

FRANCHISE DISCLOSURE DOCUMENT

DEPARTMENT OF CORPORATIONS
RECEIVED LOS ANGELES OFFICE

MAR 28 2012

NZONE SPORTS OF AMERICA, INC.
a Florida corporation
15310 Amberly Drive, Suite 185
Tampa, Florida 33647
(813) 931-5516
info@nzonesports.com
www.nzonesports.com

The franchisee will operate an N ZONE SPORTS® franchise business offering youth sports leagues and/or sporting related camps, and other related services for children ages 3-18.

The total investment necessary to begin operation of an N ZONE SPORTS franchised business is from \$33,150 to \$46,600. This includes \$19,750 to \$28,750 that must be paid to franchisor. This is the total of all initial fees and payments for services or goods received from the franchisor and its affiliates before the business opens.

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 government agency has verified the information contained in the 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 Tony Westbrook, President, at 15310 Amberly Drive, Suite 185, Tampa, Florida 33647, Telephone 813-931-5516.

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 to an advisor like a lawyer or 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 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. 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.

Issuance date: April 30, 2012

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.

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 MEDIATION/ARBITRATION/LITIGATION ONLY IN FLORIDA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE/ARBITRATE/LITIGATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU WANT TO COMPARE THESE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We 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 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 Date: See the next page for state effective dates.

(FOR STATE ADDENDA AND AMENDMENTS, SEE EXHIBIT G)

STATE EFFECTIVE DATES

The following states require that the Franchise 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration or disclosure laws, with the following effective dates

| State | Effective Date |
|--------------|-----------------------|
| California | Pending |
| Hawaii | |
| Illinois | |
| Indiana | |
| Maryland | |
| Michigan | |
| Minnesota | |
| New York | |
| North Dakota | |
| Rhode Island | |
| South Dakota | |
| Virginia | |
| Washington | |
| Wisconsin | |

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of April 30, 2012.

NOTICE REQUIRED UNDER HAWAIIAN FRANCHISE LAW

THIS FRANCHISE HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OR ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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EXHIBIT

| | |
|-----------|--|
| Exhibit A | List of State Agencies/Agents for Service of Process |
| Exhibit B | Financial Statements |
| Exhibit C | Franchise Agreement |
| Exhibit D | Operations Manual Table of Contents |
| Exhibit E | List of Franchise Owners |
| Exhibit F | List of Franchisees Who Have Left the System |
| Exhibit G | State Specific Addenda / Riders |

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN AN ADDENDUM OR RIDER.

ITEM 1
THE FRANCHISOR, AND ANY PARENT, PREDECESSORS AND AFFILIATES

The Franchisor is **NZONE SPORTS OF AMERICA, INC.**, referred to as “we,” “us,” or “our.” We also do business under the name “**N ZONE SPORTS®**.” “You” means a person who buys the right to operate an N ZONE SPORTS® franchise from us. If you are a corporation, partnership or other entity, certain provisions of our Franchise Agreement also will apply to your owners. This Disclosure Document will indicate when your owners also are covered by a particular provision.

We are a Florida corporation, formed on December 13, 2010. Our current principal business address is 15310 Amberly Drive, Suite 185, Tampa, Florida 33647. Our agent in this state for service of process is, if applicable, disclosed in Exhibit “A.” We conduct business under our corporate name and under the trade and service marks “N ZONE SPORTS®” and associated logos, designs, symbols and trade dress. See Item 13.

Our Predecessors and Affiliates

We have no parent or predecessors.

We are an affiliate of Club Z!, Inc., a Florida corporation, was established on June 19, 1995. Club Z!, Inc.'s principal business address is 15310 Amberly Drive, Suite 185, Tampa, Florida 33647. Club Z!, Inc.'s principal business is offering franchises under the trade name Club Z! In-Home Tutoring for in-home, academic tutoring, where certified teachers and degreed professionals are matched with students to provide high quality, one-on-one instruction and support. Club Z!, Inc. has 403 franchises.

Our affiliate, Fast-Teks, Inc., a Florida corporation, was established June 25, 2004. Fast-Teks, Inc.'s principal business address is 15310 Amberly Drive, Suite 185, Tampa, Florida 33647. Fast-Teks, Inc.'s principal business is offering franchises under the trade name FAST-TEKS which provides onsite computer services. Fast-Teks, Inc. has been offering on site computer services franchises since February 2005. Fast-Teks, Inc. has 255 franchises.

Our affiliate, ActiKare, Inc., a Florida corporation, was established September 5, 2007. ActiKare, Inc.'s principal business address is 15310 Amberly Drive, Suite 185, Tampa, Florida 33647. ActiKare, Inc.'s principal business is to offer franchises under the trade name ACTIKARE which provides in-home care services. ActiKare, Inc. has 35 franchises.

Except as provided above, our affiliates have not offered franchises in this or any other line of business. Except as provided above, we have no additional affiliates required to be disclosed in Item 1.

The principal business addresses of our agents for service of process are shown on Exhibit A.

N ZONESPORTS®.

We have expended considerable time and effort developing a system for operating a youth sports league and/or sporting related camp which currently include soccer, flag football, and cheerleading as well as other sports, and related services and products which may be added in the future (an “N ZONESPORTS®” or an “N ZONE SPORTS® Business”). We use, promote and license in the operation of an N ZONE SPORTS® Business, the service marks and trade name “N ZONE SPORTS®” and “N ZONE SPORTS® stylized” and other associated logos, designs, artwork and trade dress, trademarks, service marks, commercial symbols, and e-names, which have gained and continue to gain public acceptance and goodwill, and may create, use and license additional trademarks, service marks, e-names and commercial symbols in conjunction with the operation of N ZONE SPORTS® Businesses

(collectively, the "**Marks**"). N ZONE SPORTS® BUSINESSES operate under the Marks and under distinctive business formats, methods, procedures, designs, layouts, signs, equipment, standards and specifications, all of which we may improve, further develop or otherwise modify from time to time (the "**System**").

In the N ZONE SPORTS® System, our franchisees operate youth sports leagues and or sporting related camps for children ages 3-18. The System has adopted strict guidelines pertaining to league operations, standards, conduct, rules, equipment, uniforms, scheduling software, and recruitment of coaches and participants. Our sports programs promote positive values such as sportsmanship, teamwork, mutual respect, and leadership. We assist you in operating your Business and design an on-going marketing program to reach potential customers within your protected territory. Generally, N ZONE SPORTS® Businesses market to the parents of children ages 3-18.

Our Franchise Program.

In this Disclosure Document we grant to persons who meet our qualifications and who are willing to undertake the investment and effort, franchises for the right to own and operate an N ZONE SPORTS® Business (the "**Franchise**") within a protected territory. Our current form of Franchise Agreement is attached as Exhibit "C."

Our Business.

We have been offering franchises since April 30, 2011. Prior, we purchased certain assets of NZONE SPORTS LLC, a Florida limited liability company formed by our President. As of the date of this Disclosure Document we have five franchise locations. We do not engage in other business activities and have not offered franchises in other lines of business.

Competition.

You will be competing with other businesses including franchise operations, national or regional chains or municipalities. The market for NZONE SPORTS® Businesses is developed in some areas and developing in other areas.

Regulations.

There are no regulations specific to the industry in which N ZONE SPORTS® Businesses operate, although you must comply with all local, state and federal laws that apply to N ZONE SPORTS® Business operations. You will be required to conduct background checks on coaches, referees and any staff who has contact with children. You will also be required to comply with workers' compensation, equal protection and workplace safety laws and regulations, including Title VII and the ADA.

