Insured by The CIA

12/21/2012

Attn: Jeff Fischer
Re: Insurance Quotation for JT Fischer Enterprises

Dear Jeff

Cossio Insurance Agency would like to provide our insurance services for your business. We pride ourselves in our customer service and ability to provide coverage that other agencies cannot. We always try to find solutions instead of saying we cannot. This is a standard policy that runs for 12 months.

General Liability (Indoor Center)

Total premium for the General Liability (Indoor Center), including all taxes and fees is $3,550.00 *. This is quoted through NATIONWIDE MUTUAL INS. CO. to the following limits:

LIMITS

Each Occurrence	$1,000,000
General Agg (Other than Products-Completed Ops)	$5,000,000
Products and Completed Operations Aggregate	$1,000,000
Personal and Advertising Injury	$1,000,000
Legal Liability to Participants	$1,000,000
Hired and Non Owned Auto	$1,000,000
Damages to Premises Rented to You	$300,000
Participant Accident - Excess Medical	$10,000
Medical Expense (other than participants)	Excluded
Abuse Liability Each Occurrence or Event	Excluded
Sexual Abuse Liability Aggregate	Excluded

EXCLUSIONS

Exclusion – Nuclear Energy Liability
Exclusion – Expected or Intended Injury
Exclusion – Contractual Liability
Exclusion – Liquor Liability
Exclusion – Workers Compensation and Similar Laws
Exclusion – Employers Liability
Exclusion – Pollution and/or Pollution -Related
Exclusion – Aircraft, Auto or Watercraft
Exclusion – Mobile Equipment
Exclusion – War
Exclusion – Damage to Property
Exclusion – Damage to Your Product
Exclusion – Damage to Your Work

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Exclusion – Damage to Impaired Property or Property Not Physically Injured
Exclusion – Recall of Products, Work or Impaired Property
Exclusion – Personal and Advertising Injury
Exclusion – Electronic Data
Exclusion – Knowing Violation Of Rights Of Another
Exclusion – Material Published with Knowledge of Falsity
Exclusion – Material Published Prior to Policy Period
Exclusion – Criminal Acts
Exclusion – Breach of Contact
Exclusion – Quality or Performance of Goods – Failure to Conform to Statements
Exclusion – Wrong Description of Prices
Exclusion – Infringement of Copyright, Patent, Trademark or Trade Secret
Exclusion – Insureds in Media and Internet Type Business
Exclusion – Electronic Chatrooms or Bulletin Boards
Exclusion – Unauthorized Use of Another's Name or Product
Exclusion – Asbestos
Exclusion – Lead
Exclusion – Abuse, Molestation, Harassment or Sexual Conduct
Exclusion – Fireworks
Exclusion – Violation of Statutes that Govern Emails, Fax, Phone Calls or Other Methods of Sending Material or Information
Exclusion – Coverage C – Medical Payments
Exclusion – Employment Related Practices
Exclusion – Total Pollution with Hostile Fire Exception
Exclusion – Fungi or Bacteria
Exclusion – Liability Afforded Under Another Policy
Exclusion – Athletic or Sports Participants
Exclusion – Products-Completed Operations
Exclusion – Designated Products

CONDITIONS

- Coverage is non-auditable. A 12 month Income Statement may be required from you prior to your renewal term.
- All equipment is inspected, repaired, operated and maintained in accordance with the manufacturer's instruction.
- All personnel is sufficiently trained on all equipment and procedures.
- Waiver of right of recovery is included.
- Bodily injury definition is expanded to include mental anguish, mental injury, shock, fright, humiliation, emotional distress or death resulting from bodily injury, sickness or disease.
- Managers or Lessor of Premises is added as Additional Insured - As requested and endorsed.
- Owners and/or Lessors of Premises, Sponsors or Co-Promoters Blanket Additional Insured Form
- Designated Person or Organization - As requested and endorsed.
- Additional Insured-Owners/Lessor of leased Equipment - As requested and endorsed
- Coverage is Primary
- Minimum earned premium applies.
- Coverage includes expected or intended injury resulting from the use of reasonable force to protect persons or property.
- Non-owned watercraft - extended to 58 feet
- Supplementary payments - $2,500 bail bonds, $500 a day loss of earnings

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- Damage to Premises Rented to You - the term fire is replaced with fire, lightning, explosion, smoke and leaks from sprinklers

Additional coverage's included:
Emergency Real Estate Consultant Fee - $25,000
Identity Theft Exposure (for directors or officers) - $25,000
Key Individual Replacement Cost - $50,000
Lease Cancellation Moving Expense - $2,500
Temporary Meeting Place - $25,000
Terrorism Travel Reimbursement (for directors or officers) - $25,000
Workplace Violence Counseling - $25,000

Property

Total premium for the Property, including all taxes and fees is $580.00 *. This is quoted through NATIONWIDE MUTUAL INS. CO. to the following limits:

LIMITS

Building	Excluded
Business Personal Property	$100,000
Tenant Improvements & Betterments	Excluded
Business Income with Extra Expense	$100,000
Valuation	Replacement Cost
Coinsurance	80%
Causes of Loss	Special
Deductible	$500

EXCLUSIONS

Exclusion – Flood
Exclusion – Earthquake

Payment Options	Check	Credit Card	Wire Transfer
Min Down Payment	$1,332.50	$1,385.80	$1,357.50
Pay In Full	$4,130.00	N/A	$4,155.00

We can arrange premium financing if you cannot pay in full. If you choose to make a down payment, we also need the attached finance agreement signed for the remaining balance before we can bind coverage.

