. For traditional locations, we will grant you a protected area for your Franchised Business (“**Protected Area**”). The Protected Area is typically a 2-mile radius around the Approved Location, though in urban areas, the Protected Area will likely be a smaller area. The size of the Protected Area will remain the same throughout the term of your Franchise Agreement and there are no minimum sales volume, market penetration, or other contingency or conditions that affect its size. The Protected Area excludes certain types of locations (“**Non-Traditional Venues**”) even if they are located within the Protected Area. Non-Traditional Venues include enclosed shopping centers/malls, airports, train stations, hotels and resorts, amusement and theme parks, sport stadiums and arenas, colleges, and government facilities, such as military bases. If your Franchised Business is going to be located in a Non-Traditional Venue, then the Protected Area consists of the Non-Traditional Venue it is located in. For example, if it is located in a sports arena, that sports arena would be the Protected Area of your Franchised Business.

Your Rights in the Protected Area: There are certain limitations to your Protected Area rights and your rights are not exclusive. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands we control. Generally, we will not open our own The Sports Bra® locations, or license our affiliates or any other franchisees to operate Franchised Businesses in your Protected Area. But, for Franchised Businesses in traditional locations this protection excludes Franchised Businesses in Non-Traditional Venues. Also, we and our affiliates may use other channels of distribution (such as wholesale, sales through grocery stores, other retail stores, Internet, catalog sales, telemarketing, other direct marketing sales, and sales at temporary locations and events) to offer The Sports Bra® services, products, and merchandise in your Protected Area, and if we develop another brand of bars, restaurants, or another type of business, that brand may operate in your Protected Area or distribute products or services in your Protected Area. Neither we, nor our affiliates or other franchisees owe you any compensation for such sales in your Protected Area, ~~but you also do.~~ You may not owe us or use other franchisees any compensation if you service channels of distribution. You may

serve customers ~~outside of~~who visit your ~~Protected Area~~Franchised Business regardless of where they reside.

Though we currently have no plans to do so, we reserve the right to market, sell, and license others to market and sell, similar products and services to those offered by your Franchised Business in your Protected Area, as long as they are offered under a different trademark.

Catering and Delivery: As of the date of this FDD, you must receive our permission to offer delivery and catering in your Protected Area or elsewhere. If we allow such sales you will have to conduct all delivery and catering activities in accordance with the procedures that we specify in the Manual or otherwise in writing. All revenue from delivery and catering orders will be part of your Gross Revenue. The territory in which you can offer delivery and catering may not be the same as your Protected Territory, and we have the right to adjust the territory in which you may offer delivery and catering services.

We may also enter into agreements with third-party delivery providers, such as Uber, GrubHub, or DoorDash, and may require you to participate in those delivery programs. You may not enter into any agreements with third-party delivery providers without our express, written consent.

Relocation, No Right of First Refusal, and How to Obtain Right to Open Additional Locations: You are not allowed to relocate your Franchised Business or open any additional locations in the Protected Area without first obtaining our written consent, which we may withhold at our discretion. Given the cost we will incur in connection with approving and supporting a relocation, if your relocation is approved, we will charge you a relocation fee of 50% of the then-current Initial Franchise Fee, for the relocation. The Franchise Agreement you sign with us is for one Franchised Business only, operated out of the Approved Location. It doesn't grant you any right of first refusal. If you want to open more than one location, you must apply to us for a franchise agreement for the additional location(s). We will evaluate your application the same as we evaluate all franchise applications at that time.

Area Development Agreement

Under the Area Development Agreement, you will be granted a specific territory ("**Development Area**") in which to locate a number of Franchised Businesses. The territorial rights of each Franchised Business will be governed by the Franchise Agreement for the location, which will be on our then-current form, and our then-current site and territory criteria will apply. The size of the Development Area will be agreed upon between you and us before the Area Development Agreement is signed, but generally, it will be big enough to allow for the opening of the required number of Franchised Businesses with each such business having a Protected Territory, though some of those Protected Territories may overlap.

