FRANCHISE DISCLOSURE DOCUMENT

ESCAPE HUNT USA FRANCHISES LTD.
a UK limited company
Belmont House
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Crawley RH10 1JA, UK
+44 207 846 3322
www.escapehunt.com
support@escapehunt.com

You will establish and operate an Escape Hunt Adventure Center that offers live escape game experiences under the Escape Hunt trade name and business system ("Adventure Center").

The total investment necessary to begin operation of a single Escape Hunt Adventure Center franchise ranges from $356,000 to $663,000. This amount includes $40,000 that must be paid to us or our affiliates. If you are acquiring multi-unit development rights under our Area Development Agreement for the development of a minimum of 2 Escape Hunt Adventure Centers, the total initial investment to begin operation of your first Adventure Center ranges from $376,000 to $683,000. This amount includes $60,000 which must be paid to us or our affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, us or our affiliate in connection with the franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Elizabeth Arr at Belmont House, Station Way, Crawley RH10 1JA, United Kingdom and +44 207 846 3322.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document 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's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission ("FTC"). 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.

Date of Issuance: August 1, 2022

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits D and E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Escape Hunt business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an Escape Hunt franchisee?	Item 20 or Exhibits D and E list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit K.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in New York. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in New York than in your own state.

2. **Financial Condition**. The franchisor's financial condition as reflected in the financial statements (see Item 21) calls into question the franchisor's financial ability to provide services and support to you.

3. **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a system with a longer operating history.

4. **Performance Required**. If you are an Area Developer, you must comply with the Development Schedule. Failure to comply with the Development Schedule may result in termination, modification, or reduction of the Territory granted to you or modification or reduction in the number of Adventure Centers you may develop within the Territory.

5. **Estimated Initial Investment.** The franchisee will be required to make an estimated initial investment ranging from $356,000 to $663,000. This amount exceeds the franchisor's stockholders' equity as of December 31, 2021, which is $48,478.

6. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This will not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This will not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause will include, but is not limited to:

    (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

    (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor will, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
(517) 335-7567

Notwithstanding paragraph (f) above, we intend to enforce fully the provisions of the arbitration section of our Franchise Agreement and Area Development Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration provision. If you acquire a franchise, you acknowledge that we will seek to enforce that section as written, and that the terms of the Franchise Agreement and Area Development Agreement will govern our relationship with you, including the specific requirements of the arbitration section.

ESCAPE HUNT® FRANCHISE DISCLOSURE DOCUMENT

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

To simplify the language in this disclosure document, the term "we" or "us" means Escape Hunt USA Franchises Ltd., the franchisor. The term "you" means the person buying the franchise, the franchisee. If the franchisee is a general partnership, the term "you" refers to all partners. If the franchisee is a corporation, limited liability company or other business entity, the term "you" refers to the franchisee and the term "principals" refers to any individual or entity with a beneficial ownership in the franchisee (including shareholders of a corporation, members of a limited liability company, general and limited partners of a limited partnership, etc.).

The Franchisor, Its Parent, Predecessors, and Affiliates

We are a United Kingdom limited company formed on November 18, 2020, with a principal business address at Belmont House, Station Way, Crawley RH10 1JA, United Kingdom.

We do business under our corporate name and the name "Escape Hunt." Our agents for service of process in the states that require franchise registration are listed in Exhibit J.

We sell franchises that offer live "escape the room" games to consumers and corporate clients where players engage in games that may require problem and/or clue-solving ingenuity and strategy as part of an experiential and participative entertainment experience involving different puzzles ("Adventure Center"). The Adventure Centers do business under the mark "Escape Hunt." We do not operate Escape Hunt Adventure Centers. We began offering franchises in December 2020. We are not engaged in any other businesses. We do not have any predecessors.

Our parent company is XP Factory plc ("Parent"), formerly Escape Hunt plc (and before that Dorcaster plc), organized in the United Kingdom on May 17, 2016, with a principal business address at Belmont House, Station Way, Crawley RH10 1JA, United Kingdom.

We have multiple affiliates disclosable in this Item 1, generally because of their international franchising activities outside the United States. Those affiliates are Escape Hunt Group Ltd. (formed in March 2017); Escape Hunt IP Limited (formed in September 2017); Escape Hunt Innovations Limited (formed in November 2017); Escape Hunt Franchises Ltd (formed in July 2017); Escape Hunt Entertainment LLC (formed in approximately January 2015); BGP Escape (formed in December 2020); and BBB Franchises Ltd (formed in February 2020). The principal business address for most of these affiliates is Belmont House, Station Way, Crawley RH10 1JA, United Kingdom, which is the same as our principal business address. The principal business address for Escape Hunt Entertainment LLC is Retail Space 26, Galleria Mall, Al Wasl Road, Bur Dubai, Dubai, UAE. The principal business address for BGP Escape is 16 Rue de la Tour d'Avergne 75009, Paris, France.

Our affiliate Escape Hunt Franchises Limited has offered franchises for Escape Hunt businesses internationally since July 2017. As of December 31, 2021, there were 26 venues operating Escape Hunt franchise businesses outside the United States. Of these 26 venues, 3 venues are operated by other affiliates within our Parent's group; 10 are operated through sub-franchise agreements with affiliates BGP Escape and Escape Hunt Entertainment LLC (see below); 9 are operated through two separate master franchise agreements in Australia and Norway; and 4 operate through direct franchise agreements with Escape Hunt Franchises Limited.

BGP Escape has offered franchises in France, Belgium, and Luxembourg since November 2020. It became an affiliate on March 7, 2021, when it was acquired by our Parent. As of December 31, 2021, it had 9 franchisees operating Escape Hunt businesses.

Escape Hunt Entertainment LLC has offered franchises in the Middle East since January 2015. It became an affiliate on September 30, 2020, when it was acquired by our Parent. As of December 31, 2021, it had one franchisee operating an Escape Hunt business.

Our affiliate BBB Franchises Ltd has offered franchises for BOOM BATTLE BAR businesses in the United Kingdom since February 2020. BOOM BATTLE BAR businesses combine competitive socialising activities with themed cocktails, drinks, and street food in venues typically between 8,000 and 15,000 square feet. Activities include a range of games such as augmented reality darts, Bavarian axe throwing, mini-golf, shuffleboard, and karaoke. As of December 31, 2021, there were 9 BOOM BATTLE BAR businesses in operation, including 2 operated by affiliates within our Parent's group and 7 independent franchisees.

Except as described above, neither we nor our affiliates have offered franchises in any line of business.