ITEM 2 BUSINESS EXPERIENCE

Director and President: Tony Westbrook

Mr. Westbrook has been our Director and President since our inception in December 2010. Mr. Westbrook was President and Director for NZONE SPORTS LLC from January 2008 until December 2010. Mr. Westbrook worked in the Franchise Development office for 19 sports from September 2007

until January 2008. Mr. Westbrook worked in Franchise Development for Fast-teks On-Site Computer services from June 2005 through May 2007, and February 2008 until December 2010.

Director and CEO: Mark Lucas

Mr. Lucas has been our Director and CEO since December 2010. Mr. Lucas has been the Director and CEO of our affiliate Club Z!, Inc. since December 2000. Mr. Lucas has been the Director and CEO of our affiliate Fast-Teks, Inc. since its formation in June 2004. Mr. Lucas has been founder, Director and CEO of our affiliate Acti-Kare, Inc. since September 2007.

Director and Secretary: Carolyn Walden

Mrs. Walden has been our Secretary since our inception in December 2010. Mrs. Walden has been the Vice President of our affiliate Club Z!, Inc. since February 2006. Mrs. Walden has been Vice President of our affiliate ActiKare, Inc. since September 2007. Mrs. Walden has been Vice President of Fast-Teks, Inc. located in Tampa, Florida since February 2006. From January 2003 until February 2006 Mrs. Walden was the Director of Operations for Club Z! and held the position of Director of Operations for Fast-Teks from its inception in 2004 until February 2006. From June 2002 until January 2003, she was the Club Z! Office Manager. From December 2001 to June 2002, Mrs. Walden worked for the New York Yankees, an MLB sports franchise, as a Marketing Assistant in their Tampa, Florida location.

Director of Franchise Support: Cari Diaz

Mrs. Diaz has been our Director of Franchise Support since our inception in December 2010. Mrs. Diaz has been Vice President of Operations for our affiliate Club Z! since June 2011. Mrs. Diaz has also been Director of Franchise Support for Club Z!, Inc. since July 2005. From January 2004 to July 2005, Mrs. Diaz was the Club Z! Manager of the Sales Support Center and Franchise Support. Mrs. Diaz has been Vice President of Operations for ActiKare, Inc. since June 2011. Mrs. Diaz was Director of Franchise Support for ActiKare, Inc. from September 2007 – July 2011. Mrs. Diaz has been Vice President of Operations for Fast-Teks, Inc. in Tampa, FL since June 2011. Mrs. Diaz has also been the Director of Franchise Support of Fast-Teks, Inc. in Tampa, Florida since 2005.

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5
INITIAL FEES**

Your initial franchise fee varies depending on the population of the territory as follows:

| Franchise Fee | Population Up To: |
|---------------|-------------------|
| \$19,750 | 100,000 |
| \$22,750 | 150,000 |
| \$25,750 | 200,000 |
| \$28,750 | 250,000 |

You must pay the initial Franchise Fee in a lump sum when you sign the Franchise Agreement. In consideration for this initial Franchise Fee, we grant you a franchise to operate an N ZONE SPORTS® Business in a protected territory, provide you with initial training, and furnish you with the Franchise Package, described in the Franchise Agreement

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

ITEM 6 OTHER FEES

| Type of Fee ¹ | Amount | Due Date | Remarks |
|---------------------------------|--|--|--|
| Royalty | The greater of: 6% of Gross Sales ² or: (a) \$250 per month for up to 100,000 population; (b) \$250 per month for up to 150,000 population; (c) \$350 per month for up to 200,000 population; or (d) \$350 per month for up to 250,000 population | Payable the 10 th day of each month | The Royalty fee shall begin 180 days after the execution of the Franchise Agreement. |
| Advertising Fund | The greater of: 2% of Gross Sales ² or \$50 per month | Payable the 10 th day of each month | The Advertising Fund fee shall begin 180 days after the execution of the Franchise Agreement. |
| Software | \$50 per month | Payable the 10 th day of each month | The Software fee rate will be based on the volume of monthly business but will not exceed \$50 per month You agree to pay any tax imposed by the state in which your N ZONE SPORTS® Business is located if such tax is imposed on Software fees or other payments made to us. At this time we do not collect this fee, but can do so with 60 days written notice to you. |
| Additional and Manager Training | \$250 per person | 5 days before training begins | We train you and 1 other person (or 2 of your owners) free of charge (See Item 11) – Additional training is provided if necessary. |

| Type of Fee ¹ | Amount | Due Date | Remarks |
|--|--|--|--|
| Conference Fee | \$50 - \$500 | Prior to Conference | You may attend 1 national or regional conference as designated by us per year. The conference shall be held at a specific location, or by webinar, or telephone conference, as we designate. If you attend, we can charge you a conference fee between \$50.00 and \$500.00 for the conference and you will have to pay your own travel, food and lodging and for any employees you may bring. |
| Training of Transferee | \$3,500 | Prior to consummation of transfer | Payable when the Franchise is transferred. We reserve the right to increase this fee based on our current rates for similar services. |
| Transfer | \$2,000 | Prior to consummation of transfer | Payable when the Franchise is transferred. |
| Exemption of Transfer Fee (business classification change) | \$500 | Prior to consummation of transfer | Payable when the Franchise business classification is changed. The fee is waived if requested within one year of execution of Franchise Agreement. |
| Early Termination Fee | \$2,500 | At time of request | You may submit a request to terminate the Franchise Agreement at any time, with 90 days written notice. All requests are subject to our approval . |
| Replacement Manual | \$500 | At time of purchase | Cost of replacement copy. (Note: your copy of the Manual is only on loan to you.) |
| Renewal Fee | \$250 | At time of renewal | New franchise agreement, which may have different terms or conditions, must be signed by you and us. |
| Late Fee for delinquent fee | \$100 or 5% of the total amount past due, whichever is greater | On demand, but only if you are delinquent in your payments to us | Payable the fifth day after payment is due. |
| Late Fee for past due report | \$25 | On demand, but only if you are past due in your report to us | Payable the fifth day after report is due. |

| Type of Fee ¹ | Amount | Due Date | Remarks |
|---------------------------|-------------------------------|-------------------------|--|
| Audit Costs | Will vary under circumstances | As incurred | If you have under paid us by more than 5%. |
| Customer Complaints | 100% of customer payment | Upon receipt of invoice | If we feel that you did not fairly handle a customer complaint, we may intervene and satisfy the customer. You must reimburse us for all our costs associated with satisfying your customer. |
| Costs and Attorneys' Fees | Will vary under circumstances | As incurred | Payable upon your failure to comply with the Franchise Agreement. |
| Indemnification | Will vary under circumstances | As incurred | You have to reimburse us if we are held liable for claims arising from your N ZONE SPORTS® Franchised Business's operations. |

1. All fees are imposed by and payable to us. All fees are non-refundable. All fees are uniformly imposed. We retain the right to require automatic payment of all payments due to us using electronic fund transfer (EFT). If we exercise this right, you must authorize your bank to accept automatic withdrawals through EFT of the amounts due to us from your bank into our bank account on a monthly basis. You must provide us with all documents necessary to direct your bank to honor these pre-authorized bank debits.

2. "Gross Sales" , shall mean the gross receipts of every kind and nature for sales of all products and services made in, upon, from or through operation of the Franchised Business, and income of every other kind and nature related to the Franchised Business, whether for products, services, exchange, credit, cash, or check regardless whether such sale is conducted in compliance with or in violation of the terms of this Agreement. Gross Sales shall not include the amount of refunds, tax collections, or allowances or discounts to customers, including discounts attributable to coupon sales. Gross sales shall also include all insurance proceeds received by you for loss of business due to a casualty to or similar event pertaining to the Franchised Business.