There are certain limitations to your Development Area rights and your rights are not exclusive. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands we control. Specifically, locations in Non-Traditional Venues are excluded from the Development Area in the same way as they are excluded from the Protected Area under the Franchise Agreement. We and other The Sports Bra® franchisees also have the right to market and advertise in your Development Area and to sell products and services to customers in the Development Area. Also, we and our affiliates may use other channels of distribution (such as

wholesale, sales through grocery stores, other retail stores, Internet, catalog sales, telemarketing, other direct marketing sales, and sales at temporary locations and events) to offer The Sports Bra® services and products in your Development Area, and if we develop another brand of restaurants, bars, or another type of business, that brand may operate in your Development Area or distribute products or services in your Development Area. Neither we nor our affiliates or other franchisees owe you any compensation for such sales in your Development Area. You may serve customers who visit your Franchised Businesses, but you may not use other channels of distribution. Once Franchise Agreements for all Franchised Businesses to be opened pursuant to the Area Development Agreement have been signed, the Area Development Agreement will expire and your territorial rights in the Development Area will cease.


Failure to timely develop Franchised Businesses is grounds for termination of the Area Development Agreement, so if you do not develop the Franchised Businesses as agreed on in the Development Schedule to the Area Development Agreement we can terminate the agreement. At our option we may instead reduce the right of the Development Area, reduce the number of Franchised Businesses that can be opened by you, or allow other developers to open Franchised Businesses in the Development Area.

We do not typically allow you to change the Development Area, but if the population density in the Development Area changes, we reserve the right to adjust the size of the Development Area. The Area Development Agreement will allow you to open a certain agreed upon number of Franchised Businesses in the Development Area. If you want to open more Franchised Businesses, you must first apply to us as there are no options, right of first refusal, or similar rights granted under the Area Development Agreement. We will review the application the same way we review applications for new franchisees.

Neither we, nor our affiliates, have any current plans to operate or franchise a business under a different trademark.

ITEM 13 TRADEMARKS

We grant you the non-exclusive right to operate the Franchised Business under the following principal trademarks, service marks, names, logos and commercial symbols which our Parent owns and has registered with the United States Patent and Trademark Office (“USPTO”):

Mark	Registration Number	Registration Date	USPTO Principal or Supplemental Register
The Sports Bra	7225823	Nov. 21, 2023	Principal
	7121828	Jul. 25, 2023	Principal

Provision	Section in FA	Summary
		your inventory list following termination or expiration of the Franchise Agreement, to purchase at fair market value, your supplies, FF&E, signage, and other materials bearing the Proprietary Marks.
p. Death or disability of franchisee	§§13.6, 13.7	If you die or become incapacitated (and you are personally the Franchisee or the owner of more than 50% of the Franchisee), your executor or other legally appointed personal representative must appoint, within 30 days, an approved owner or approved management company to operate the Approved Location. Pending the appointment and subject to legal formalities, we can manage the Approved Location. Your executor or other legally appointed personal representative must also transfer all your interests to a third party within 1 year. With our consent, your estate or legally appointed personal representative may transfer all your interest to your spouse, parent, sibling, direct descendant or spouse's direct descendant.
q. Non-competition covenants during the term of the franchise	§§7.13, 11.11.A	The Franchise Agreement forbids you and each Covered Person during the term of the Franchise Agreement from directly or indirectly engaging in a Competitive Business. The Franchise Agreement defines a "Competing Business" as any sports related bar or restaurant and any business franchising, licensing, or otherwise providing consulting services to such businesses, except for other The Sports Bra® locations. We define "Covered Person" in the Franchise Agreement. The restriction against competition applies world-wide during the term of the franchise or for 2 years after a Covered Person (or their spouse or other covered family member) severs his or her relationship with you (subject to applicable state law). See the State-Required Addenda (Exhibit E) .
r. Non-competition covenants after the franchise is terminated or expires	§11.12. B	The Franchise Agreement forbids you and each Covered Person from directly or indirectly engaging in a Competing Business that is located within 15 miles of another The Sports Bra Business anywhere in the world, whether or not the The Sports Bra business was open for business on the date your Franchise Agreement terminates or expires or opens at a later date. This restriction applies for 2 years after the termination or expiration of the Franchise Agreement or the effective date of a transfer to a third party (subject to applicable state law). See the State-Required Addenda (Exhibit E) .
s. Modification of the agreement	§20.1	No modifications generally unless in writing signed by you and one of our officers. However, our Manual is subject to change at our discretion.
t. Integration/merger clause	§20.1	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement are not enforceable.
u. Dispute resolution by arbitration or mediation	§19.1	If a dispute cannot be resolved otherwise, the dispute will be referred to mediation. The mediation will take place in the county and state where we have our principal place of business (currently Portland, Oregon), using a mediator agreed upon between us.