Description of the Franchised Business

We franchise the right to operate "escape the room" Adventure Centers according to the Escape Hunt business format and system ("System"), which includes our methods and procedures for the establishment, management, and operation of Escape Hunt Adventure Centers, including our confidential information, our Manuals (defined below), the Marks (defined below), proprietary themed games, including the "Basic Games" that we develop and the "Brand Games" and "Super Brand Games" that we develop with or license from third party licensors collectively, the "Games"), and other business standards and policies. The distinguishing characteristics of the System include such Games and related props used in the implementation of the Games, distinctive exterior and interior design, decor, and color scheme; furnishings; specifications, policies and procedures for operations; quality and uniformity of the products and services offered; procedures for room design and scheduling of Games, management, and financial control; training and assistance; and marketing, all of which we may change, improve, further develop, or otherwise modify. Most Adventure Centers have six rooms but may have more or fewer rooms depending upon various factors, including the size of the Adventure Center premises, demographics in the designated area and other factors identified in the Manual.

Escape Hunt Adventure Centers operate under the Escape Hunt trade name and service mark and the other trade names, service marks, trademarks, logos, emblems, and other indicia of origin that we designate to identify businesses operating under the System (collectively, "Marks").

If we award you multi-unit development rights, you must sign our Area Development Agreement. The Area Development Agreement will state the number of Adventure Centers to be developed, the geographic area, and the timeframe. You must enter into a separate Franchise Agreement for each Adventure Center you develop upon our acceptance of the site where each Adventure Center will be located. Our current form of Franchise Agreement is attached as Exhibit C to this disclosure document. For each Adventure Center developed under the Area Development Agreement, you must sign our then-current Franchise Agreement currently being offered to new franchisees, which may be materially different than our current Franchise Agreement, by the deadline to execute the Franchise Agreement set forth in the Development Schedule (as defined in Item 11).

We may delegate the performance of any or all of our obligations under this Agreement to our area representative in the United States, Go Xperia, LLC ("Area Representative"), a Minnesota limited liability company with its principal place of business at 3212 Rice Street, St. Paul, Minnesota 55126, our affiliates, agents, independent contractors or other third parties, which we may replace from time to time. Area Representative has served as our area representative in the United States since December 2020. Area Representative will provide training, support, marketing, and other services to you on our behalf and will have the authority to exercise many of our rights and perform many of our obligations under this Agreement. Information about our Area Representative is included in Items 2, 3 and 4.

Market and Competition

The "escape room" industry is a relatively new concept that has emerged in the last decade but has experienced increasing global consumer awareness and interest, with the industry within the United States growing rapidly in recent years. You will compete with other entertainment facilities offering a wide variety of interactive games and experiential adventures and other competing family entertainment center concepts. Competitors may be locally owned or large, regional or national chains. The recreation and entertainment business is also affected by economic conditions and changing demographics.

Industry Specific Regulation

Many of the laws, rules, and regulations that apply to business generally, like the Americans with Disabilities Amendments Act, Federal Wage and Hour Laws, and the Occupation, Health, and Safety Act, also apply to Escape Hunt Adventure Centers. However, other laws, rules and regulations may have particular applicability to recreation and entertainment facilities.

If you elect to serve alcoholic beverages at your Adventure Center, you will need to obtain a liquor license. State and local laws, regulations and ordinances vary significantly in the procedures, difficulty, and costs associated with obtaining a license to sell liquor, the restrictions placed on the manner in which liquor may be sold, and the potential liability imposed by dram shop laws involving injuries, directly and indirectly, related to the sale of liquor and its consumption. You will need to understand and comply with those laws in operating the Adventure Center.

The Payment Card Industry Data Security Standard ("PCI") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accepts, transmits or stores any cardholder data. You must also be sure to comply with applicable state and federal laws regulating the privacy and security of sensitive consumer and employee information.

You should consider these laws and regulations when evaluating your purchase of a franchise.

ITEM 2
BUSINESS EXPERIENCE

Director and Chief Executive Officer: Richard Harpham:

Mr. Harpham has served as our Director and Chief Executive Officer and our Parent's Director and Chief Executive Officer since May 2017. Before that, Mr. Harpham served as a Consultant for our Parent in London, England from April 2016 to April 2017.

Director and Chief Financial Officer: Graham Bird:

Mr. Bird has served as our Parent's Director and Chief Financial Officer since January 2020. Before that, Mr. Bird was an Investment Manager at Gresham House Asset Management from June 2015 until December 2019, where he served on the board of directors and as managing director of the Gresham House's Strategic Public Equity division based in London, England.

Operations Director: Andrew Jacobs:

Mr. Jacobs has been our Operations Director since our inception and a Director of Escape Hunt Group Ltd in London, England since April 2017. Before that, he served as Director of Experiential Ventures Ltd and a Consultant for our Parent in London, England from October 2016 to April 2017.

Marketing Director: Elizabeth Arr:

Ms. Arr has been our Parent's Marketing Director since September 2019. From July 2017 to August 2018 Ms. Arr served as Director for ERA Ltd servicing a range of clients including Escape Hunt, Byte Entertainment and Listen Out! all located in London, England. Ms. Arr also served as Global Director for Creative Solutions at NBCUniversal London, England, from April 2016 to July 2018.

Head of Operations of Escape Hunt Group Ltd.: Craig James:

Mr. James has been Escape Hunt Group Ltd.'s Head of Operations since April 2018 and, before that, he served as Escape Hunt Group Ltd.'s Area Manager for Northern UK venues beginning in October 2017. Mr. James supervises operations for our franchise system in North America. Mr. James also served as Business Manager for Active Nation, a health and fitness charity which operates multiple brands and facilities across the UK, in Lancashire from April 2016 to October 2017.

Area Representative

Todd Treml: Executive President of Go Xperia, LLC

Mr. Treml has served as President of Go Xperia since July 2021, having served as its Executive Vice President of Franchising beginning in January 2021. Mr. Treml also serves as President for Go Xperia Corporation and is the Chief Executive Officer of PSMN Holdings, LLC, a PROSE® Area Developer, a role he has held since August 2018. Prior to that, Mr. Treml served as Executive Vice President of United Franchise Group in West Palm Beach, Florida from January 2016 to August 2018. Mr. Treml serves in his current capacities in St. Paul, Minnesota.

Julian Wagner: Marketing Director of Go Xperia, LLC

Mr. Wagner has served as Marketing Director for Proprietors Capital (an affiliate of Go Xperia) since February 2022 and also has served as the Head of Marketing for Go Xperia since February 2022. Prior to his current positions, Mr. Wagner was the Senior Manager of Experiential Marketing at BI Worldwide in Minneapolis, Minnesota from February 2020 to February 2022. Mr. Wagner held the position of Event Marketing Manager and Account Development Director at College Marketing Group from April 2017 to February 2020 in Minneapolis, Minnesota. Mr. Wagner also has held the position of Owner/Operator at Redline Events and Production in Minneapolis, Minnesota and Los Angeles, California from August 2013 through the present. Mr. Wagner currently serves in his roles in Minneapolis, Minnesota.