- **Quote is based on $315,000 gross sales**
- **Blanket Additional Insured included for Lessors of Premises, Sponsors or Co-Promoters**
- **Minimum earned premium applies. $1,332.50 is non-refundable once coverage begins**
- **Quote excludes abuse and molestation coverage. Coverage can be added for an additional premium and background checks on all employees are required.**
- **Our program will not offer coverage for Animals, Trampolines and Jacob Ladders. Please contact us before adding any new equipment or exposures.**

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THE FOLLOWING FORMS MUST BE RECEIVED WITH YOUR PAYMENT IN ORDER TO BIND:

1. **COMPLETED & SIGNED INSURANCE BIND REQUEST FORM (ATTACHED)**
2. **SIGNED & DATED FINANCE AGREEMENT (ATTACHED) IF YOU ARE NOT PAYING IN FULL.**
3. **SIGNED & DATED APPLICATION (ATTACHED)**
4. **SIGNED & DATED ABUSE EXCLUSION FORM (ATTACHED)**
5. **SIGNED & DATED MANDATORY SIGNATURE SUPPLEMENTAL FORM (ATTACHED)**

Please review the coverage(s) and premium(s) and let us know your decision. We look forward to working with you.

Respectfully

Larry Cossio

107 Old Laurens Rd. Simpsonville, SC 29681
Phone: 864-688-0121 Fax: 864-688-0138

INSURANCE BIND REQUEST

Friday, December 21, 2012

THE CIA
Cossio Insurance Agency

Phone: 864-688-0121
Fax: 864-688-0138

Customer: JT Fischer Enterprises (33083)
Requested Effective: 12/31/2012

Total premium with taxes and fees: $4,130.00

Broker of Record: Cossio Insurance Agency

Down Payment Required is $1,332.50 *
*Amount is non-refundable once coverage begins
Taxes and fees are fully earned.

Payment Terms:
____ Check
____ Credit Card (4% processing fee will be added)
____ Wire Transfer ($25 will be added for processing fee)

Balance Due $2,797.50

I would like Cossio to set up financing through Premium for me:

☐Yes ☐ No

I decline coverage for	Initials
Abuse and Molestation	_____
Accident Medical	_____
Commercial Auto	_____
Earthquake	_____
EPLI	_____
Flood	_____
Hired/Non-Owned Auto	_____
Property	_____
Umbrella	_____
Workers Comp	_____

I understand that:

1. All fees are fully earned upon binding. *Minimum earned premium applies. Initial _____

2. Requests for Additional Insured's or special wording may be subject to a fee determined by your insurance carrier. Initial ____

Please make Cossio Insurance Agency my broker of record for this policy.

Thank you

Signature of Insured _____

Printed Name _____ Date: _____

Please bind coverage for:
- General Liability (Indoor Center)
- Property

General Mailing Address:
PO Box 188
Simpsonville, SC 29681

Wire Transfer:
South Carolina Bank and Trust, NA
PO Box 1287
Orangeburg SC 29116
Telephone: 800-277-2175
Account #: 1502681
Routing #: 053200983

UPS/FedEx Mailing Address:
107 Old Laurens Road
Simpsonville, SC 29681

COSSIO INSURANCE AGENCY

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INDOOR INFLATABLE CENTER

APPLICATION

SUBMISSION REQUIREMENTS

1. Currently valued insurance company loss runs for the current policy period plus 3 prior years
2. Latest financial statement
3. Copy of waivers and releases where required
4. Copy of safety rules

GENERAL INFORMATION

1. Applicant Name: JT Fischer Enterprises — Effective 12/31/2012
2. Name of Facility: BounceU
3. Mailing Address: 3644 Boston Rd, Suite 130
   City: Lexington State: KY Zip: 40514
   Physical Address: 3644 Boston Rd, Suite 130
   City: Lexington State: KY Zip: 40514
4. Contact Person: Jeff Fischer Telephone: (859) 268-6238
   Contact E-Mail: jfischer@bounceu.com Web address: http://bounceu.com/party-places-for-kids/ken
5. Business Type: ☑ Corporation ☐ Partnership ☐ Individual ☐ Non-profit ☐ Government Entity ☐ Other
6. Year business was established? 2006 Number of years under present management 2008
7. FEIN:
7. Does the applicant have a safety manager on premises at all times the facility is open? If yes, provide name and contact information. ☑ Yes ☐ No
8. Does the applicant have a formal safety training program for Employees ☐ Yes ☑ No