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**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

| Type of Expenditures (7) | Amount | Method Of Payment | When Due | To Whom Payment is made |
|--|----------------------------|--------------------------|----------------------------------|--------------------------------|
| Initial Franchise Fee (1) | \$19,750 - \$28,750 | Lump Sum | Upon signing Franchise Agreement | Us |
| Real Estate (2) | Note 2 | | | |
| Travel and Living Expenses during Training (3)* | \$1,000 - \$1,500 | As agreed | As incurred | Third Parties |
| Miscellaneous Opening Season and Opening Day Costs (4) | \$9,000-\$11,000 | As agreed | As incurred | Third Parties |
| Computer and other Equipment, Supplies | \$550 - \$1,200 | As agreed | As incurred | Third Parties |
| Software (5) | \$150 | As agreed | As incurred | Us |
| Insurance (6) | \$700 - \$1,500 | As agreed | As incurred | Third Parties |
| Additional Funds – 3 months (7) | \$2,000 - \$2,500 | As agreed | As incurred | Third Parties |
| TOTAL ESTIMATED INITIAL INVESTMENT UNDER PROGRAM (EXCLUDING REAL ESTATE COSTS)(7) | \$33,150 - \$46,600 | | | |

Explanatory Notes

1. The franchise fee is: (a) \$19,750 for up to 100,000 population territory; (b) \$22,750 for up to 150,000 population territory; (c) \$25,750 for up to 200,000 population territory; or (d) \$28,750 for up to 250,000 population territory.

2. We presume you will operate your N ZONE SPORTS® Franchised Business from your home. We do not require you to rent or lease a business premises. If you do rent a business premises we do not approve or provide specifications. We do not estimate any real estate or office space costs. They vary dramatically based on numerous factors.

3. We provide initial training to you and one other person (or up to 2 of your owners) without charge, but you are responsible for all travel and living expenses if you are training at the corporate office. This estimate is for 2 people. *These expenses are not applicable if training is performed at your location.

4. This item estimates your initial start up season and opening day expenses based on 120 players. These expenses include sports equipment, supplies, uniforms, medals, field rental, field paint, banners and signs, promotional materials, payroll costs, coach, referee and staff background checks, CPR and First Aid Training. It also includes a bouncy house and stereo equipment rentals, which are optional. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period. This estimate also includes a travel and hotel accommodations expense for our corporate representative that will be assisting you with your opening day launch and activities.

5. We require franchise owners to use our proprietary scheduling software to streamline processes in four major areas: Participant and team management, scheduling, billing, and payroll.

6. We require franchise owners to carry \$1,000,000.00 in General Liability and \$1,000,000.00 in Professional Liability coverage naming us as an additional insured.

7. We relied on our managements' four years of youth sports training experience and eight years business management experience to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not offer financing directly or indirectly for any part of the initial investment for your N ZONE SPORTS® Franchised Business. The availability and terms of financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions from which you may request a loan. None of the fees to us are refundable. Any refund of payments made to various vendors will depend on the terms you arrange with those vendors.

ITEM 8 RESTRICTIONS ON SOURCES

The following table summarizes the approximate percentages of your purchases of equipment and supplies through sourcing restrictions, based on the nature of the restriction.

| REQUIRED PURCHASES FROM US | REQUIRED PURCHASES FROM APPROVED SUPPLIERS | REQUIRED PURCHASES IN ACCORDANCE WITH OUR SPECIFICATIONS AND STANDARDS |
|-----------------------------------|---|---|
| Establishment – 0% | Establishment 85%-95% | Establishment – 85%-95% |
| Operation – 0% - 0% | Operation – 85%-95% | Operation – 85%-95% |

You must purchase equipment, furnishings, fixtures and signs for the Franchised Business. You are required to purchase certain equipment, goods or services from approved suppliers and vendors in accordance with our specification. You must use only types or brands of equipment, signs and supplies that we have approved as meeting our specifications and standards. Specifications may include minimum standards for the quality of equipment and other restrictions. You will be required to purchase or lease approved types, brands, or models of equipment, signs and supplies only from vendors approved by us.

If you want to purchase equipment, signs or supplies of a type, brand or model, or from a vendor that we have not approved, you must notify us and submit to us information as we request. We will notify you within 30 days whether you are authorized to purchase the product for the Franchise. We may impose any reasonable fees for supplier and vendor approval. We may impose limits on the number of suppliers or brands for any product. We may revoke an approval given for a vendor at any time in our sole and absolute discretion.

We will furnish you with an initial supply of brochures and other trademarked materials. We are a vendor for all trademarked materials. You can purchase additional trademarked materials, but you are not required to do so. We do derive revenue from your purchase of our trademarked material. We mark up these materials approximately 10% to 12% to cover handling costs. However, at this time, we have no history with which to calculate what percentage of our revenues these required purchases will represent.

You may use any vendor you choose if they can produce our trademarked materials to our specifications and are approved by our office. Except for trademarked items, there are currently no other items or services for which we or our affiliates are approved suppliers or the only approved suppliers.

We negotiate purchase arrangements with suppliers and vendors on your behalf, including price terms. However, we do not provide any material benefits to you based on your use of designated or approved sources.

Computer Hardware and Software.

We do not require you to purchase a computer or any software from any particular vendor. We do not require you to purchase a new computer, however you are required to own a computer (PC based) for this business.

We do require that you own or purchase a copy of QuickBooks Pro by Intuit, Inc. as your accounting software.

We require that you use our proprietary scheduling/billing software.

Miscellaneous.

Except as described above, we currently derive no revenue or other material consideration as a result of required purchases or leases. There currently are no purchasing or distribution cooperatives. We do not currently negotiate purchase arrangements with suppliers for the benefit of franchisees but we may do so in the future.

Except as disclosed above, neither we nor our affiliate receive any revenue or other material consideration from your required purchases or leases.

Other than our trademarked material and proprietary software described above, there are no approved suppliers in which any of our officers owns an interest.

We restrict, designate, and have the right to approve, or control all of your electronic, digital, social media, and Internet activity. You shall not establish a web site on the Internet using any domain name containing the word N ZONE SPORTS or any variation of our current or future Marks. You may not create, maintain or operate any blogs, Internet web sites or other online activities advertising,

promoting or discussing the services of the N ZONE SPORTS® Business, any competitive business or any other youth sports program and/or camp-related business, including the sending of bulk e-mail or facsimiles, other than in accordance with our Manuals or as we otherwise specify in writing. You shall, within 48 hours of a demand to do so by us, dismantle and/or deactivate any frames and/or links between your web pages and any other web sites or violating domains or any other items appearing on the Internet or elsewhere in violation of our policies and procedures. We may require that you utilize e-commerce products or services designated by us.