Jake Halbert: Vice President of Operations of Go Xperia

Mr. Halbert has served as Vice President of PP Development, LLC since March 2022 and also has served as Vice President of Operations for Go Xperia since March 2022. Prior to his current positions, Mr. Halbert was the National Trainer and General Manager at Handyman Connection from May 2021 to March 2022 remotely. Mr. Halbert held the position of Project Consultant at Elias Construction from November 2020 to May 2021 in Rochester, Minnesota. Mr. Halbert held the position of Project Manager at Sevan Multi-Site Solutions from February 2018 to November 2022 remotely. Mr. Halbert held the position of Senior Operations Manager at NTY Franchise Co. from January 2015 to January 2018 in Minnetonka, Minnesota. Mr. Halbert serves in his current capacities in St. Paul, Minnesota.

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

Initial Franchise Fee

You must pay us an initial franchise fee of $40,000 when you sign the Franchise Agreement. The initial franchise fee is uniform for all franchisees. It is considered fully earned and non-refundable when paid. You also must reimburse us for any out-of-pocket attorneys' fees that we incur in connection with drafting negotiated amendments to your Franchise Agreement.

Development Fee

When you sign the Area Development Agreement, you will pay a development fee equal to 100% of the initial franchise fee for the initial Adventure Center that you will develop and 50% for each additional Adventure Center that you will develop under the Area Development Agreement. You also must reimburse us for any out-of-pocket attorneys' fees that we incur in connection with drafting negotiated amendments to your Area Development Agreement.

When you sign each Franchise Agreement under the Area Development Agreement, you will sign the then-current form of franchise agreement that we offer. In addition, you will pay us the balance of the initial franchise fee due under the Franchise Agreement.

The development fee is calculated in the same manner for all franchisees entering into an Area Development Agreement under this offering, but the actual dollar amount paid will vary depending on the number of Adventure Centers you agree to develop. The development fee is considered fully earned and non-refundable when paid.

ITEM 6
OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Royalty Fee[3]	The greater of 8% of Gross Sales[2] and $2,000[3]	The 10th day of each Month	You must pay the Royalty Fees by electronic funds transfer.
Central marketing fee[4]	If implemented, the amount we determine [2]	The 10th day of each Month	
Marketing Materials	Varies	Upon invoice	We may make available to you certain marketing material for display in the Adventure Center or in connection with the promotion, advertising and marketing of products and services offered by the Adventure Center for purchase in an amount equal to our cost in supplying such marketing materials.
Additional Training; Retraining	Reasonable fee (currently $500 per day for each person providing the training) plus expenses	Upon invoice	
Inspection and Testing for Unapproved Suppliers, Products or Equipment	Cost of inspection, if applicable, and cost of test.	Upon invoice	Before approving a new supplier, product or equipment, we may require you to pay the cost of testing the supplier's products and/or equipment and inspecting its facilities.

Type of Fee[1]	Amount	Due Date	Remarks
Mystery Shoppers	$50 - $100 per visit	Upon Invoice	You will pay for mystery shopper visits (one per quarter) plus any additional visits to confirm deficiencies noted during evaluation have been cured.
Audits	Cost of audit plus Interest	Upon invoice	You pay the cost of an audit only if you fail to submit reports or the reports submitted show an understatement of your Gross Sales by 1.25%, and/or a corresponding underpayment of Royalty Fees.
Improvements	Currently, up to $250,000 for improvements required during the initial term of the Franchise Agreement	Upon invoice	Payable to us as reimbursement for any required improvements we make to your Adventure Center following your failure to make the improvements within the time period described in the Franchise Agreement.
Transfer Fee[5]	$15,000	Upon transfer of franchise	Payable to us at or before closing of franchise transfer.
Successor Fee	$15,000	On or before effective date of franchise renewal	
Securities Offering Review	$15,000	Upon invoice	Payable to us if you engage in a public or private securities offering that includes a prospectus or offering memorandum that we review

Type of Fee[1]	Amount	Due Date	Remarks
Late Fee	$500	Automatically upon next Electronic Transfer of Funds	You must pay this fee and in addition to interest for any payment or report received by Franchisor after the prescribed due date and five-day grace period following such due date.
Interest[6]	18% per annum or maximum lawful rate	On demand	
Indemnification[7]	Varies depending upon claim and resolution of claim.	Upon billing	Payable if and when we defend a claim for which you indemnify us under the Franchise Agreement or Area Development Agreement (if applicable).
Costs and Legal Fees	Actual legal fees and expenses	Upon billing	Incurred only if a court determines that you have breached the Franchise Agreement or Area Development Agreement, if applicable. Legal fees and expenses will vary depending on factors such as the nature of the legal matter, venue and the complexity of the legal matter.
Liquidated Damages (Undeveloped Adventure Centers) [8]	$40,000 per undeveloped Adventure Center	Upon demand	
Reimbursement of Our Payments to Your Suppliers	Depends on amount we must reimburse for you	Upon demand	If you do not maintain your trade accounts on a current status or pay amounts owed to third parties providing services, we have the right to pay those amounts and/or perform those obligations for you. If we do, you must promptly reimburse the amounts we paid and

Type of Fee[(1)]	Amount	Due Date	Remarks
			our other out-of-pocket costs to handle the matter.

Notes:

(1) You pay all fees to us, and all fees are uniformly imposed, unless otherwise noted. All fees are non-refundable.

(2) "Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to your Adventure Center, whether for cash, cash equivalents, or credit, and regardless of collection in the case of credit. Proceeds from the sale of coupons, gift cards, gift certificates or vouchers (to the extent coupons, gift cards, gift certificates and vouchers are permitted as set forth in the Manuals) will be included in Gross Sales when the coupons, gift cards, gift certificates or vouchers are sold rather than when redeemed. Gross Sales also includes the proceeds of any business interruption insurance applicable to the Adventure Center. Gross Sales will expressly exclude the following: complimentary and discounted Products and services offered by you to resolve customer complaints and sums collected and actually paid by Franchisee for any sales, beverage, or other excise tax imposed by any duly constituted government authority. In the case of promotional discounts we establish that are implemented by you at the Adventure Center, the amount actually paid by the guest after the discount, rather than the original amount, will be considered for purposes of calculating Gross Sales.

(3) The "Royalty Fee" for the initial term of your Franchise Agreement will be the greater of 8% of Gross Sales and $2,000. Accordingly, you will never pay less than $2,000 for the Royalty Fee for each Adventure Center each month. The amount of the Royalty Fee for any successor term will be that provided in the franchise agreement signed for such successor term.

(4) If we establish the Central Marketing Fund, you must pay us a central marketing fee that we determine. Such central marketing fee, if implemented, will not exceed 3% of Gross Sales.