PREMISES INFORMATION

1. Average Annual Attendance: Operating season: ALL YEAR to
   Annual Payroll: Number Of Employees full time: 0 Part time: Approx 2 0
   Sales / Receipts:
   a.) Amusements $ 315000
   b.) Food and beverage $ Describe:
   c.) Souvenirs / Novelties $ Describe:
   d.) Beer / Liquor $ NONE
   e.) Parking $ NONE

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PREMISES INFORMATION (continued)

A. General Information: (explain any yes answers in Remarks)

1) Any medical facilities provided or any employed physicians / nurses?	☐ Yes	☑ No
2) Any storage, treating, discharging, applying, disposing, or transporting hazardous materials?	☐ Yes	☑ No
3) Any operations sold, acquired or discontinued in the last five (5) years?	☐ Yes	☑ No
4) Machinery, equipment or attractions rented to others?	☐ Yes	☑ No
5) Any watercraft docks (not bumper boats), floats on premises?	☐ Yes	☑ No
6) Is there a swimming pool on premises?	☐ Yes	☑ No
7) Are all swimming pools and spas compliant with Virginia Graeme Baker Pool and Spa Safety Act? If no, provide time table and action plan:	☐ Yes	☐ No
8) Any special events scheduled throughout the year?	☐ Yes	☑ No
9) Does the Applicant lease or own the facility?	☐ Own	☑ Lease
If leased, provide a copy of leasing agreement. If leased, who is responsible for parking areas?	☑ Owner	☐ Insured
If leased, who is responsible for building maintenance?	☑ Owner	☐ Insured
10) Any structural alterations contemplated?	☐ Yes	☑ No
11) Any demolition contemplated?	☐ Yes	☑ No

REMARKS

B. Cooking facilities:

1) Does Applicant have an automatic extinguishing system over deep fat fryers, grills & stoves?	☐ Yes	☐ No
How often are hood / ducts cleaned		
By Whom? ☐ Insured ☐ Sub-contractor		
If by sub-contractor, how often are they serviced — Date last serviced?		
2) Central station fire alarm?	☑ Yes	☐ No
3) Central station burglar alarm?	☑ Yes	☐ No
4) Surveillance cameras?	☐ Yes	☑ No
5) Does the Applicant have Automated External Defibrillator(s) (AED)?	☐ Yes	☑ No
If yes, are staff members trained to use it?	☐ Yes	☐ No

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PREMISES INFORMATION (continued)

6) Does the Applicant have backup emergency lighting and / or emergency generators in the event of a power failure?	☑ Yes	☐ No
7) Does the Applicant have an emergency evacuation plan? (If yes attach a copy)	☐ Yes	☑ No
8) Evacuation procedures and floor plans posted?	☐ Yes	☐ No
9) Are parking lots well lit?	☑ Yes	☐ No
10) Patrolled by security?	☐ Yes	☑ No
11) Does the Applicant provide live entertainment?	☐ Yes	☑ No

If yes, describe type and how often:

C. Amusement Devices / Attractions:

1) Do all ride signs comply with manufacturer recommendations with regard to age, height and exit requirements?	☑ Yes	☐ No
2) Does the Applicant or has the Applicant ever manufactured or retro-fitted any amusements / attractions?	☐ Yes	☑ No

If yes, provide a list of all such attractions and the changes made.

3) Are amusement devices inspected daily?	☑ Yes	☐ No
4) Is inspection log maintained?	☑ Yes	☐ No
5) Are there periodic inspections required by state inspectors?	☑ Yes	☐ No
6) Are maintenance manuals for all amusement devices kept on premises?	☑ Yes	☐ No
7) Is there a qualified maintenance staff on site?	☐ Yes	☑ No
8) Is there an on-site maintenance shop?	☐ Yes	☑ No
9) Is there adequate maintenance equipment on-site?	☑ Yes	☐ No
10) Are there rides where the operator controls the speed?	☐ Yes	☑ No

OPERATIONS

A. Coin Operated Amusements

Annual Receipts $

How many? Number of attendants?