EXHIBIT A

STATE ADMINISTRATORS

Listed below are state administrators and agencies having responsibility for franchise disclosure/registration laws:

<p>California State of California Dep't of Financial Protection & Innovation 320 W. 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 / (866) 275-2677 ask.dfpi@dfpi.ca.gov</p>	<p>Hawaii Hawaii Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division P.O. Box 40 Honolulu, Hawaii 96810 (808) 586-2744</p>
<p>Illinois Franchise Bureau Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	<p>Indiana Franchise Section Indiana Securities Division 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681</p>
<p>Maryland Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-6360</p>	<p>Michigan Consumer Protection Division, Franchise Section Michigan Department of Attorney General 525 W. Ottawa Street G. Mennen Williams Building, 6th Floor Lansing, Michigan 48933 (517) 373-7117</p>
<p>Minnesota Minnesota Department of Commerce Franchise Section 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 296-6328539-1600</p>	<p>New York NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222</p>
<p>North Dakota North Dakota Securities Department State of North Dakota 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712</p>	<p>Oregon Department of Consumer & Business Services Division of Finance & Corporate Securities State of Oregon Labor and Industries Building Salem, Oregon 97310 (503) 378-4140</p>
<p>Rhode Island Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Building 69-1</p>	<p>South Dakota Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501</p>

16. Questionnaires and Acknowledgments. 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.
17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.
19. Fee Deferral. ~~The~~In lieu of an impound of franchise fees, the franchisor will ~~defer collection~~not require or accept the payment of the ~~any~~any initial franchise ~~fees~~fees until the ~~franchisor~~franchisee has ~~fulfilled its~~(a) received all pre-opening and initial training obligations that it is entitled to under the franchisee franchise agreement or disclosure document, and ~~the franchisee~~(b) is open for business. ~~For any~~Because the franchisor has material pre-opening obligations with respect to each franchised business the franchisee opens under the area development agreement, payment of the ~~development and initial fee attributable to a specific unit is deferred until that unit is open~~franchise fee will be released proportionally with respect to each franchise outlet opened and deferred until the franchisor has met all its pre-opening obligations under the franchise agreement and the franchisee is open for business with respect to each such location.

20.

**WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT,
AREA DEVELOPMENT AGREEMENT, AND ALL RELATED AGREEMENTS**

This WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT, AND ALL RELATED AGREEMENTS (“Addendum”) is made and entered into as of _____ (“Effective Date”) by and between THE SPORTS BRA FRANCHISE LLC, a Delaware limited liability company (“Franchisor”) and _____ (“Franchisee”).

RECITALS

~~A.~~ The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the Franchise Agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

~~B.~~ The “Franchise Contracts” covered by this Addendum include all of the following contracts, copies of which are attached as exhibits to the Disclosure Document that Franchisor has delivered to Franchisee, i.e., the Franchise Agreement, Area Development Agreement and each contract that is an exhibit to the Franchise Agreement or Area Development Agreement (collectively referred to as the “Franchise Contracts”).

