# CERTAIN RISK FACTORS

*The purchase of the Notes offered by On Goal, LTD., an Ohio non-profit corporation (the “Company”) involves various risks. The Notes are being offered only to accredited investors. Prospective investors should carefully consider the risks involved in investing in the Note and the Company. Certain risk factors are set forth below. In setting forth these risk factors, the Company has not attempted to be exhaustive or to diminish the need for prospective investors to undertake a due diligence investigation of the Company, its management, and any other factors that the prospective investor deems relevant. Terms capitalized herein but not otherwise defined shall have the meaning ascribed in the Notes. In evaluating a potential investment, investors should consider the following factors:*

***Illiquidity of Notes****.* An investment in the Company requires the financial ability and willingness to accept substantial risk and illiquidity. There will be no public market for the Notes, and none are expected to develop. The Notes are redeemable only at the Company’s option and will not ordinarily be transferable. The magnitude and timing of the return of principal and interest to investors will be dependent on the success and needs of the Company.

***Reliance on Projections****.* Projected operating results are based primarily on judgments of the Company’s management. Projections are only estimates of future results based upon assumptions made at the time the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are usually not predictable, can have a material adverse impact on the accuracy of the projections.

***Tax Matters***. The U.S. federal income tax treatment of the Notes is uncertain. You are urged to consult your tax advisors with respect to the U.S. federal income tax consequences resulting from investment in the Notes. There can be no assurance that any conversion of the Note into a donation will be treated as a tax-exempt donation.

***Lack of Direct Control****.* Noteholders will have a no right to take part in the management or control of the Company and no ability to become directly involved in the management or operation of the Company. The Company’s day-to-day operations will be run by the officers and the Board of Directors (the “Board”) of the Company. No investor should purchase a Note in the Company unless such investor is willing to entrust all aspects of the Company’s operations to the officers and Board of the Company.

***Securities Not Registered****.* The Notes have not been registered under the Securities Act, or under the Blue Sky Laws or similar state laws. They are being offered pursuant to exemptions in the Securities Act, the rules of the Securities and Exchange Commission, and exemptions in such Blue Sky Laws. The Notes may be acquired for investment purposes only and not with a view to resale or distribution. The Notes are “restricted securities” and cannot be resold without registration under the Securities Act unless an exemption from registration is available.

***Legal Representation****.* Attorneys representing the Company do not represent and shall not be deemed under applicable codes of professional responsibility to have represented or be representing, any or all of the investors in any respect.

***Reliance on Key Management***. The Company is highly dependent on the principal members of its management team, including its Founder/Director Tom Fite. The loss of the services of any executive officer of the Company or members of its Board could have a material adverse effect on the performance of the Company, and no assurance can be given that the Company will be able to attract an experienced and qualified replacement in the event of such loss. Further, the Company’s officers and members of the Board are or may be involved in related and competing lines of business. There are no assurances the key management personnel or officers will be able to dedicate the appropriate amount of time to the Company’s operations, and no contract obligates them to do so or prevents them from competing with the Company.

***Non-Profit Revenue Stream.*** Non-profit organizations like the Company rely heavily, if not exclusively, on donations and grants, making revenue generation uncertain. Economic downturns or changes in funding priorities may impact the Company’s financial stability, leading to potential difficulties in meeting repayment obligations under the Notes. The absence of a profit motive on the part of the Company may impact the organization’s financial decisions differently than that of a for-profit organization, which may adversely affect the Noteholders.

***Regulatory Environment.*** The regulatory environment surrounding non-profit organizations can introduce uncertainties, as changes in tax law, government policies, or compliance requirements can affect the financial position of the Company. Non-profits like the Company are subject to a complex set of regulations that can significantly influence the operational and financial position of the Company. Heightened scrutiny or increased regulatory burdens may divert resources away from the non-profit’s core mission, hampering its ability to achieve its objectives efficiently.

***The Company’s Geographic Market.*** The Company’s performance is highly dependent on its location in Milford, Ohio. As a result, adverse conditions in these areas, economic or otherwise, could have a material adverse effect on the Company’s overall results of operations. In recent years, the Cincinnati region has been more negatively impacted by the housing decline, high unemployment rates, and the overall economic crisis than other geographic areas. In addition, other regional occurrences such as local strikes, terrorist attacks, increases in energy prices, adverse weather conditions, hurricanes, droughts, or other natural or man-made disasters have occurred. Any or all of these factors could adversely affect the Company’s operations.

***Risk of Expanding Location***. The Company plans on expanding its current location in Milford, Ohio. Historically, the success of non-profits providing in-person services has depended on reputation in the locality in which it operates. Economic conditions or unforeseen market disruptions could impact the success of the expansion. Additionally, operational challenges such as regulatory hurdles, difficulties in scaling, and construction delays may arise during the expansion process. Furthermore, there is the inherent financial risk associated with increased capital expenditures and debt to fund the expansion, potentially affecting the Company’s financial stability.

