

FRANCHISE DISCLOSURE DOCUMENT



ONE Sports Nation, LLC
an Arizona Limited Liability Company
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We offer franchises for “OSN Youth Sports Businesses” and “Fun Size Sports Businesses.” OSN Youth Sports Businesses offer organized league play, organized tournaments, sports camps and sport clinics primarily for youth from three (3) to eighteen (18) years of age, but also for adults (“OSN Youth Sports Programs”). Fun Size Sport Businesses offer child development programs using sports as the enrichment vehicle for youth from two (2) to seven (7) years of age (“Fun Size Sports Programs”).

The total estimated initial investment required to begin operation of a Youth Sports Business is between \$39,740 and \$94,480, including between \$37,420 and \$79,900 that must be paid to the franchisor or its affiliates. The total estimated initial investment required to begin operation of a Fun Size Sports Business is between \$16,370 and \$27,070, including between \$14,300 and \$20,800 that must be paid to the franchisor or its affiliates.

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 our Franchise Administration Department at 26716 N. 10th Lane, Phoenix, AZ 85085, via telephone at (480) 359-4859, or franchise@onesportsnation.com.

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contracts. 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, NW, Washington, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. In addition, there may be laws on franchising in your state. Ask your state agencies about them.

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STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION/LITIGATION ONLY IN ARIZONA. OUT-OF-STATE ARBITRATION/LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE/LITIGATE WITH US IN ARIZONA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISE AGREEMENT REQUIRES THAT SPOUSES MUST SIGN A GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE AGREEMENT, PLACING PERSONAL ASSETS AT RISK.
4. THIS NEW FRANCHISOR HAS BEEN IN BUSINESS FOR SUCH A SHORT PERIOD OF TIME THAT ITS FRANCHISES ARE A HIGHER RISK INVESTMENT THAN FRANCHISORS WITH A LONGER-TERM OPERATING HISTORY. SOME STATES HAVE REQUIRED THE POSTING OF A SURETY BOND BECAUSE OF OUR FINANCIAL CONDITION.
5. THE PROTECTED TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR-OWNED OUTLETS, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.
6. YOU MUST MAKE ROYALTY AND ADVERTISING PAYMENTS BASED ON A SPECIFIED ANNUAL PERFORMANCE LEVEL, EVEN IF YOU HAVE NO EARNINGS. FAILURE TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE(S) AND LOSS OF YOUR INVESTMENT.
7. WE DO NOT HAVE A FEDERAL REGISTRATION FOR OUR PRINCIPAL TRADEMARK. THEREFORE, OUR TRADEMARK DOES NOT HAVE AS MANY LEGAL BENEFITS AND

RIGHTS AS A FEDERALLY REGISTERED TRADEMARK. IF OUR RIGHT TO USE THE TRADEMARK IS CHALLENGED, YOU MAY HAVE TO CHANGE TO AN ALTERNATIVE TRADEMARK WHICH MAY INCREASE YOUR EXPENSES.

8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source is our agent and represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Dates: See next page for state effective dates.

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