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.

| Obligation | Section in Franchise Agreement | Item in Disclosure Document |
|---|--------------------------------|-----------------------------|
| (a) Site selection and acquisition/lease | Not applicable | Item 12 |
| (b) Pre-opening purchases/leases | Section 1 | Items 5, 6, 7, 8, 11 and 16 |
| (c) Site development and other pre-opening requirements | Section 7 | Items 6, 7 and 11 |
| (d) Initial and ongoing training | Section 4 | Item 11 |
| (e) Opening | Sections 4 and 13 | Item 11 |
| (f) Fees | Sections 1, 2, 5 and 15 | Items 5, 6 and 7 |
| (g) Compliance with standards and policies/Operating Manual | Sections 6 and 7 | Item 11 |
| (h) Trademarks and proprietary information | Sections 7, 8 and 18 | Items 13 and 14 |
| (i) Restrictions on products/services offered | Sections 6 and 7 | Item 16 |
| (j) Warranty and customer service requirements | Not applicable | Not applicable |
| (k) Territorial development and sales quotas | Not applicable | Not applicable |
| (l) On-going product/service purchases | Sections 6 and 7 | Item 8 |
| (m) Maintenance, appearance and remodeling requirements | Not applicable | Not applicable |
| (n) Insurance | Section 6 | Item 7 |
| (o) Advertising | Sections 6 and 7 | Items 6, 7 and 11 |
| (p) Indemnification | Section 6 | Item 6 |
| (q) Owner's participation/management/staffing | Section 8 | Items 11 and 15 |
| (r) Records and reports | Sections 7 and 16 | Item 11 |
| (s) Inspections and audits | Sections 7 and 16 | Not applicable |

| Obligation | Section in Franchise Agreement | Item in Disclosure Document |
|----------------------------------|--------------------------------|-----------------------------|
| (t) Transfer | Sections 5, 14 and 15 | Items 6 and 17 |
| (u) Renewal | Sections 5 and 9 | Items 6 and 17 |
| (v) Post-termination obligations | Section 14 | Item 17 |
| (w) Non-competition covenants | Sections 8 and 14 | Item 17 |
| (x) Dispute resolution | Sections 19 and 21 | Item 17 |

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Obligations: Before you open the N ZONE SPORTS® Business, we will:

1. Provide you with the Franchise Package. (Franchise Agreement – Section 1)
2. Loan you one copy of each of our Manuals (Franchisee Manual, Marketing Plan). (Franchise Agreement - Section 7)
3. Train you and 1 other person (or if you are a Business Entity, up to 2 of your owners). (Franchise Agreement - Section 4) This training is described in detail later in this Item.

Post-Opening Obligations: During your operation of the N ZONE SPORTS® Business, we will:

1. Provide unlimited telephone support during business hours. (Franchise Agreement - Section 4)
2. Hold conference calls to discuss sales techniques, bookkeeping, performance standards and advertising programs. (Franchise Agreement – Section 4)
3. Loan you one copy of each of our Manuals (Franchisee Manual, Marketing Plan) consisting of such materials (which may include audiotapes, videotapes, magnetic media, computer software and written materials) that we generally furnish to franchisees for use in operating N ZONE SPORTS® Businesses. The Manuals contain mandatory and suggested specifications, standards, operating procedures and rules (“**System Standards**”) that we prescribe from time to time for operation of an N ZONE SPORTS® Business and information relating to your other obligations under the Franchise Agreement and related agreements. The Manuals may be modified, updated and revised periodically to reflect changes in System Standards. (Franchise Agreement - Section 7)
4. Issue, modify and supplement System Standards for N ZONE SPORTS® businesses. We may periodically modify System Standards, which may accommodate regional or local variations as we determine, and these modifications may obligate you to invest additional capital in the N ZONE

SPORTS® Business and/or incur higher operating costs. However, these modifications will not alter your fundamental status and rights under the Franchise Agreement. (Franchise Agreement -Section 7)

Advertising Fund.

We have established and administer an Advertising Fund for the creation and development of marketing, advertising and related programs and materials on a system-wide basis. You must contribute 2% of your Gross Sales or \$50.00 a month, whichever is greater, to the Advertising Fund. The advertising fee is non-refundable. (Franchise Agreement Section 5(b)) (See Items 6, 7 and 9) The Advertising Fund is administered by our Officers. As the N ZONE SPORTS franchise system expands, we may create an advertising council.

The Advertising Fund will prepare income and expense statements at least once each calendar quarter, and at such time as is practical, the entire Fund will be audited annually. Income and expense statements and audit results, as prepared, are available to any franchisee upon written request. Excess funds not spent in any given fiscal year will be carried forward to the next fiscal year. Although once established the Fund is intended to remain in existence, we reserve the right to terminate the Fund only after all monies have been spent for advertising and promotion.

The Advertising Fund will develop and place advertising for the N ZONE SPORTS® system; decide whether to use advertising agencies and which ones; and to decide which media to use, which may include print, radio, television, or direct mail. It may also include further development of a national web site. You are prohibited from producing any website for use with the Franchised Business unless specific written permission is given by us. You shall promote only the main corporate website which is currently www.NZONESPORTS.com. We restrict, designate, and have the right to approve or control all of your e-commerce, social media, electronic media and Internet activities, if any.

All franchisees contribute to the Advertising Fund on the same basis, and the expenditure of funds will be limited to advertising, promoting and marketing the goods and services offered by the N ZONE SPORTS® system. Franchisees who are not yet contributing to the Advertising Fund may be excluded from receiving benefits from the activities of the Advertising Funds. Except incidentally, no portion of the Advertising Funds will be used to sell franchises. We receive reimbursement from the Fund for our advertising related administrative costs, indirect expenses and subsidizing costs. The Advertising Fund's operating rules and guidelines will be determined by our Officers. We will spend funds to benefit the N ZONE SPORTS® Franchise System. This does not mean, however, that expenditures in your territory will be equivalent or proportionate to your contribution. We may place additional regional or national advertising at our own expense, but are not obligated to do so.

You may also develop and use your own advertising materials but samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted for our approval before you use them. If you do not receive written approval within 30 days after we receive the materials, we will be deemed to have approved your request. You may not use any advertising, promotional or marketing materials that we have disapproved.

We do not have the power to require cooperatives to be formed, changed, dissolved or merged.

We restrict, designate, and have the right to approve, or control all of your electronic and social media, including Internet. See Item 8. (Franchise Agreement - Section 6(l))

You must maintain an active dedicated telephone line in connection with the operation of your NZONE SPORTS ® Business. You may have as many telephone numbers and telephone directory listings for your NZONE SPORTS Franchised Business as you choose. You agree that upon termination, transfer, or expiration of the franchise, you must immediately assign to us any interest that you may have in the telephone numbers and telephone listings used by you in connection with the operation of the NZONE SPORTS® Business. You shall promptly transfer all telephone calls by call-forwarding to us or to such other party or entity as we shall direct; to execute any such instruments and take such actions as

we may deem necessary to affect such transfer and call-forwarding of telephone calls. You acknowledge that this Agreement shall be conclusive evidence of NZONE SPORTS' rights to such telephone numbers and directory listings and its authority to direct this transfer. You will be responsible for payment in full of all amounts due and owing in connection with your telephone numbers and telephone directory listing accounts through the date of termination, expiration, repurchase or transfer of the Franchised Business; including any advertising accounts associated telephone numbers, directory listings, and internet advertising for your NZONE SPORTS Franchised Business. (Franchise Agreement – Section 10)

You agree that upon termination, transfer, or expiration of this Agreement, you will immediately remove all advertising that you control and notify all advertising sources that your advertising must be removed and/or canceled immediately. For advertising that cannot be immediately canceled, you are responsible for any and all costs related to such advertising until such time as it can be canceled or it expires.

Advertising Requirement.

You agree to spend a minimum of \$3000.00 every 3 months on local paid advertising. For larger territories (over 100,000 population), we recommend spending and additional \$1500.00 for every 50,000 population within your territory. (Franchise Agreement - Section 5(c))

Hardware and Software Requirements.

You are required to have a computer. You must purchase or lease a computer if you do not have a computer which meets the following specifications. Currently we do not require our franchisee to use any specific brand of computer hardware as long as it is PC based using a minimum of the Windows XP platform. The cost of a computer varies widely but we estimate you may purchase a computer for between \$500 and \$1,000. You are required to have Microsoft Word, Microsoft Excel, Microsoft Outlook, QuickBooks Pro (2009 or above), and Internet Explorer on this PC in order to access our website. You may purchase the hardware and software from any source. The computer is not proprietary and does not require a maintenance, support or service contracts. You are responsible for purchasing and arranging delivery of this equipment with the vendor. The PC system manages your sales activities and general business operations.