~~C.~~ To the extent that the parties enter into any of the Franchise Contracts now or in the future, they desire to amend the Franchise Contracts in order to conform them to the requirements of Washington law. ~~D.~~ All capitalized terms used but not defined in this Addendum shall have the meaning assigned to them in the Franchise ~~Contracts~~ Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by the parties, the parties agree as follows:

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Non-Solicitation Agreements. 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.

16. Questionnaires and Acknowledgments. 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.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Fee Deferral. ~~Franchisor agrees to defer the due date for Franchisee's~~ In lieu of an impound of franchise fees, Franchisor will not require or accept the payment of ~~the~~ any initial franchise ~~fee~~ fees until Franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the Opening Date of the Franchised Business. For any development agreement, payment of the development and initial fee attributable to a specific unit is deferred until that unit is open Franchise Agreement or disclosure document, and (b) is open for business. Because Franchisor has material pre-opening obligations with respect to each Franchised Business that Franchisee opens under the Area Development Agreement (if any), payment of the franchise fee will be released proportionally with respect to each franchise

outlet opened and deferred until Franchisor has met all its pre-opening obligations under the Franchise Agreement and Franchisee is open for business with respect to each such location.

20. Section 7.30.A of the Franchise Agreement is amended to delete the following text: “or for a period of 1 year from the date Franchisee notifies Franchisor of the condemnation, whichever is longer”.

21. Section 20.1 of the Franchise Agreement is deleted and replaced with the following:

20.1. Accordingly, Franchisor and Franchisee agree that this Agreement, together with any other documents or agreement executed by the parties contemporaneously hereto, supersede and cancel any prior and/or contemporaneous discussions (whether described as presentations, inducements, promises, agreements, or any other term), between Franchisor or anyone acting on its behalf and Franchisee or anyone acting on his or her behalf, which might be taken to constitute agreements, representations, inducements, promises, or understandings (or any equivalent to such terms) with respect to the relationship between the parties, provided, however, that nothing in this Agreement or any related document is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Franchisee.

22. Sections X.C through X.E of the Area Development Agreement are deleted.

23. The above recitals are incorporated and made a part of this Addendum. Except as expressly set forth in this Addendum, the Franchise Agreement remains in full force and effect as written.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the Effective Date.

COMPANY:

FRANCHISEE:

**THE SPORTS BRA FRANCHISE LLC, a
Delaware limited liability company**

[NAME]

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If The Sports Bra Franchise LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. **Iowa** requires that we give you this disclosure document at the earlier of (i) the first personal meeting and (ii) 14 calendar days before the execution of any binding agreement or the payment of any consideration that relates to the franchise relationship. **Michigan** requires that we give you this disclosure document at least 10 business days before the execution of any binding agreement or the payment of any consideration that relates to the franchise relationship. **New York** requires that we give you this disclosure document at the earlier of (i) the first personal meeting and (ii) 10 business days before the execution of any binding agreement or the payment of any consideration that relates to the franchise relationship.

If The Sports Bra Franchise LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed on **Exhibit A**.

Franchisor: The Sports Bra Franchise LLC 2512 NE Broadway Street Portland, OR 97232 Tel. 503-558-6715	Franchise Sellers: Jennifer Nguyen Deborah Pleva Andrea Kelsey Lindsey Schalock Deborah Pleva	Kylie Augis
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Issuance Date: March 27, 2026.

I have received a disclosure document dated March 27, 2026, which included the following Exhibits:

- | | |
|----------------------------------|--|
| A. List of State Administrators | G. General Release |
| B. Agents for Service of Process | H. Operations Manual Table of Contents |
| C. Area Development Agreement | I. List of Franchisees |
| D. Franchise Agreement | J. Former Franchisees |
| E. State-Required Addenda | K. Financial Statements |
| F. Confidentiality Agreement | |

Date: _____

Prospective Franchisee Signature

Print Name: _____

Address: _____

Individually and as _____

of _____

RECEIPT

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Date: _____

Prospective Franchisee Signature

Print Name: _____

Address: _____

Individually and as _____

of _____