

Territory Areas for SKILLZ Licensees (Gold/VIP Gold)

1. Territory Designation

Territories are assigned based on **population density** and defined by a **standard protection radius** and an optional **expanded (double) protection radius** available to qualifying VIP Gold Licensees.

All territories are intended to provide Licensees with a fair and viable market opportunity and may be adjusted to align with population distribution.

2. Territory Classifications by Population Density

Low Density Areas

Population: Less than 250 people per square mile

- Standard Protection: 10-mile radius
- Expanded Protection (VIP Gold): 20-mile radius

Moderate Density Areas

Population: 250 to 750 people per square mile

- Standard Protection: 7.5-mile radius
- Expanded Protection (VIP Gold): 15-mile radius

High Density Areas

Population: 750 to 1,250 people per square mile

- Standard Protection: 2.5-mile radius
- Expanded Protection (VIP Gold): 5-mile radius

Very High Density Areas

Population: Greater than 1,250 people per square mile

- Standard Protection: 1.5-mile radius
- Expanded Protection (VIP Gold): 3-mile radius

3. Population Normalization Clause

All territory assignments are subject to population normalization to ensure equitable market opportunity.

- Standard Territories are generally intended to serve a population of approximately **75,000 to 125,000 residents**

- Expanded (Double Protection) Territories are generally intended to serve approximately **125,000 to 200,000 residents**

The Licensor reserves the right to adjust territory boundaries as needed to align with these population ranges based on local conditions.

4. Exemption Clause

In recognition of existing licensed schools and to avoid unnecessary overlap or disruption:

Any currently licensed SKILLZ schools operating within a territory that overlaps with a newly assigned territory shall be exempt from these updated territory definitions.

Existing Licensees will retain all rights, privileges, and protections granted under their original agreements.

5. Territory Expansion Fee

Licensees may apply for additional territory protection beyond their initial assignment.

- Territory expansions are granted in defined market increments based on population and geographic considerations
- Each approved expansion is subject to a **25% add-on fee based on the current license value**

All expansion requests are subject to review and approval by the Licensor.

6. Ownership Transfer Requirement

In the event of any change in ownership, sale, transfer, or assignment of a licensed school or business operating under the SKILLZ program:

- The new owner must formally request a transfer of the SKILLZ license
- The transfer must be reviewed and approved by the Licensor and a transfer fee assigned
- Written approval from the Licensor is required prior to the new owner operating under the SKILLZ license

Failure to obtain written approval may result in termination or suspension of licensing rights.

7. Final Authority

The Licensor retains final authority over all territory assignments, adjustments, and approvals to ensure balanced market coverage, brand integrity, and long-term growth of the SKILLZ program.