(5) The transfer fee is payable at or immediately before the franchise transfer.

(6) Interest is charged when any of the Royalty Fee, Central Marketing Fee, transfer or successor fee payments, or any other sum due to us is not paid when due or an audit reveals underpayments based on incorrect Gross Sales. The maximum interest rate allowed by law in California is 10% annually.

(7) You are required to pay us for all losses and expenses incurred by us in connection with any third party claim for which you are required to indemnify us under the Franchise Agreement or Area Development Agreement (if applicable), including compensatory, exemplary or punitive damages; arbitration costs; mediation costs; settlement amounts; judgments; court costs; fines; charges; costs; and expenses, including, without limitation, reasonable legal fees; and damages and injury that result from your negligent performance of or other breach of the Franchise Agreement or Area Development Agreement, including lost profits and compensation for damages to reputation and goodwill and costs of or resulting from delays, financing, marketing materials and media time and space plus any costs of changing, substituting or replacing the same.

(8) If we terminate an Area Development Agreement with you following your failure to develop Adventure Centers as required under an Area Development Agreement with us, then in addition to other remedies that we may have under the Area Development Agreement and at law, and to the extent permitted by applicable law, you must pay to us as liquidated damages and not as a penalty $40,000 for each undeveloped Adventure Center.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Initial Franchise Fee[(1)]	$40,000	Lump Sum	When you sign the Franchise Agreement	Us
Leasehold Improvements[(2)]	$70,000 - $150,000	As Arranged	As Arranged	Contractor
Lease/Rental Payments[(3)]	$8,000 - $17,000	As Arranged	As Arranged	Landlord
Utility Deposits	$2,000 - $5,000	As Arranged	As Arranged	Utility Companies
Equipment, Furniture, Fixtures, and Signage[(4)]	$25,000 - $40,000	As Arranged	As Invoiced	Suppliers
Game Room Fit-Out[(5)]	$150,000 - $300,000	As Arranged	As Invoiced	Contractor/Production Company
Business Licenses and Permits[(6)]	$3,000 - $5,000	As Arranged	As Arranged	Government Agencies, Lawyers, Other Third Parties
Initial Training Costs[(7)]	$4,000 - $8,000	As Arranged	As Invoiced	Employees and Suppliers
Professional Services[(8)]	$15,000 - $30,000	As Arranged	As Arranged	Accountants, Lawyers, Architect, Site Evaluation, etc.
Grand Opening Promotion[(9)]	$5,000 - $10,000	As Arranged	As Arranged	Suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Insurance[(10)]	$4,000 - $8,000	As Arranged	As Arranged	Insurance Broker
Additional Funds for Initial 3-Month Period[(11)]	$30,000 - $50,000	As Arranged	As Arranged	Employees and Suppliers
TOTAL	$356,000 - $663,000			

Notes:

(1) If you develop a single Adventure Center, your initial franchise fee is $40,000.

No separate initial investment is required when you sign the Area Development Agreement. You need only pay the applicable development fee, although you of course must build your first Escape Hunt Adventure Center at a cost estimated to range as described in the chart above. If you commit to develop multiple Adventure Centers under an Area Development Agreement (a minimum of 2), your development fee will be $40,000 for the first Adventure Center to be developed plus a 50% deposit (i.e., $20,000) toward the $40,000 initial franchise fee due for each additional Adventure Center you commit to develop. For example, if you commit to develop a minimum of two Adventure Centers, the development fee would equal $60,000, or if you commit to develop three Adventure Centers, the development fee would equal $80,000. Therefore, the total investment necessary to begin operation if you commit to develop a minimum of 2 Adventure Centers will be $376,000 to $683,000 (the estimated cost range described in the chart above plus the $20,000 development fee due on account of the 2nd Adventure Center you commit to develop),

(2) Escape Hunt Adventure Centers are typically located in commercially zoned shopping or entertainment areas. The "Leasehold Improvements" amounts assume that you will lease the premises for the Adventure Center and do not include costs of land acquisition and construction of a building. The Leasehold Improvements estimate is based on the cost of converting an existing space and adapting our prototypical architectural and design plans (including architect fees) to a facility containing approximately 3,000 to 5,000 conditioned square feet (approximately 40% public space; 60% game rooms, or in a site with a break-out room for corporate events, approximately 50% / 50%).

The Leasehold Improvements ranges for all Adventure Centers will be affected by various factors like the location of the Adventure Center and local market conditions. In addition, the estimates assume that the landlord will provide connections to adequate electrical, gas, water, and sewage service. Your actual costs may or may not include site preparation and finish-out costs, depending on the arrangements you negotiate with your landlord. If your landlord contributes to the cost of finish-out, total leasehold improvement costs could be reduced. These costs are our best estimate based on commercial leasing and remodeling/finish-out rates that our affiliates have experienced with Adventure Centers. These estimates may vary substantially based on your ability to negotiate with your landlord and your financial creditworthiness, as well as on local commercial leasing and labor rates and other local conditions. If you open an Adventure Center that has more square footage than our prototype plans, you should expect these costs to increase.

(3) Landlords typically charge a security deposit equal to one month's rent. You may also have to pay the first month in advance when you sign the lease agreement. Your monthly rental amounts and deposits may vary dependent upon the commercial class of property, territory within which you develop your Adventure Center and your creditworthiness.

(4) These amounts include the cost of the furniture, fixtures, equipment, decor items, signage, computer hardware and software (unrelated to the Game Room Fit-Out), and audio-visual equipment system required for your Escape Hunt Adventure Center. If you open an Adventure Center that has more square footage than the ranges stated in Note (2), above and/or you maintain more than six game rooms in your Adventure Center, then you should expect to pay more. The high end of the range assumes that all items in this category were purchased as new items, not used or refurbished items.

(5) These amounts include game "theming" elements for three to six game rooms (e.g. wallpapers, flooring, technical integration into the fabric of the room, etc.), props, technology (including CRM platform subscription) and other elements related to the game-play and production. Your Adventure Center will contain a minimum of three game rooms. The cost per room to design and finish out each room will depend upon the complexity of the game and the time-scale/volume of production. This estimate is based upon your development of an Adventure Center offering and implementing the Basic Games included as part of the initial franchise fee. If you are required to offer and implement Super Brand Games, you should expect the costs to increase to include the licensing cost and gaming theming elements for such Super Brand Game.

(6) This amount represents the estimated cost of licenses generally required to operate a business in the United States and does not include the cost of liquor licenses should you elect to offer alcoholic beverages at your Adventure Center. If you elect to offer alcoholic beverages, you should expect these costs to increase.