Equipment is: ☐ Owned ☐ Leased

Are machines properly grounded? ☐ Yes ☐ No

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OPERATIONS

Is there an on-site maintenance shop? ☐ Yes ☐ No

Is there adequate maintenance equipment on-site? ☐ Yes ☐ No

B. Inflatables / Bounce and Play **Annual Receipts $** 315000

Describe: See inventory

Other

ABUSE AND MOLESTATION

1. Does the Applicant's current insurance program include Abuse and Molestation coverage? ☐ Yes ☑ No
2. Does the Applicant's employment and volunteer applications include questions about whether the individual has ever been convicted of any crime, including sex-related or child abuse related offenses? ☑ Yes ☐ No
3. Does the Applicant verify employment references for employees and volunteers? ☑ Yes ☐ No
4. Does the Applicant conduct personal interviews? ☑ Yes ☐ No
5. Are formal written procedures in place for hiring? (If yes, attach a copy) ☐ Yes ☑ No
6. Is there a written supervision plan that monitors staff in day-to-day relationships with clients, both on and off premises? (If yes, attach a copy) ☐ Yes ☑ No
7. Does the Applicant have a written crisis plan for dealing with employees, volunteers, victims, parents, authorities and the media if you have an incident of abuse? (If yes, attach a copy) ☐ Yes ☑ No
8. Have any incidents resulted in an allegation of sexual abuse? ☐ Yes ☑ No

   If yes, was the case settled? ☐ Yes ☐ No

   Was the case taken to trial? ☐ Yes ☐ No

   Amount paid for damages to the victim? $

   Does the Applicant's state allow criminal background checks? ☑ Yes ☐ No

   If yes, does the Applicant run criminal background checks prior to hire for:

   a) Employees ☑ Yes ☐ No

   b) Volunteers ☐ Yes ☑ No

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HIRED & NON-OWNED AUTO

1. Does the Applicant have any owned automobiles? ☑ Yes ☐ No

NOTE: If the Applicant has owned autos, the hired car and non-owned auto coverage should be placed with the automobile carrier. Explain if an exception is required:

2. Does the Applicant allow employees to use their own personal vehicles for business purposes? ☐ Yes ☑ No

If yes, how many employees use their own personal vehicles?

If yes, how often ☐ Daily ☐ Weekl ☐ Monthly ☐ Other

3. Does the Applicant obtain Motor Vehicle Reports? ☐ Yes ☑ No

If yes, how often ☐ Annually ☐ Every other year ☐ Other

4. Does the Applicant confirm that all employees who regularly use their cars for business purposes carry minimum personal auto limits? ☐ Yes ☑ No

Please provide the approximate cost of hire for all hired or leased autos

6. Is hired auto physical damage required? ☐ Yes ☑ No

If yes, what is the maximum value of hired vehicle the Applicant would like insured? $

NOTE: Physical Damage deductibles: $100 comprehensive / $1,000 collision provided.

PROPERTY INFORMATION

1. Building value (if owned by you): Tenant Improvements value:
2. Contents value: 100000 Business Income value: 100000
3. Construction Type: ☐ Fire Resistive ☑ Mas.Non/Comb ☐ Joisted Masonry ☐ Frame ☐ Other:
4. Distance to Nearest Fire Station: < 5 miles Number of Stories: 2
   Year Built: 1980s Square Feet of Building Area: 10000
5. Building Improvements: Wiring, Year: Roofing, Year: 2010
   Plumbing, Year: Heating, Year:
6. Facility Sprinklered? ☑ Yes ☐ No
7. Prior Insurance Carrier Name: Cossio Policy Expiration: 12/31/2012
   Expiring Premium: ??

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APPLICATION

LIQUOR

1. Is liquor license in Applicant's name? ☐ Yes ☑ No
   If no, what is the name on the license and their relationship to the applicant:

   Liquor license number:
   Class of license:
2. Is the liquor service sub-contracted to a third party? ☐ Yes ☐ No
   If yes, provide limits of liability maintained by the sub-contractor:
   Is the Applicant listed as Additional Insured under sub-contractors liquor liability coverage? ☐ Yes ☐ No
   Is contingent liquor liability coverage requested by Insured? ☐ Yes ☐ No
3. Has the Applicant's liquor license ever been revoked or suspended? ☐ Yes ☐ No
   If yes, explain:

4. Has the Applicant incurred claims for liquor liability during the last three (3) years?
   If yes, explain: ☐ Yes ☐ No

5. Has any insurer cancelled or non-renewed coverage during the last three (3) years? If yes, explain: ☐ Yes ☐ No

6. Has the applicant ever been fined by Alcoholic Beverage Control or other government regulator? If yes, explain: ☐ Yes ☐ No

7. Types of beverage sold:

8. Are patrons allowed to carry alcoholic beverages onto the premises? ☐ Yes ☐ No
   If yes, what type?
9. Does the Applicant exercise the right to search and seizure contraband items? ☐ Yes ☐ No
   If yes, how does the Applicant notify the public of this?
10. Does the Applicant maintain security personnel at entry check points? ☐ Yes ☐ No
    If yes, what type:
11. Are the alcohol sales and consumption contained within one fixed site, or are booths / stands located throughout the event site?