You may be required to use our scheduling and management software that will assist you with your day-to-day business operations. (Franchise Agreement - Section 5(d)) This proprietary software will streamline processes in four major areas: players and coaches management, scheduling, billing, and payroll. The management aspect of the software will allow you to manage contact information, schedules, sports, fields, and standings, etc. schedules and personality types. You will be charged a monthly fee to utilize the software, which will not exceed \$50 per month. At this time we do not collect this fee but can do so with 60 days written notice.

Although not required, we do highly recommend a broadband connection for your computer. We reserve the right to require you, at your expense and in the time frame determined by us, to update or upgrade the hardware and/or software you use to conform to new standards or specifications and we have no limitations on our ability to do so. We have no history on which to base an estimate of your hardware and software update and upgrade costs, if any. However, we do not request the right to remotely access information and data maintained on the computer system.

Time To Opening.

We estimate that there will be an interval of 30 days between the signing of the Franchise Agreement and the opening of the NZONE SPORTS® Business, but the interval may vary based upon such factors as, the delivery schedule for the initial Franchise Package, delays in securing financing arrangements and completing training and your compliance with local laws and regulations. You may not open the NZONE SPORTS® Business for business until: (1) our pre-opening training has been completed to our satisfaction; (2) the initial Franchise Fee and all other amounts then due to us have been

paid, and (3) you submit proof of insurance in the amounts required under the Franchise Agreement. (Franchise Agreement - Section 6(a))

Training.

You must attend and successfully complete to our satisfaction the initial training program that we provide to franchisees (the “**Initial Training**”). We may extend the Initial Training for anyone who fails to successfully complete the program, until training is successfully completed. Your manager, if any, may attend training but must sign a confidentiality agreement and non-competition agreement prior to attendance. The Initial Training lasts for approximately 2 days and is presently conducted at our headquarters in Tampa, Florida, by telephone or at another mutually agreed upon location. Successful completion consists of attending the 2 day training program outlined below. Training programs are scheduled and run as needed. Your training will be scheduled so that is completed at least seven days before you open for business. You may not open your business until you have completed on-site and mandatory pre-launch training. There is no charge for the Initial Training of up to two persons. You are responsible for your compensation, travel, lodging and living expenses incurred in connection with your attendance at any training program. Any person attending training is required to execute our current confidentiality agreement (if not named on the Franchise Agreement). (Franchise Agreement - Section 4) Currently our Initial Training consists of the following:

TRAINING PROGRAM

| Subject | Hours of Classroom Training | Hours of On The Job Training | Location |
|--------------------------------------|------------------------------------|-------------------------------------|-----------------|
| Introduction to N ZONE SPORTS® | 2 | N/A | Tampa, FL |
| N ZONE SPORTS® Youth Sports Programs | 1.5 | N/A | Tampa, FL |
| Coaches, Players and Parents | 2 | N/A | Tampa, FL |
| Advertising and Marketing | 2 | N/A | Tampa, FL |
| Venue Selection | 1 | N/A | Tampa, FL |
| Website Operations | 2 | N/A | Tampa, FL |
| Miscellaneous | 1.5 | N/A | Tampa, FL |
| TOTAL | 12 Hours | | |

1. It is the nature of the N ZONE SPORTS® Business that all aspects of training are integrated, that is, there are no definitive starting and stopping times.

2. Although the individuals instructing the training may vary, all of our instructors have at least three years of relevant work experience in their designated subject area as well as four months of experience with us. In addition, we conduct optional training programs and conference. If you participate you must pay the costs and expenses for yourself and anyone attending with you. We may charge for optional training programs. We do not require you to attend additional training or refresher courses.

Following the initial phase of in-person training, you will be assigned to a dedicated support specialist from our corporate office to assist you in completing two additional phases of pre-opening training. This assistance includes but is not limited to rate setting, establishing an advertising and marketing campaign, coach recruitment and staffing, concessionaire services and marketing, role playing

and setting up back office functions. Following successful completion of these training modules, you will be granted approval to market and accept players. During this phase, you will submit applicable documentation to your dedicated support specialist to confirm that you are operating within our System Standards and meeting expectations for all N ZONE SPORTS® franchisees.

Operations Manual.

The table of contents of our Manual is specified in Exhibit "D." (Franchise Agreement - Section 7)

Site Selection.

You may operate your Franchised Business from your home or, at your option you may lease commercial office space from which to operate your Franchised Business. If you choose to operate your Franchised Business from a location, other than your home, we do not provide you with site selection criteria and you are not required to obtain our approval. See Item 12.

ITEM 12 TERRITORY

The franchise is granted for a specific territory consisting of a population of 100,000 to not more than 250,000 (the "**Territory**"). See Item 5. As long as you are in compliance with the Franchise Agreement, we will not grant a franchise for, nor ourselves operate, solicit nor accept sales for an N ZONE SPORTS® business within your Territory. Except when advertising cooperatively with other N ZONE SPORTS® franchisees, you are not permitted to advertise, market, promote or solicit services anywhere outside of your Territory without our written permission. You may relocate your business within your Territory at anytime without our permission.

You may operate your N ZONE SPORTS® business office from a commercial site however you are not permitted to perform any services from your business office or any retail or commercial site without our written permission, which we can withhold at our sole discretion.

You are not permitted to operate a business office or perform services at any location that is situated outside of your Territory. If we grant you permission, you must enter into a written agreement with us which addresses specific terms, policies and procedures. (See Rider A to the Franchise Agreement).

Other than your right to operate the N ZONE SPORTS® Business in your Territory, we do not grant you any territorial or other rights. We may establish other N ZONE SPORTS® businesses (franchised or owned by us) anywhere outside of the Territory that may compete with your location. 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 that we control.

You have no right to acquire additional territory within your Market or contiguous territories; however, additional territories may be purchased with the approval of our Executive Committee.

You may not use alternative distribution channels to make sales outside or inside your Territory. You will receive no compensation for our sales through alternative distribution channels outside or inside your territory, including any federal program.

There is no minimum sales quota. You maintain your rights to your area as long as you abide by your Franchise Agreement. We may not alter your Territory without your consent.

Rights We Retain: Nevertheless, we retain the right, on behalf of ourselves or through affiliates, in our discretion, and without granting any rights to you, to:

(a) solicit prospective franchisees and grant franchises or other rights to operate N ZONE SPORTS® businesses through national or regional advertising, trade shows or conventions or through e-commerce or similar means (franchises will not be granted to operate within your Territory);

(b) sell and provide products authorized for sale by N ZONE SPORTS® businesses under the Marks or other trade names, trademarks, service marks and commercial symbols through dissimilar channels (like telephone, mail order, kiosk, co-branded sites and sites located within other retail businesses, Intranet, Internet, web sites, wireless, email or other forms of e-commerce) for distribution within and outside of your Territory and pursuant to such terms and conditions as we consider appropriate;

(c) solicit, prospective franchisees for, and own and operate, businesses and N ZONE SPORTS® businesses or any businesses of any other kind or nature, anywhere;

(d) conduct or assign any N ZONE SPORTS® business within your Territory that you refuse to perform or offer or while you are in default of your Franchise Agreement.

ITEM 13 TRADEMARKS

Primary Trademark.