(7) We provide initial training to your initial Operating Principal and General Manager at no additional charge. The initial training takes place at one of our company-owned Adventure Centers and may last up to one week for your Operating Principal and General Manager. You must pay all expenses you or your management personnel incur in the initial training program, like travel, lodging, meals, and wages, and these costs will vary depending upon your selection of salary levels, lodging and dining facilities, mode of transportation, and distance traveled.

(8) This estimate includes the costs to establish your franchisee entity and to have the franchise documentation reviewed. This fee also includes the cost of hiring a company that specializes in helping business operators submit and obtain licenses and permits as well as services required in connection with the design and finish-out of your Adventure Center (e.g. surveys, design fees, legal fees). The cost of professional services can vary widely depending upon the experience of the service provider and your state's laws and regulations. The range that we have provided is our best estimate of these costs based upon our experience in obtaining these professional services.

(9) You must spend at least this amount in the four-week period comprised of the two weeks preceding the opening and two weeks after the opening of your Adventure Center in marketing, promotion and advertising of your Adventure Center that complies with our written specifications including but not limited to digital marketing, Pay-Per-Click and Search Engine Optimization expenditures. We must approve all advertising items, methods, and media.

(10) The costs of insurance may vary substantially depending on the insurer, the location of the Adventure Center, the value of the equipment and improvements, your claims history, state insurance markets, number of employees, and other factors. The cost covers premiums for all the insurance described in Item 8.

(11) You will need additional funds before and during the start-up phase of your business to pay employees, purchase supplies and pay other expenses, including initial local marketing expenditures (in addition to the amounts you must spend in connection with the grand opening as described in Note 9 above). These amounts do not include any estimates for debt service. You must also pay the Royalty Fees and other related fees described in Item 6 of this disclosure document. These figures are estimates, and we cannot assure you that you will not have additional expenses. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves. We relied on the experience of our company-owned Escape Hunt Adventure Centers operating in the United Kingdom to compile these estimates. You should review these figures carefully with your business advisor.

We do not offer any financing for your initial franchise fee, area development fee or any portion of your initial investment. Unless otherwise stated, the amounts described above are not refundable.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases and Approved Suppliers

You are required to purchase a license to access and use the Games and purchase related props, theming, equipment and merchandise only from us or approved suppliers. You will strictly comply with our requirements relating to the Games as set forth in the Franchise Agreement, the Manuals or as otherwise specified from time to time by us, including without limitation licensing terms related to the Games that may be prescribed by us or the third party licensor of the Games.

In connection with developing an Adventure Center, you will select Games from the Escape Hunt Games Catalogue included in the Manuals for use in the operation of the Adventure Center.

We may, at our sole option, develop and make available to you certain Brand Games and Super Brand Games in the Escape Hunt Games Catalogue. In such a case, you must upon our request purchase (from a third party) and offer at least one such Brand Game and/or Super Brand Game each calendar year when you open your Adventure Center or, if such Brand Games or Super Brand Games are developed after you have opened your Adventure Center, within 12 months after the 4th anniversary of the Adventure Center's opening. In connection with the offer and implementation of such Brand Games and Super Brand Games, you are required to comply with any applicable terms and conditions imposed by the third party licensor of such Brand Games and Super Brand Games (including without limitation entering into an agreement with such third party licensor of such Brand Games or Super Brand Games, if applicable).

In addition, you must purchase from us (if we become a designated or approved supplier) or from suppliers we approve or designate: (1) fixtures, furniture, equipment, computer and audio-visual systems, interior and exterior signage, graphics, decor, Adventure Center room design consulting services; (2) uniforms, shirts, memorabilia, and all merchandise and items intended for retail sale (whether or not bearing our Marks); and (3) all other goods and/or services as we require.

You may purchase items and services for which we have not identified approved suppliers from any supplier, if the items and services meet our specifications. These specifications may include brand requirements. If brand requirements have been identified, you may purchase and use only approved brands.

Currently, you must purchase the following entertainment and media to be used in your Adventure Center: CCTV DVR and control system, CCTV cameras and monitors, sensors, microphones, headphones, speakers/music control system and output and input amplifiers ("A/V System"). You may purchase the A/V System from a supplier of your choice if the A/V System meets our specifications set forth in the Manuals. Additional equipment may be necessary to operate the Games control room and related technical solutions in your Adventure Center, depending on the supplier of the Games.

You must purchase and use our required booking engine software at your Adventure Center. Currently, we require you to purchase from our approved supplier, which is currently Bookeo (www.bookeo.com). We also require you to use our operating system software in connection with the operation of your Adventure Center. Item 11 of this disclosure document provides more detailed information about our computer hardware and software requirements.

In addition, we may require you to purchase and utilize any upgrades, additions, enhancements or replacements of the A/V System or other technology system hardware or software, some of which may be developed and licensed by or on behalf of us or an affiliate, or otherwise required by us at such cost as we or our approved vendors make such upgrades, additions, enhancements, and replacements available to franchisees. You will have sole and complete responsibility for the acquisition, operation, maintenance, and upgrading of the A/V System. (See Items 6 and 11).

We do not permit franchisees to contract with any alternative suppliers of computer hardware or software for use with or in the Adventure Center, nor do we issue specifications for these items. You may use standard, off the shelf general business applications software such as Microsoft Office obtained from an authorized reseller for use in the franchised Adventure Center.

We currently use "mystery shoppers" to evaluate the performance of the Adventure Center. You are required to pay the fees associated with "mystery shopper" visits each quarter, plus any additional mystery shopper visits we may require following your failure of an evaluation by a mystery shopper. The current fee charged by the vendors is approximately $50 - $100 per visit. We may modify or discontinue the use of mystery shoppers at any time upon written notice to you.

You are required to use an architect that satisfies the criteria set forth in the Manuals for the planning and design of your Adventure Center in accordance with our prototypical design plans and specifications consistent with the standards set forth in the Manuals. You will be required to independently and at your own expense have the design plans and specifications adapted for the finish-out or renovation of your Adventure Center. You must submit your design plans to us for final approval. We may withhold our approval if we determine that your proposed architect does not demonstrate the experience, credentials or qualifications for a project such as an Escape Hunt Adventure Center.

You are solely responsible for acquiring a general contractor for the construction of the Adventure Center. Your contractor must complete construction in accordance with the standards set forth in the Manuals and within the development timeframe in your Franchise Agreement.

We may also provide you with written guidelines governing the minimum standards and specifications of certain products, services and equipment which you procure from unrelated third parties. These standards

and specifications will be set forth in the Manuals. We may modify these standards and specifications, as well as the other standards and specifications discussed in this Item 8, by providing you with written notification.

Insurance

Within 30 days after the execution of the Lease or purchase of the premises for the Adventure Center you must obtain all required insurance policies solely from insurance agents/brokers or other providers approved by us or that meet our criteria as described below. We may or may not receive compensation or other economic benefits from approved insurance agents/brokers or other providers.