12. Number of servers used?
    Are they professional servers? Explain: ☐ Yes ☐ No

    Are they volunteer servers? Explain: ☐ Yes ☐ No

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INDOOR INFLATABLE CENTER

APPLICATION

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13. Do the servers receive any type of alcohol awareness training? ☐ Yes ☐ No
    If yes, describe:

14. Median age of liqor customers:
    ☐ 21-25 ☐ 25-30 ☐ 30-40 ☐ 40 and over

15. Are minors allowed to enter the location where alcohol is being served? ☐ Yes ☐ No
    If yes, how is underage consumption of alcohol prevented?

16. Explain how ID's are checked:

17. Are uniformed police officers present at the site of alcohol sales? ☐ Yes ☐ No
    Are undercover officers present? ☐ Yes ☐ No
    Are private security officers present? ☐ Yes ☐ No
    Average number of officers present at site:

18. Are rules and regulations clearly displayed for patrons viewing? Explain: ☐ Yes ☐ No

19. Is there a limit placed on the quantity of alcoholic beverages purchased at one time? Explain: ☐ Yes ☐ No

20. Is the parking area patrolled to prevent intoxicated drivers from leaving the premises? Explain: ☐ Yes ☐ No

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INDOOR INFLATABLE CENTER

APPLICATION

FRAUD NOTICE

NOTICE TO APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act which is a crime and may subject such person to criminal and civil penalties.

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act which is a crime.

NOTICE TO MINNESOTA AND OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO NEBRASKA AND OKLAHOMA APPLICANTS: Any person who knowingly and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds fo an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading information concerning any fact material thereto commits a fraudulent insurance act which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud, or decive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO MAINE AND VIRGINIA APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the

NOTICE TO OREGON APPLICANTS: Any person who knowingly and with intent to defraud or solicit another to defraud an insurer: (1) By submitting an application, or (2) by filing a claim containing a false statement as to any material fact, may be violating state law.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: "WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benfits if false information materially related to a claim was provided by the applicant."

NOTICE TO NEW MEXICO APPLICANTS: "Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties."

NOTICE TO TENNESSEE APPLICANTS: "It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose

Insured Signature: Jeff Fischer Date: 12/05/2012

Agent Signature: Date:

COSSIO INSURANCE AGENCY

INDOOR INFLATABLE CENTER

APPLICATION

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Rides, Inflatables, Slides Addendum:

Name	Description	Attraction Height	Age/Height Requirements	Manufacturer	Receipts
Basketball	Large Inflatable shoot basketsballs	12 feet	None	Elite	
Skeeball	Small Inflatable Play Skeeball (Do	5 feet	None	Elite	
Slide 1	Large Inflatable Slide	17 feet	None	Elite	
Slide 2	Large Inflatable Slide	17 feet	None	Elite	
Bouncing Boxing 1	Square Enlcosed Inflatable Boxing	10 feet	None	Elite	
Bouncing Boxing 2	Square Enlcosed Inflatable Boxing	10 feet	None	Elite	
Tball	Inflatable box with tee where soft b	10 feet	None	Elite	
Spider Climb with Slide		17 feet	No Adults	Elite/Vertical Reality	
Obstacle Course/Slide Co		15 feet	None	Elite	
Dodegeball City 1	Enclosed Inflatable (netting) where	10 feet	None	Elite	
Dodegeball City 2	Enclosed Inflatable (netting) where	10 feet	None	Elite	

K&K INSURANCE

MANDATORY SIGNATURE SUPPLEMENT TO ALL APPLICATIONS, QUESTIONNAIRES, & ENROLLMENT FORMS

THE NOTICES CONTAINED ON THIS SUPPLEMENT APPLY TO ALL UNDERWRITING INFORMATION BEING SUBMITTED TO K&K INSURANCE GROUP, INC., INCLUDING APPLICATIONS, QUESTIONNAIRES AND ENROLLMENT FORMS, FOR THE FOLLOWING PERSON OR ENTITY:

Applicant name: _____

FRAUD WARNING

GENERAL STATEMENT
Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects the person to criminal and [NY: substantial] civil penalties. (Not applicable in CO, DC, FL, HI, MA, NE, OH, OK, OR, VT or WA; in LA, ME, TN, and VA, insurance benefits may also be denied)

APPLICABLE IN COLORADO
It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement of award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

APPLICABLE IN THE DISTRICT OF COLUMBIA
WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits, if false information materially related to a claim was provided by the applicant.

APPLICABLE IN FLORIDA
Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

APPLICABLE IN HAWAII
For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

APPLICABLE IN MASSACHUSETTS, NEBRASKA, OREGON AND VERMONT
Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, may be committing a fraudulent insurance act, which may be a crime and may subject the person to criminal and civil penalties.

APPLICABLE IN OHIO
Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deception statement is guilty of insurance fraud.