We grant you the non-exclusive right and obligation to use certain trademarks, service marks and other commercial symbols in operating your N ZONE SPORTS® Business. The primary trademarks we use are the “NZONE SPORTS® stylized,” “NZONE SPORTS®” and associated trade names, logos, symbols, and associated designs and trade dress, URLs, domain names, website addresses, email addresses, digital cellular addresses, wireless web addresses and the like used to identify your N ZONE SPORTS® Franchised Business (the “Marks”).

Trademark Registration.

We have filed the following Marks with the United States Patent and Trademark Office (the “USPTO”) and the Florida Department of State (“Florida”) as indicated:

| Mark | Application No. | Application Date | Place of Application |
|------------------------|-----------------|------------------|-----------------------------|
| N ZONE SPORTS Stylized | 85,274,228 | March 23, 2011 | Principal Register of USPTO |
| N ZONE SPORTS | 85,274,219 | March 23, 2011 | Principal Register of USPTO |
| N ZONE SPORTS | T11000000456 | May 5, 2011 | Florida |

In view of the pending federal applications for registration, we have not, and do not intend to, pursue any additional state registrations, in this or any other state. By not having a Principal Register federal registration on the Mark, we do not have as many legal benefits and rights as a federally registered trademark. If our right to use the Mark is challenged you may have to change to an alternative trademark which may increase your expenses.

There are no agreements currently in effect which significantly limit our rights to use or license the use of our Marks in a manner material to the franchise. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringements, opposition or cancellation proceedings, or material litigation involving the Marks. All required affidavits have been filed with the USPTO.

Use of the Marks.

You must follow our rules when you use the Marks. You cannot use any Mark as part of your corporate or legal business name or with modifying words, designs or symbols (except for those we license to you). You cannot use any Mark in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing.

Infringements.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and you may not communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim and cooperate with us fully in pursuing, defending or settling the litigation. We have no affirmative obligation to preserve and protect the ownership and validity of our trademarks. However, we will take all steps that we deem reasonably appropriate. We have sole discretion to take such action as we deem appropriate and the right to control exclusively any litigation, USPTO proceeding or any other administrative proceeding arising from such infringement, challenge or claim or otherwise relating to any Mark licensed by us to you. You must sign any instruments and documents, provide such assistance and take any action that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain our interests in the Marks. We will have no obligation to defend or indemnify you for your expenses or damages if the claim against you relates to your use of the trademarks in violation of the Franchise Agreement.

Changes to the Mark.

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

Other than as described above, we do not actually know of either superior prior rights or infringing uses that could materially affect your use of our principal trademarks in any state.

Because your telephone listings will be associated with our Marks, we will own all rights to the telephone listings, and all goodwill generated from the use of the telephone listings will be to our benefit. See Items 9 and 11.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents nor pending patent applications that are material to the franchise.

We claim copyrights in the Manuals, advertising materials and related items used in operating the Franchise. These copyrights have not been registered with the United States Registrar of Copyrights.

The Manual, which is described in Item 11, and other materials we possess contain our confidential information. This information includes site selection criteria; methods, formats, specifications, standards, systems, procedures and sales and marketing techniques used, and knowledge of, and experience in, developing and operating N ZONE SPORTS® Businesses; marketing and advertising programs for N ZONE SPORTS® Businesses; knowledge of specifications for and suppliers of certain fixtures, furnishings, equipment, products, materials and supplies; and knowledge of the

operating results and financial performance of N ZONE SPORTS® Businesses other than your N ZONE SPORTS® Business.

You may not use our confidential information in an unauthorized manner and must take reasonable steps to prevent its disclosure to others. We require your managers and trainees who are not a party to the Franchise Agreement to sign a confidentiality and non-competition agreement, in a form acceptable to us and as further described in Item 15.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. Nor are there any agreements currently in effect which significantly limit our right to use or authorize franchisees to use the copyrighted materials. Furthermore, there are no infringing uses actually known to us which could materially affect a franchisee's use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights or confidential information, although we intend to do so when this action is in the best interests of the N ZONE SPORTS® Business System.

ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must at all times faithfully, honestly and diligently perform your obligations under the Franchise Agreement, continuously exert your full time and best efforts to promote, enhance and encourage patronage of all N ZONE SPORTS® businesses and not engage in any other business or activity that conflicts with your obligations to operate the N ZONE SPORTS® Business in compliance with the Franchise Agreement. You (or your owners/manager) are obligated to participate personally in the direct operation of the N ZONE SPORTS® Business. If you do hire a manager, that manager is not required to have an equity interest in the Franchise nor attend training. However, that manager cannot have an interest or business relationship with any competing business. The criteria required for managers is provided in our Operations Manual and we reserve the right to disapprove a manager at any time if we reasonably believe that our criteria is not being met. The manager is required to attend and complete training to our satisfaction within 30 days of hire. It will be our choice whether to train the manager by telephone or by other comparable method. There will be a \$250.00 charge for each manager's training. Managers must sign a written agreement (acceptable to us) to maintain confidentiality of our proprietary rights and confidential information prior to the release of any confidential information. The agreement must also contain non-competition provisions (acceptable to us). We must receive a copy of this signed written agreement within 48 hours of the manager's hire.

You will be required to conduct background checks on coaches, referees and any staff who has contact with children. We must receive a copy of this report within 48 hours of the person's hire. Any person attending training is required to execute a confidentiality and non-competition agreement (acceptable to us) if they are not a party to the Franchise Agreement prior to attending training. We do not require you or your spouse to sign a personal guaranty.

You must have any and all persons, who are not a party to the Franchise Agreement, which you authorize to contact us on your behalf, or who will have access to confidential information, sign a written agreement (acceptable to us) to maintain confidentiality of our proprietary rights and confidential information prior to the release of any confidential information. The agreement must also contain non-competition provisions (acceptable to us). We must receive a copy of this signed written agreement within 3 days of the person's hire.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale all products, and perform all services, that we require from time to time for N ZONE SPORTS® Businesses. You may not offer for sale any products or perform any services that we have not authorized. Our System Standards may regulate required or authorized products, services and supplies. We have the right to change the types of required and/or authorized goods and services from time to time. There are no limits on our right to do so. You are specifically limited to provide services to customers who are located in your Territory.

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

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise 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 | Section 9 | 7 Years. |
| (b) Renewal or extension of the term | Section 9 | Automatically Renews. |
| (c) Requirements for franchisee to renew or extend | Section 9 | You must be in full compliance with your Franchise Agreement, complete any training we require, and you must sign our then-current form of franchise agreement which may contain materially different terms and conditions than your original Agreement including territory and royalties, sign a general release and pay the applicable fee. |
| (d) Termination by franchisee | Section 13 | If we approved your written request, you must be in full compliance with your Franchise Agreement, sign a general release and pay the applicable fee. |
| (e) Termination by franchisor without cause | Not Applicable | Not Applicable |
| (f) Termination by franchisor with cause | Section 13 | We can terminate only if you commit one of several violations. |
| (g) "Cause" defined – curable defaults | Section 13 | Failure to report gross income or file reports when due, failure to complete training, failure to open franchise, material breach of the Franchise Agreement, or failure to comply with the System Standards or Policies/Procedures. |
| (h) "Cause" defined – non-curable defaults | Section 13 | Monetary defaults, abandonment for 30 days, violation of confidentiality, failure to cure a default within 30 days of notice, interference/disruption of our or other franchisee's business, misuse of the Marks, unauthorized transfer, bankruptcy, creditors attach or foreclose business property, conviction or "no contest" plea to a felony. |
| (i) Franchisee's obligations on termination/nonrenewal | Section 14 | Obligations include payment of outstanding amounts, complete de-identification, pay advertising and telephone obligations, removal of advertising and return of confidential information (also see r below). |