Such policy or policies will be written by an insurance carrier or insurance carriers that has received and maintains an A.M. Best Rating of "A+" or better and an A.M. Best Class Rating of VII, and will include, at a minimum, the following for each Adventure Center:

A. Commercial General Liability. The commercial general liability policy will be written on an occurrence basis and will include coverage for products/completed operations on the Adventure Center premises through ISO form CG 24 07 or equivalent coverage and must not include an exclusion or sublimit for assault and battery. The commercial general liability policy will have a minimum per occurrence liability limit of $1,000,000 and a general aggregate liability limit of $2,000,000. The commercial general liability policy will also have the following endorsements: the additional insured coverage for us and our affiliates and their respective principals, directors, officers, employees, agents, successors and assignees (collectively, the "Franchisor Indemnitees") will include premises-operations, contractual liability, independent contractors, and products and completed operations. The additional insured coverage will not be limited to our vicarious liability, and will include coverage for liability arising out of or occurring upon or in connection with the condition, operation, use or occupancy of the Adventure Center.

B. Crime (inside/outside) and Employee Dishonesty Insurance: Crime (moneys and securities) inside/outside coverage will have a minimum per occurrence liability limit of $100,000 for inside crime and a minimum per occurrence liability limit of $100,000 for outside crime. Employee dishonesty coverage will have a minimum per occurrence liability limit of $100,000.

C. Worker's Compensation Insurance. Worker's compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation for injured workers satisfactory to us, provided that you (i) maintain insurance coverage that provides at least $1,000,000 in excess indemnity limits covering employer's liability, indemnity and medical expenses for on the job accidents acceptable to us; and (ii) conducts and maintains a risk management and safety program for your employees as you deem appropriate.

D. Building and personal property insurance coverage: Property coverage for physical loss or damage to personal property and real property including leasehold improvements, at each Adventure Center location. The policy will include all risk replacement cost property insurance for your Adventure Center and its contents, including without limitation awnings, equipment, signs, glass, additions under construction, outdoor fixtures, personal property, as well as business interruption insurance for income loss for at least 12 months and Royalty Fees due under your Franchise Agreement for the applicable Adventure Center, equipment breakdown, business ordinance, debris removal, preservation of property, fire department service charges, pollutant clean up and removal, newly acquired or constructed property,

property of others, property off premises, and stock. This policy will include us as a loss payee for equipment and supplies financed by us either by a loan, line of credit, or an open account.

E. Umbrella liability insurance. Umbrella coverage over the above described general commercial liability, and employer's liability insurance policies listed above and provide coverage at least as broad as these underlying policies. Such coverage will be written on a per occurrence basis. If you operate five or fewer Adventure Centers, the policy must provide coverage of at least a $5,000,000 per occurrence limit and $5,000,000 aggregate limit. If you operate six to ten Adventure Centers, the policy must provide coverage of at least $10,000,000 per occurrence limit and $10,000,000 aggregate limit. The umbrella liability insurance will also have the following endorsements: the additional insured coverage for Franchisor Indemnitees will not be limited to our vicarious liability, and will include coverage for liability arising out of or occurring upon or in connection with the condition, operation, use or occupancy of the franchised business.

F. Employment Practices Liability Insurance. Employment practices liability insurance ("EPLI") coverage with coverage limits of at least $2,000,000. The policy must include coverage for third party claims. In addition, the policy must have a sublimit for defense costs relating to wage and hour claims. In the event that an additional insured endorsement is not available, you will have a vicarious liability endorsement protecting Franchisor Indemnitees.

G. Data Privacy/Cyber Liability Insurance. Data privacy/cyber liability insurance coverage will have coverage limits of at least $2,000,000 and include first party loss (forensics investigation, notification, credit monitoring, loss of business income, crisis management) and third party coverage. The additional insured coverage for Franchisor Indemnitees will not be limited to our vicarious liability, and will include coverage for liability arising out of the operations of the Adventure Center.

H. Insurance Required Under Applicable Law. Any insurance which may be required by statute or rule of the state or locality in which your Adventure Center will be operated.

I. Deductibles. The insurance coverages described above may not have any deductible, self-insured retention, self-funded retention, or any similar provision unless prior written consent is given by Franchisor. Should consent be given by Franchisor for a deductible or similar provision to be included for any required insurance coverage, the deductible or other similar provision amount may not exceed $25,000. The coinsurance percentage will not be less than 80%.

J. Within 30 days after the execution of the lease for the Adventure Center and, thereafter, at least 30 days prior to the expiration of any such policy, you will deliver to us certificates of insurance indicating the contracted for insurance coverages as well as the description of special provisions (e.g. additional named insured status). All policies must name Franchisor Indemnitees as additional insureds, include a waiver of subrogation provision or endorsement in favor of Franchisor Indemnitees; be primary and non-contributory to any other insurance that any of Franchisor Indemnitees has procured itself; provide for 30 days' prior written notice to us of any material modification, cancellation, or expiration of such policy; and include such other provisions as we may require from time to time. You will also provide a binder, declarations page, or confirmation of insurance, describing and confirming the coverages afforded by the required policies described above upon request.

Approval of Alternate Suppliers

Except for hardware or software that we prescribed for use with or in the Adventure Center, if we require that an item be purchased from an approved supplier and you wish to purchase it from a supplier we have not approved, you must submit to us a written request for approval, and must include pertinent information about the supplier as required in the Manuals. You may not purchase or lease the item from the supplier until and unless we have approved the supplier in writing. We have the right to require you to submit information, specifications, and samples to us to enable us to determine whether the item complies with our standards and specifications and that the supplier meets our criteria. We also have the right to inspect the supplier's facilities and to have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial compatibility, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), or other criteria. We may re-inspect the facilities and products of any approved supplier, and we may revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. If we revoke our approval of any supplier, you must promptly discontinue use of that supplier. You must reimburse us for the costs that we incur in the supplier approval process. We are not required to approve any particular supplier. We will notify you of our approval or disapproval within 90 days depending upon, among other factors, the type of products involved. Our specifications for products and criteria for supplier approval are generally issued through written communications and are available to franchisees and approved suppliers.

Revenue from Franchisee Purchases and Payments from Designated Suppliers

We and our affiliates may derive revenue from your purchases and leases to the extent that you purchase products or services from us or our affiliates. We or our affiliates may also receive payments or material benefits from suppliers based on your purchases or leases. During our 2021 fiscal year, neither we nor our affiliates received any income from franchisees' purchases of products or services or from leases by franchisees. In addition, neither we nor our affiliates received any money, rebates or advertising allowances from approved suppliers. Neither we nor any of our officers owns an interest in any approved supplier. We have not arranged for our Area Representative to receive any revenue based on required purchases by our franchisees and are not aware of our Area Representative receiving revenue from such required purchases.