APPLICABLE IN OKLAHOMA
WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

APPLICABLE IN RHODE ISLAND
Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

APPLICABLE IN WASHINGTON
It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

FRAUD APPS (2009/07)

I understand that K&K Insurance Group, Inc., for the insuring company, shall be permitted but not obligated to inspect a proposed insured's, or an insured's, property and operations for underwriting purposes at any time. Neither the right to make an underwriting inspection nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of any insured, or other, to determine or warrant that such property or operations are safe or healthful, or in compliance with any standards, rules or regulations. Underwriting inspections when conducted are for the sole purpose of determining and/or improving the insurability of certain property and operations and not safety. I also understand that an insured is solely responsible for the safety of its facilities and operations and shall not rely upon any underwriting inspections to determine the safety of its facilities or operations and shall not diminish or forego its own safety practices and procedures.

I understand that the insurance company in determining whether to provide a quotation for insurance coverage will rely on the information contained in the application and all other information being submitted. I hereby warrant, represent and confirm that, to the best of my knowledge, all information provided is complete, true and correct.

I also understand that no insurance will be in effect unless and until the insurance company, or K&K as its agent, provides a quotation offering to provide insurance coverage and the insurance company, or K&K as its agent, receives written notice that the terms and conditions contained in the insurance quotation provided are accepted.

APPLICANT'S SIGNATURE	**PRODUCER'S SIGNATURE (if applicable)**
PRINT NAME	**PRINT NAME**
DATE (MM/DD/YY)	**DATE (MM/DD/YY)**

ABUSE OR MOLESTATION EXLUSION ACKNOWLEGEMENT FORM

Cossio Insurance Agency • 864-688-0121 • Fax: 864-688-0138 • PO Box 188 Simpsonville SC 29681

This letter is to acknowledge that we have provided you with a quote for your business with limits that might be lower than your previous coverage.

It is hereby understood and agreed that the General Liability policy provided to you excludes coverage for claims arising out of sexual abuse or molestation.

LIMITS OF LIABILITY

Excluded per person abused or molested regardless of the number of incidents involving that person, including defense cost;

Excluded aggregate per policy period.

SELECTION OR REJECTION OF HIGHER LIMITS FOR ABUSE & MOLESTATION

☐ I hereby elect to purchase higher liability limits for abuse and molestation claims for an additional premium. I will also conduct background checks for all my full time employees as required by the insurance company. I will also have a minimum of two (2) employees on site at all times.

Limits Requested: $1,000,000

☐ I hereby reject to purchase higher liability limits for abuse and molestation claims. I understand that the most that will be paid for abuse and molestation claims are listed above.

SIGNATURE

Signature:

Print Name:

Company Name:

Date:

THE CIA
COSSIO INSURANCE AGENCY

INSURED BY THE CIA

PO Box 188
Simpsonville, SC 29681
(864) 688 - 0121
(864) 688 - 0138 fax

Customer ID Number : 33083 JT Fischer Enterprises

CREDIT CARD AUTHORIZATION

There is an additional processing fee of 4% that I am obliged to pay for the ability to use a credit card to pay for my insurance premium, in part or in full. This is an optional charge that I can avoid paying by using a check or wire fund transfer to pay any amounts associated with the cost of my insurance premium.

Example: If my insurance premium that I want to use my credit card to pay is $1000, the amount to be charged to the credit card including the above fee will be $1040.

Billing Information:

Check one: ☐ VISA ☐ MASTERCARD ☐ DISCOVER ☐ AMEX

Authorized Dollar Amount to be charged: $ $1,385.80
Credit card Number:_____ Exp Date: _____
Name on Card:_____
Billing Zip code/House number:_____
Telephone Number:_____
The Three Digit from the back of card: _____

By the signing of this form, I agree that faxed signatures are acceptable to charge my credit card and authorize the above company to charge the dollar amount indicated above onto the Credit Card.

Signature: _____Date: _____

Payment $	$1,332.50
Credit Card Fee $	$53.30
Total $	$1,385.80

P.O. BOX 419090
KANSAS CITY, MO 64141-6090
(816)942-6336 FAX: (816)942-0475

PREMIUM FINANCE AGREEMENT

IPFS CORPORATION

A	**CASH PRICE (TOTAL PREMIUMS)**	**$4,130.00**
B	**CASH DOWN PAYMENT**	**$1,332.50**
C	**PRINCIPAL BALANCE (A MINUS B)**	**$2,797.50**

AGENT
(Name & Place of business)
COSSIO INSURANCE AGENCY
P.O. BOX 188
SIMPSONVILLE,SC 29681
(864)688-0121 FAX: (864)688-0138

INSURED
(Name & Residence or business)
JT Fischer Enterprises

206 Revere Way

Versailles, KY 40383
(859)268-6238
jfischer@bounceu.com

Commercial

Account #: _____

LOAN DISCLOSURE

Additional Policies Scheduled on Page 3

Quote Number: 1278206

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled
9.95%	$117.24	$2,797.50	$2,914.74

YOUR PAYMENT SCHEDULE WILL BE

Number Of Payments	Amount Of Payments	When Payments Are Due	
9	$323.86	Beginning:	MONTHLY 01/31/2013

ITEMIZATION OF THE AMOUNT FINANCED: THE AMOUNT FINANCED IS FOR APPLICATION TO THE PREMIUMS SET FORTH IN THE SCHEDULE OF POLICIES UNLESS OTHERWISE NOTED.