| PROVISION | SECTION IN FRANCHISE AGREEMENT | SUMMARY |
|--|--------------------------------|---|
| (j) Assignment of contract by franchisor | Section 15 | No restrictions on our right to assign the Franchise Agreement. |
| (k) "Transfer" by franchisee-definition | Section 15 | Your (or your owners') voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) the Franchise ; (b) you or (c) the N ZONE SPORTS® Business |
| (l) Franchisor's approval of transfer by franchisee | Section 15 | We have the right to approve all transfers. |
| (m) Conditions for franchisor's approval of transfer | Section 15 | Assumption of your obligations by transferee, and the training and transfer fees are paid. Transferee must qualify and must sign our then current franchise agreement, which may contain material changes. |
| (n) Franchisor's right of first refusal to acquire franchisee's business | Section 15 | We can match the terms of any attempted transfer for a period of 14 days after receipt of notice of such proposed transfer. |
| (o) Franchisor's option to purchase franchisee's business | Not Applicable | Not Applicable |
| (p) Death or disability of franchisee | Section 17 | We can terminate Franchise Agreement unless we approve a transferee. |
| (q) Non-competition covenants during the term of the franchise | Section 8 | No involvement in a similar business. |
| (r) Non-competition covenants after the franchise is terminated or expires | Section 14 | No solicitation, recruitment or hiring of players, coaches or referees of your N ZONE SPORTS® Business, any other N ZONE SPORTS® businesses or any other current or former N ZONE SPORTS® franchisees for a period of 2 years. No involvement in a similar business for a period of 2 years. |
| (s) Modification of the agreement | Section 23 | No modifications except by written agreement, but Manual and System Standards are subject to change |
| (t) Integration/merger clause | Section 20 | Only the terms of the Franchise Agreement, Exhibits and all Agreements signed with it are enforceable (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the Franchisor's representations made in this Disclosure Document. |
| (u) Dispute resolution by arbitration or mediation | Section 19 | Except for certain claims, all disputes must be arbitrated at the office of the American Arbitration Association closest to our headquarters. |

| PROVISION | SECTION IN FRANCHISE AGREEMENT | SUMMARY |
|---------------------|--------------------------------|---|
| (v) Choice of forum | Section 21 | Jurisdiction is in the Federal or state court in the county in which our principal office is located. |
| (w) Choice of law | Section 21 | Florida. |

The provision in the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

See any state-specific riders or addenda to the Franchise Agreement and this Disclosure Document for special state disclosures.

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The 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 that 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.

The following table is a financial performance representation based on historical financial performance representation of franchised units which that have been operating for a full year, under the same owner.

As of fiscal year end 2011, of our five Franchised Businesses, we are presenting Gross Sales on one Franchised Business that has been operating for two full years, under the same owner. In this Item, because business maturation can take up to two years, we are reporting only on those businesses open two years or more and which provided verifiable Gross Sales numbers for the reporting period.

The Franchised Business presented below does not differ materially from the franchises now being offered. The Summerfield Franchise has completed at least two full year of business. The business was operated on a part-time basis but is now being operated at a full time capacity. Four sports were offered, flag football, soccer, basketball and cheerleading. Spring and fall seasons were held for soccer, flag football and cheerleading. A winter and summer basketball program was added and a total of three camps were held for flag football and soccer.

A second venue has been added, Big Bend Methodist Church, which operates flag football, soccer and cheerleading leagues in the spring and fall seasons.

Summerfield Franchised Business Gross Sales for 2011 was \$148,580.73

The above figure (reflecting Gross Sales, not profits) was calculated based upon information reported to us by our franchisee in their royalty reports. The above figure has not been audited by us. The above figure does not reflect the costs of sales, operating expenses or other costs and expenses that must be deducted from the Gross Sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business.

Actual results vary from franchise to franchise, and we cannot estimate the results of any particular franchised business.

The Franchised Business included in the above calculations is a mature business, in operation for two full years of business; accordingly, a new franchisee's individual Gross Sales and financial results are likely to differ from the results stated above. Further, your Gross Sales and your financial results will depend upon, among other things, factors such as local and national economic conditions; how much you follow our methods and procedures; your sales skills; your management skill, experience and business acumen; whether you personally manage your Franchised Business or hire a manager; the region in which your Franchised Business is located; the competition in your local market; the prevailing wage rate; and the sales level reached during the initial period.

Your analysis of an N ZONE SPORTS franchised business should include estimates of expenses for all applicable items: salaries, your own salary, phone/fax charges, travel, insurance, and the cost of supplies, marketing, accounting fees, franchise fees, taxes and other miscellaneous expenses. All of these items are based largely on factors within your control, for which you can obtain information through your own research. Since these amounts are to a great degree a matter of personal preference, we have not included estimates for these items, and you should make appropriate assumptions. However, you should also be aware that the expense items listed in this Disclosure Document are by no means exhaustive. There are likely to be additional expenses that we have not listed, some of which may be unique to your market or situation.

Substantiation of the data used in preparing the financial performance representations will be made available to you in writing upon reasonable request.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

SYSTEM OUTLET SUMMARY For Years 2009 to 2011

| Column 1 Outlet Type | Column 2 Year | Column 3 Outlets at the Start of the Year | Column 4 Outlets at the End of The Year | Column 5 Net Change |
|-------------------------|------------------|---|---|------------------------|
| Franchised | 2009 | 0 | 0 | 0 |
| | 2010 | 0 | 2 | +2 |
| | 2011 | 2 | 5 | +3 |
| Company-Owned | 2009 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 |
| Total Outlets | 2009 | 0 | 0 | 0 |
| | 2010 | 0 | 2 | +2 |
| | 2011 | 2 | 5 | +3 |

Table No. 2

**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
For years 2009 to 2011**

| Column 1 | Column 2 | Column 3 |
|-------------|----------|---------------------|
| State | Year | Number of Transfers |
| Alabama | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Alaska | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Arizona | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Arkansas | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| California | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Canada | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Colorado | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Connecticut | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Delaware | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Florida | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Georgia | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Hawaii | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Idaho | 2009 | 0 |

| Column 1 | Column 2 | Column 3 |
|---------------|----------|---------------------|
| State | Year | Number of Transfers |
| | 2010 | 0 |
| | 2011 | 0 |
| | | |
| Illinois | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| | | |
| Indiana | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| | | |
| Iowa | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| | | |
| Kansas | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| | | |
| Kentucky | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| | | |
| Louisiana | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| | | |
| Maine | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| | | |
| Maryland | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| | | |
| Massachusetts | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| | | |
| Michigan | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| | | |
| Minnesota | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| | | |
| Mississippi | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| | | |
| Missouri | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| | | |
| Montana | 2009 | 0 |

| Column 1 | Column 2 | Column 3 |
|----------------|----------|---------------------|
| State | Year | Number of Transfers |
| | 2010 | 0 |
| | 2011 | 0 |
| Nebraska | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Nevada | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| New Hampshire | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| New Jersey | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| New Mexico | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| New York | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| North Carolina | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| North Dakota | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Ohio | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Oklahoma | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Oregon | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Pennsylvania | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Puerto Rico | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Rhode Island | 2009 | 0 |

| Column 1 | Column 2 | Column 3 |
|----------------------|----------|---------------------|
| State | Year | Number of Transfers |
| | 2010 | 0 |
| | 2011 | 0 |
| South Carolina | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| South Dakota | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Tennessee | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Texas | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Utah | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Vermont | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Virginia | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Washington | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| West Virginia | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Wisconsin | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Wyoming | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| District of Columbia | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |
| Totals | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |

Table No. 3

**STATUS OF FRANCHISED OUTLETS
For Years 2009 to 2011**

| Col. 1 State | Col. 2 Year | Col. 3 Outlets at Start of Year | Col. 4 Outlets Opened | Col. 5 Terminations | Col. 6 Non- Renewals | Col. 7 Reacquired By Franchisor | Col. 8 Ceased Operations - Other Reasons | Col. 9 Outlets at the End of the Year |
|-----------------|----------------|---|-----------------------------|------------------------|----------------------------|--|--|--|
| Alabama | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Alaska | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Arizona | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Arkansas | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| California | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Canada | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Colorado | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Connecticut | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Delaware | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Florida | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2011 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Georgia | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hawaii | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Col. 1 State | Col. 2 Year | Col. 3 Outlets at Start of Year | Col. 4 Outlets Opened | Col. 5 Terminations | Col. 6 Non- Renewals | Col. 7 Reacquired By Franchisor | Col. 8 Ceased Operations - Other Reasons | Col. 9 Outlets at the End of the Year |
|-----------------|----------------|---|-----------------------------|------------------------|----------------------------|--|--|--|
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Idaho | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Illinois | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Indiana | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Iowa | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Kansas | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Kentucky | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Louisiana | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maine | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maryland | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Massachusetts | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Michigan | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Minnesota | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mississippi | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Col. 1 State | Col. 2 Year | Col. 3 Outlets at Start of Year | Col. 4 Outlets Opened | Col. 5 Terminations | Col. 6 Non- Renewals | Col. 7 Reacquired By Franchisor | Col. 8 Ceased Operations - Other Reasons | Col. 9 Outlets at the End of the Year |
|-----------------|----------------|---|-----------------------------|------------------------|----------------------------|--|--|--|
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Missouri | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Montana | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Nebraska | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Nevada | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Hampshire | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Jersey | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Mexico | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New York | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| North Carolina | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| North Dakota | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ohio | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Oklahoma | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Col. 1 State | Col. 2 Year | Col. 3 Outlets at Start of Year | Col. 4 Outlets Opened | Col. 5 Terminations | Col. 6 Non- Renewals | Col. 7 Reacquired By Franchisor | Col. 8 Ceased Operations - Other Reasons | Col. 9 Outlets at the End of the Year |
|-----------------|----------------|---|-----------------------------|------------------------|----------------------------|--|--|--|
| Oregon | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pennsylvania | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Puerto Rico | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rhode Island | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| South Carolina | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| South Dakota | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tennessee | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Texas | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utah | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vermont | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Virginia | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Washington | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| West Virginia | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Col. 1 State | Col. 2 Year | Col. 3 Outlets at Start of Year | Col. 4 Outlets Opened | Col. 5 Terminations | Col. 6 Non- Renewals | Col. 7 Reacquired By Franchisor | Col. 8 Ceased Operations - Other Reasons | Col. 9 Outlets at the End of the Year |
|-------------------------|----------------|---|-----------------------------|------------------------|----------------------------|--|--|--|
| Wisconsin | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wyoming | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| District of Columbia | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2011 | 2 | 3 | 0 | 0 | 0 | 0 | 5 |

Table No. 4

**STATUS OF COMPANY-OWNED OUTLETS
For Years 2009 to 2011**

| State | Year | Outlets at Start of the Year | Outlets Opened | Outlets Reacquired From Franchisees | Outlets Closed | Outlets Sold to Franchisees | Outlets at End of the Year |
|--------|------|------------------------------|----------------|-------------------------------------|----------------|-----------------------------|----------------------------|
| All | 2009 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 |
| Totals | 2009 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 |

Table No. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2011

| Column 1 State | Column 2 Franchise Agreements Signed But Outlet Not Opened | Column 3 Projected New Franchised Outlets in Next Fiscal Year | Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year |
|-------------------|---|--|---|
| Alabama | 0 | 0 | 0 |
| Alaska | 0 | 0 | 0 |
| Arizona | 0 | 1 | 0 |
| Arkansas | 0 | 0 | 0 |
| California | 0 | 2 | 0 |
| Canada | 0 | 0 | 0 |
| Colorado | 0 | 1 | 0 |
| Connecticut | 0 | 0 | 0 |
| Delaware | 0 | 1 | 0 |
| Florida | 0 | 2 | 0 |
| Georgia | 0 | 1 | 0 |
| Hawaii | 0 | 0 | 0 |
| Idaho | 0 | 0 | 0 |
| Illinois | 0 | 0 | 0 |
| Indiana | 0 | 1 | 0 |
| Iowa | 0 | 1 | 0 |
| Kansas | 0 | 0 | 0 |
| Kentucky | 0 | 1 | 0 |
| Louisiana | 0 | 0 | 0 |
| Maine | 0 | 0 | 0 |
| Maryland | 0 | 0 | 0 |
| Massachusetts | 0 | 1 | 0 |

| Column 1 State | Column 2 Franchise Agreements Signed But Outlet Not Opened | Column 3 Projected New Franchised Outlets in Next Fiscal Year | Column 4 Projected New Company- Owned Outlets in the Next Fiscal Year |
|----------------------|---|--|--|
| Michigan | 0 | 1 | 0 |
| Minnesota | 0 | 0 | 0 |
| Mississippi | 0 | 0 | 0 |
| Missouri | 0 | 0 | 0 |
| Montana | 0 | 0 | 0 |
| Nebraska | 0 | 1 | 0 |
| Nevada | 0 | 1 | 0 |
| New Hampshire | 0 | 0 | 0 |
| New Jersey | 0 | 0 | 0 |
| New Mexico | 0 | 0 | 0 |
| New York | 0 | 0 | 0 |
| North Carolina | 0 | 0 | 0 |
| North Dakota | 0 | 0 | 0 |
| Ohio | 0 | 1 | 0 |
| Oklahoma | 0 | 0 | 0 |
| Oregon | 0 | 1 | 0 |
| Pennsylvania | 0 | 0 | 0 |
| Puerto Rico | 0 | 0 | 0 |
| Rhode Island | 0 | 0 | 0 |
| South Carolina | 0 | 1 | 0 |
| South Dakota | 0 | 0 | 0 |
| Tennessee | 0 | 0 | 0 |
| Texas | 0 | 1 | 0 |
| Utah | 0 | 0 | 0 |
| Vermont | 0 | 0 | 0 |
| Virginia | 0 | 0 | 0 |
| Washington | 0 | 0 | 0 |
| West Virginia | 0 | 0 | 0 |
| Wisconsin | 0 | 1 | 0 |
| Wyoming | 0 | 0 | 0 |
| District of Columbia | 0 | 0 | 0 |
| TOTALS | 0 | 20 | 0 |

The names of franchisees and the addresses and telephone numbers of their franchises are listed in Exhibit E. The name and last known address and telephone number of every franchisee who has had a unit terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or has not communicated with us within 10 weeks of the disclosure document issuance date also is listed in Exhibit F.

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

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with N ZONE SPORTS. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you. During the last three fiscal years, we have not signed confidentiality clauses with any current or former franchisees. However, our franchise agreements have confidentiality clauses which prevent current and former franchisees from disclosing proprietary, confidential and trade secret information regarding our system.

We have not created, sponsored or endorsed any trademark specific franchisee organization nor have any independent franchisee organizations asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Attached as Exhibit "B" are the following financial statements:

Our audited Balance Sheet, Income Statements, Statements of Changes in Stockholders' Equity, and Statements of Cash Flows for the periods ending December 31, 2011 and December 31, 2010. Our fiscal year ends December 31st.

We were formed on December 13, 2010. We have not been in business for three years or more and cannot provide all financial statements as required by this Item.

ITEM 22 CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

- (a) Franchise Agreement -- Exhibit C