Percentage of Total Purchases Represented by Required Purchases

We anticipate that the required purchases and leases from approved suppliers will constitute the substantial majority of all purchases by you for the development and operation of the Adventure Center. We estimate that up to 80% of your initial investment to establish and open the Adventure Center will be applied to required purchases and leases, and that approximately 20% of your expenditures to operate the Adventure Center will be applied to required purchases and leases in the operation of the Adventure Center.

Cooperatives

There are no purchasing or distribution cooperatives, although we retain the right to establish them.

Negotiated Purchases

We have not yet negotiated any purchase arrangements with suppliers, including price terms, for the benefit of franchisees but reserve the right to do so in the future.

Material Benefit

We do not provide any material benefits to franchisees based upon their use of designated or approved suppliers. We reserve the right not to grant franchises or confer other benefits to any franchisee, for any reason or no reason, which may include the failure to follow and support our System, including its recommended purchase of particular products or services or use of particular supplies.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement, Area Development 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 Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 5(a)-5(c) of the Franchise Agreement Section 5(a)-5(b) of the Area Development Agreement	Items 7 and 11
b.	Pre-opening purchases/leases	Sections 5(e), 7(d), 8(a)-8(c), 11(i) and 15 of the Franchise Agreement	Items 5, 7, and 8
c.	Site development and other pre-opening requirements	Section 5 of the Franchise Agreement Sections 4 and 5 of the Area Development Agreement	Items 7, 8, and 11
d.	Initial and ongoing training	Section 6 of the Franchise Agreement	Items 5, 6, 7, and 11
e.	Opening	Sections 5(f), 6(b) and 10(f) of the Franchise Agreement; Sections 4 and 5 and Exhibit A of the Area Development Agreement	Items 5, 7, and 11
f.	Fees	Sections 4, 17(c), and 17(g) of the Franchise Agreement Sections 6(a), 11(c), and 11(g) of the Area Development Agreement	Items 5, 6, and 7

	Obligation	Section in Agreement	Disclosure Document Item
g.	Compliance with standards and policies/operating manual	Sections 5, 7(a) and 11 of the Franchise Agreement Section 5 of the Area Development Agreement	Items 6, 7, 8, 11, 14, and 16
h.	Trademarks and proprietary information	Sections 2(e), 16 and 18(b) of the Franchise Agreement; Sections 2(b), 8(b) and 13(b) of the Area Development Agreement	Items 13 and 14
i.	Restrictions on products/services offered	Sections 2(e), 7(a), 7(d), 7(e), 7(f), 11(a), 11(g), 11(i) and 11(l) of the Franchise Agreement	Items 6, 8, 11, and 16
J	Warranty and customer service requirements	Sections 7(a) and 11(l) of the Franchise Agreement	Item 8
k.	Territorial development and sales quotas	Sections 2 and 5 and Exhibit F of the Franchise Agreement Sections 2 and 4 and Exhibit A of the Area Development Agreement	Item 12
1.	Ongoing product/service purchases	Sections 7, 8, 11(g) and 11(i) of the Franchise Agreement	Items 6, 7, 8 and 11
m.	Maintenance, appearance and remodeling requirements	Sections 7 and 8 of the Franchise Agreement	Items 6, 8, and 11
n.	Insurance	Sections 15 of the Franchise Agreement	Items 6, 7, and 8
o.	Advertising	Section 10 of the Franchise Agreement	Items 6, 7, and 11
p.	Indemnification	Section 18(g) and 22 and Exhibit B of the Franchise Agreement Sections 10 and 11(f) and Exhibit C of the Area Development Agreement	None

	Obligation	Section in Agreement	Disclosure Document Item
q.	Owner's participation/management/staffing	Sections 7(a), 11(a) and 13 of the Franchise Agreement Sections 7(e) and 7(f) of Area Development Agreement	Items 11 and 15
r.	Records and reports	Sections 4(f), 14(a) and 14(c) of the Franchise Agreement	Item 11
s.	Inspections and audits	Sections 5(e), 7(e), 8(a), 14(b) of the Franchise Agreement	Items 6, 8 and 11
t.	Transfer	Section 17 and Exhibit B of the Franchise Agreement Section 11 and Exhibit C of the Area Development Agreement	Items 6 and 17
u.	Renewal	Sections 3(b) of the Franchise Agreement Section 3(b) of the Development Agreement	Items 6 and 17
v.	Post-termination obligations	Section 20 of the Franchise Agreement Section 13 of the Area Development Agreement	Item 17
w.	Non-competition covenants	Section 18(a) and Exhibit D of the Franchise Agreement; Section 8(a) and Exhibits C and E of Area Development Agreement	Item 17
x.	Dispute resolution	Section 25 of the Franchise Agreement Section 15 of the Area Development Agreement	Item 17
y.	Owner Guaranty	Guaranty and Undertaking of Obligations attached to both Franchise Agreement and Area Development Agreement	Item 15

ITEM 10
FINANCING

We do not offer direct or indirect financing, and we do not guarantee your notes, leases, or other obligations.

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

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

Area Representative may provide the training, support, marketing and other services described in this Item 11 to you on our behalf and will have the authority to exercise many of our rights and perform many of our obligations under the Franchise Agreement.

Pre-Opening Obligations

Before you open your Adventure Center, we, Area Representative or our designated affiliate or third party, will:

1. Designate your protected territory. (Franchise Agreement, Section 2(a) and Area Development Agreement, Section 2).

2. Provide you with site selection criteria and general building and design requirements for your Adventure Center. (Franchise Agreement, Section 5 and Area Development Agreement, Section 5). However, we do not assist in conforming the premises to local ordinances and building codes or obtaining permits.

3. Review the site you propose for your Adventure Center and accept or not accept such site. For additional information, see Site Section and Opening below. (Franchise Agreement, Section 5 and Area Development Section 5).

4. We must review and approve all plans and specifications for the finish out or renovation of your Adventure Center. We will give you prototypical plans and specifications for an Adventure Center, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront, and color scheme. You must prepare all required architectural, engineering, and design plans to suit the shape and dimensions of the premises and ensure that these plans and specifications comply with applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. We will review your plans to confirm they comply with our prototypes. You may not begin site preparation or construction before receiving notification that we approve the plans. (Franchise Agreement, Section 5(e)) However, we will not actually construct, remodel, or decorate your Adventure Center.

5. Provide you with access to our Manuals, which include the Escape Hunt Games Catalogue from which you will select Games to be featured in your Adventure Center. (Franchise Agreement, Section 11(a)).

6. Provide you with a list of approved suppliers and preferred vendors, as set forth in the Manuals and other written directives as we deem appropriate. (Franchise Agreement, Section 7(e)).

7. Review and approve or disapprove all new Adventure Center opening promotional materials and advertising. (Franchise Agreement, Section 10).