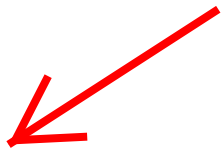
Security: Refer to paragraph 1 below for a description of the collateral assigned to Lender to secure this loan.
Late Charges: A late charge will be imposed on any installment in default 5 days or more. This late charge will be 5.00% of the installment due.
Prepayment: If you pay your account off early, you may be entitled to a refund of a portion of the finance charge in accordance with Rule of 78's. The finance charge includes a predetermined interest rate plus a non-refundable service/origination fee of $15.00. See the terms below and on the next page for additional information about nonpayment, default and penalties.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	12/31/2012	NATIONWIDE MUTUAL INSURANCE CO	GENERAL LIABILITY	25.00%	12	3,150.00
					Broker Fee:	$400.00
					TOTAL:	$4,130.00

The undersigned insured directs IPFS Corporation (herein, "Lender") to pay the premiums on the policies described on the Schedule of Policies. In consideration of such premium payments, subject to the provisions set forth herein, the insured agrees to pay Lender at the branch office address shown above, or as otherwise directed by Lender, the amount stated as Total of Payments in accordance with the Payment Schedule, in each case as shown in the above Loan Disclosure. The named insured(s), on a joint and several basis if more than one, hereby agree to the following provisions set forth on pages 1 and 2 of this Agreement: **1. SECURITY**: To secure payment of all amounts due under this Agreement, insured assigns Lender a security interest in all right, title and interest to the scheduled policies, including: (a) all money that is or may be due insured because of a loss under any such policy that reduces the unearned premiums (subject to the interest of any applicable mortgagee or loss payee), (b) any unearned premium under each such policy and (c) interests arising under a state guarantee fund. **2. POWER OF ATTORNEY**: Insured irrevocably appoints its Lender attorney-in-fact with full power of substitution and full authority upon default to cancel all policies above identified, receive all sums assigned to its Lender or in which it has granted Lender a security interest and to execute and deliver on behalf of the insured documents, instruments, forms and notices relating to the listed insurance policies in furtherance of this Agreement.

NOTICE: A. Do not sign this agreement before you read it or if it contains any blank space. B. You are entitled to a completely filled in copy of this agreement. C. Under the law, you have the right to pay in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. D. Keep your copy of this agreement to protect your legal rights.

The undersigned hereby warrants and agrees to Agent's Representations set forth herein.



Signature of Insured or Authorized Agent _____ DATE _____ Signature of Agent _____ DATE _____