***Competition***. The Company may not be able to operate simultaneously in the same industry with other non-profit and for-profit organizations and, as a result, we may not achieve our projected goals.If the Company is unable to operate alongside other similar organizations in our existing market, we may not achieve our projected impact. We operate in a similar space as for-profit organizations that are often better funded and staffed than us, and we may not be able to maintain our current membership and impact as a result.

***Success Dependent on the Popularity of Sport***. Shifts in preferences away from soccer could materially adversely affect our operating results. The youth sports industry is characterized by the continual introduction of new concepts and is subject to rapidly changing consumer preferences, habits and behaviors. Our success depends in part on our ability to anticipate and respond to the changing preferences of participants, as well as other factors affecting the non-profit sports industry, including new market entrants and demographic changes. Economic challenges may lead to reduced discretionary spending by families, affecting enrollment numbers and program participation. Additionally, the competitive nature of the youth sports landscape poses a risk, as changes in local demographics, the emergence of new competitors, or shifts in popular sports trends could impact the organization’s market share and revenue streams. Weather conditions can influence outdoor sports participation and event attendance. The regulatory landscape of youth sports organizations, including compliance with safety standards and potential legal liabilities associated with youth sports activities, pose additional risk.

***Fluctuating Operating Costs.*** We may experience higher operating costs, including increases in supply prices and employee salaries, wages and benefits, which will adversely affect our operating results if we cannot raise additional revenue to cover them.If we increase the compensation or benefits to our employees or pay higher prices for supplies or equipment related to our mission, we will have an increase in our operating costs. If we are unable to solicit additional donations or grants or take other actions to offset increased operating costs, our operating results will suffer. Many factors affect the prices that we pay for the various supplies and other items that we will use to operate the organization, including seasonal fluctuations, changes in weather or demand, and inflation. Factors that may affect the salaries and benefits that we pay to our employees include local unemployment rates and changes in minimum wage and employee benefits laws. Other factors that could cause our operating costs to increase include fuel prices, cost of gas and electricity, occupancy and related costs, maintenance expenditures and increases in other day-to-day expenses. Increases in the minimum wage could increase our labor costs. If we are unable to offset the increased labor costs by increasing our donations or by other means, this could have a material adverse effect on our organization and results of operations.

***Seasonality.*** Our operating results may fluctuate significantly due to the seasonality of our business and these fluctuations make it more difficult for us to predict accurately and address in a timely manner factors that may have a negative impact on our operations. The organization will be subject to seasonal fluctuations that may vary greatly depending upon the region in which our operations are located, such as the timing of sports seasons and school calendars. During off-seasons or school breaks, there may be reduced demand for the organization’s services, leading to financial challenges and operational strain. Inconsistent revenue streams can impact the program's ability to maintain quality facilities, provide adequate coaching staff, and offer a comprehensive sports experience for participants. Moreover, the dependency on specific seasons may make it challenging to sustain year-round engagement and support.

***Lack of Collateral and Unsecured Nature of Notes.*** The Notes offered by the Company are unsecured, which means they are not backed by specific collateral or assets of the Company. In the event of a default or insolvency of the Company, there may be limited or no assets available to repay the Notes, resulting in the potential loss of each Noteholder’s entire investment. There is a risk that the Company may default on its obligation to make interest payments or repay the principal amount of the Notes. Default can occur due to various factors, including financial difficulties, business risks, or other unforeseen events. The recovery process for investors under an Unsecured Note can be lengthy, uncertain, and often results in only partial payment, if any. No sinking fund has been or will be created by the Company to repay the Notes. Noteholders should be prepared for the possibility of non-payment.

***Interest Rate Risk****.* Changes in interest rates can affect the relative attractiveness of the interest rates offered on the Notes. If market interest rates continue to rise, the fixed interest rate on the Notes may become less competitive, potentially impacting the market value of the Notes. The interest rates provided under these Notes is likely to fall below the IRS APR rate and is therefore likely to result in imputed interest to the holder of the Note, which will be treated as income for tax purposes.

***Incurrence of Additional Debt***. The Company may still incur substantially more debt or take other actions which would intensify the risks discussed above. We may incur substantial additional debt in the future, subject to the restrictions contained in our debt instruments, some of which may be secured debt. We are not restricted under the terms of the Notes offered hereby from incurring additional debt, securing existing or future debt, recapitalizing our debt, pledging our assets, making investments, guaranteeing debt or taking a number of other actions that are not limited by the terms of the Notes offered hereby that could have the effect of diminishing our ability to make payments on the Notes when due. Further, if we incur additional debt in the future, the risks to Noteholders may be magnified.

***Company Redemption Option***. The Company may redeem all or any portion of the Notes for cash at any time prior to the Maturity Date, in its sole discretion and without prepayment penalty, which may adversely affect each Noteholder’s return on the Notes. As a result, you may not receive the fully contemplated value of the interest on the Notes.

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