(07/12) Copyright 2012 IPFS Corporation

Insured and Lender further agree that:
3. POLICY EFFECTIVE DATES: The finance charge begins to accrue from the earlier of the earliest policy effective date and the effective date of this Agreement. **4. AGREEMENT EFFECTIVE DATE**: This Agreement shall be effective when written acceptance is mailed to the insured by Lender. **5. DEFAULT AND DELINQUENT PAYMENTS**: If any of the following happens insured will be in default: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement. The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a waiver of the rights of Lender to exercise all of its rights hereunder or under applicable law in the event of any subsequent late payment. **6. CANCELLATION**: Lender may cancel the scheduled policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement or transfers any of the scheduled policies to a third party and the unpaid balance due to Lender shall be immediately due and payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender. **7. CANCELLATION CHARGES**: If cancellation occurs, the insured agrees to pay a finance charge on the outstanding indebtedness at the maximum rate authorized by Kentucky state law in effect on the date of cancellation until the outstanding indebtedness is paid in full or until such other date as required by law. **8. INSUFFICIENT FUNDS (NSF) CHARGES**: If insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee of $0.00 or the maximum amount permitted by law (Not APPLICABLE IN KY). **9. MONEY RECEIVED AFTER CANCELLATION**: Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of any policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled to the money. In the event that Lender does request a reinstatement of the policy(ies) on behalf of the insured, such a request does not guarantee that coverage under the policy(ies) will be reinstated or continued. Only the insurance company has authority to reinstate the policy(ies). The insured agrees that Lender has no liability to the insured if the policy(ies) is not reinstated. **10. ASSIGNMENT**: The insured agrees not to assign this Agreement or any policy listed hereon or any interest therein (except for the interest of mortgagees or loss payees), without the written consent of Lender, and that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall inure to the benefit of Lender's successors and assigns (and any assignees thereof). **11. INSURANCE AGENT OR BROKER**: The insured agrees that the insurance agent or broker soliciting the policies or through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law).**12. FINANCING NOT A CONDITION**: The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance. **13. COLLECTION COSTS**: Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law if this Agreement is referred to an attorney or collection agency who is not a salaried employee of Lender, to collect any money insured owes under this Agreement. (Not applicable in KY) **14. LIMITATION OF LIABILITY**: The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender' gross negligence or willful misconduct (not applicable in KY). Insured recognizes and agrees that Lender is a lender only and not an insurance company and that in no event does Lender assume any liability as an insurer hereunder or otherwise. **15. CLASSIFICATION AND FORMATION OF AGREEMENT**: This Agreement is and will be a general intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy. **16. REPRESENTATIONS AND WARRANTIES**: The insured represents that (a) the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, (c) all parties responsible for payment of the premium are named and have signed this Agreement, and (d) there is no term or provision in any of the scheduled policies that would require Lender to notify or get the consent of any third party to effect cancellation of any such policy. **17. PRIVACY**: Our privacy policy may be found at https://www.ipfs.com/Privacy.aspx. **18. ENTIRE DOCUMENT / GOVERNING LAW**: This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties **except that the insured authorizes Lender to insert or correct policy number(s) if omitted or incorrect SO LONG AS SUCH CORRECTION IS PROVIDED TO LENDER BY THE INSURED'S AGENT/BROKER OR THE INSURANCE COMPANY.** In the event that any provision of this Agreement is found to be illegal or unenforceable, it shall be deemed severed from the remaining provisions, which shall remain in full force and effect. The laws of the State of Kentucky will govern this Agreement. **19. AUTHORIZATION**: The insurance company(ies) and their agents, any intermediaries and the agent / broker named in this Agreement and their successors and assigns are hereby authorized and directed by insured to provide Lender with full and complete information regarding all financed insurance policy(ies), including without limitation the status and calculation of unearned premiums, and Lender is authorized and directed to provide such parties with full and complete information and documentation regarding the financing of such insurance policy(ies), including a copy of this Agreement and any related notices. **20. WAIVER OF SOVERIGN IMMUNITY**: The insured expressly waives any sovereign immunity available to the insured, and agrees to be subject to the laws as set forth in this Agreement (and the jurisdiction of federal and/or state courts) for all matters relating to the collection and enforcement of amounts owed under this Agreement and the security interest in the scheduled policies granted hereby.

AGENT/BROKER REPRESENTATIONS

The agent/broker executing this agreement represents, warrants and agrees: (1) installment payments totaling 0.00 and the down payment indicated in Box "B" on Page 1 has been received from the insured in immediately available funds, (2) the insured has received a copy of this Agreement; if the agent/broker has signed this Agreement on the insured's behalf, the insured has expressly authorized the agent/broker to sign this Agreement on its behalf or, if the insured has signed, to the best of the undersigned's knowledge and belief such signature is genuine, (3) the policies are in full force and effect and the information in the Schedule of Policies including the premium amounts is correct, (4) no direct company bill, audit, or reporting form policies or policies subject to retrospective rating or to minimum earned premium are included, except as indicated, and the deposit of provisional premiums is not less than anticipated premiums to be earned for the full term of the policies, (5) the policies can be cancelled by the insured or Lender (or its successors and assigns) on 10 days notice and the unearned premiums will be computed on the standard short rate or pro rata table except as indicated, (6) there are no bankruptcy, receivership, or insolvency proceedings affecting the insured, (7) to hold Lender, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from these representations or from errors, omissions or inaccuracies of agent/broker in preparing this Agreement, (8) to pay the down payment and any funding amounts received from Lender under this Agreement to the insurance company or general agent (less any commissions where applicable), (9) to hold in trust for Lender or its assigns any payments made or credited to the insured through or to agent/broker directly or indirectly, actually or constructively by the insurance companies and to pay the monies, as well as the unearned commissions to Lender or its assigns upon demand to satisfy the outstanding indebtness of the insured, (10) all material information concerning the insured and the financed policies necessary for Lender to cancel such policies and receive the unearned premium has been disclosed to Lender, (11) no term or provision of any financed policy requires Lender to notify or get the consent of any third party to effect cancellation of such policy, and (12) to promptly notify Lender in writing if any information on this Agreement becomes inaccurate.

AGENT	INSURED
(Name & Place of business) COSSIO INSURANCE AGENCY P.O. BOX 188 SIMPSONVILLE,SC 29681 (864)688-0121 FAX: (864)688-0138	(Name & Residence or business) JT Fischer Enterprises 206 Revere Way Versailles, KY 40383 (859)268-6238 jfischer@bounceu.com

Account #: _____

SCHEDULE OF POLICIES
(continued)

Quote Number: 1278206

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	12/31/2012	NATIONWIDE MUTUAL INSURANCE CO	ACCIDENT & HEALTH	25.00%	12	580.00
				Broker Fee:		$400.00
				TOTAL:		$4,130.00