8. Provide the initial training programs. (Franchise Agreement, Sections 6(a) and 6(b)).

Continuing Obligations

During your operation of the Adventure Center, we or Area Representative will:

1. Notify you of any additions, replacements or other changes regarding the Games or pricing or products and services approved for sale by us; provided that we are not required to offer any specific Brand Games or Super Brand Games and your payment and performance obligations under the Franchise Agreement are not affected by our decision not to offer or to discontinue offering any Brand Game or Super Brand Game in your designated area. (Franchise Agreement, Sections 7(d) and 7(f)).

2. Provide additional initial training programs for successor and replacement managers and Adventure Center management personnel and other on-site and Internet/Web-based training programs and seminars as we deem appropriate. We will not provide any assistance in hiring any of your employees; but all employees must be able to perform the job responsibilities for the position. For additional information, see Item 11, "Training." (Franchise Agreement, Sections 6(c) and 13(c)).

3. Conduct, at our option, meetings, seminars, and other related activities regarding the operation of Adventure Centers for franchisees generally, which you must attend. Except as approved by us, any costs incurred by you or your Adventure Center personnel in attending such events will be your responsibility. (Franchise Agreement, Section 6(d)).

4. Inspect the Adventure Center and evaluate the Adventure Center's products and services at such times as we may deem advisable to maintain the high standards of quality, appearance and service of the System, in person or remotely by telephone where possible, including providing feedback as to selection of Games to be featured in the operation of the Adventure Center and recommendations for replacement Games if we determine that certain Games are not performing consistent with the performance of such Game system-wide. (Franchise Agreement – Section 14(b)).

5. Provide, as we deem appropriate, advice and written materials concerning techniques of managing and operating the Adventure Center, including new developments and improvements in Adventure Center equipment, Games, and operational systems. (Franchise Agreement – Sections 7 and 11).

6. You have the right to sell your products and merchandise and offer services at any prices you may determine, so long as you are in compliance with our general guidelines on advertised pricing policies as set forth in the Manuals or otherwise in writing. Subject to applicable legal constraints, you must participate in and comply with all sales and promotional programs promulgated by us. (Franchise Agreement – Section 10(i)).

7. Approve or disapprove of any advertising, marketing and promotional materials and programs you propose, including third parties such as marketing partnerships, discount and affiliate sales sites. (Franchise Agreement – Section 10(d)). For additional information, see this Item 11, "Marketing."

8. Establish or modify a gift card acceptance program and/or loyalty program for so long as we elect to do so. (Franchise Agreement – Section 9).

Except as described above, we do not have any obligation to provide you with assistance regarding the development and operation of your Adventure Center.

Site Selection and Opening

Under the Franchise Agreement, you are responsible for locating an acceptable Adventure Center site. We anticipate that the premises for the majority of Escape Hunt Adventure Centers will be leased, but you are not prohibited from acquiring a site that we have approved. We do not typically own the premises for franchised Escape Hunt Adventure Centers that are leased to you. You must submit your proposed site for the Adventure Center premises with all of the information regarding such site as required in the Manuals to us or Area Representative for review within 90 days following the effective date of the Franchise Agreement. We will consider information in your site application (which may include without limitation the demographics, traffic patterns, proximity of competition, other commercial characteristics of the area, the size of the premises, appearance, and other physical characteristics of the location) and notify you in writing within 30 days of receiving your completed site application if we approve the proposed site. Our then-current standards for sites will apply. You must receive our written consent before developing the site, and we agree not to unreasonably withhold consent to a proposed site. However, we are not obligated to approve a site that does not meet our then-current standards. If we do not respond within the 30 days, we will be deemed to have rejected the proposed site. You must sign the lease for the Adventure Center premises within 30 days of our approval of your proposed site. If you do not acquire a site for your Adventure Center within the time periods stated in the Franchise Agreement (including without limitation if you do not present a site for approval that meets our site criteria), we may terminate the Franchise Agreement immediately upon written notice to you.

Under the Area Development Agreement, you must submit to us, within 30 days after each Development Period begins, a complete site application for a proposed site for each Adventure Center to be developed during that Development Period. We will give you site selection assistance, including our site selection guidelines and design specifications, and conduct an on-site evaluation of the proposed site. However, we will not conduct an on-site evaluation for any proposed site before receiving the complete site application.

We will have 30 days after receiving the complete site application to accept or not accept each site you propose. If we do not respond within the 30-day time period, we will be deemed to have rejected the proposed site. No site may be used for the location of the Adventure Center unless we first accept it.

The typical length of time between the signing of the Franchise Agreement, or the first payment of any consideration for the franchise, and the opening of your business is approximately 6 to 12 months. Factors that may affect this period may include whether you have a site selected when you sign the Franchise Agreement, your ability to obtain a site, prepare a site survey, arrange leasing and financing, make leasehold improvements, install fixtures, equipment, and signs, decorate the Adventure Center, meet local requirements, obtain inventory, obtain liquor permit (if applicable), and similar factors.

You must open and begin operating your Adventure Center by the scheduled opening date identified in Exhibit F of your Franchise Agreement (but in no event later than 365 days after signing the Franchise Agreement). If you fail to begin operations within the stated time, we may terminate the Franchise Agreement. A developer must begin operation of the Adventure Centers to be developed under the Area Development Agreement according to the development schedule ("Development Schedule") in the Area Development Agreement. The intervals for opening individual Adventure Centers depend upon the negotiated Development Schedule and are generally 6 to 12 months for the first Adventure Center and according to the Development Schedule for subsequent Adventure Centers. While we expect the timeline

for developing each subsequent Adventure Center under the Development Schedule could range from 8 months to 18 months, the exact timeline depends on our negotiations with you, which take into account the market and your development commitment, among other things. The timelines under the Development Schedule might be shorter than and supersede the timelines described in the Franchise Agreement. Failure to open the Adventure Center in accordance with the Development Schedule may result in termination of the applicable Franchise Agreement and Area Development Agreement. If you fail to comply with the Development Schedule, we may terminate the Area Development Agreement and exercise any other rights and remedies that we may have.

You must start substantial construction of your Adventure Center at least 60 days before the deadline to open your Adventure Center. Failure to meet these deadlines may result in termination of your Franchise Agreement. In addition, on or before the deadlines to start construction you must submit a notice to our construction department of the name of your general contractor. Upon our request, you also will submit a signed copy of the agreement with your general contractor. In the event that you fail to comply with any of our standards for development and construction of your Adventure Center and do not cure such failure upon notice from us, we will have the right to terminate the Franchise Agreement, and, if applicable, the Area Development Agreement. In addition, you must comply with the requirements for constructing and equipping your Adventure Center, which may include without limitation providing construction reports in the form we designate and photographs of the progress made in constructing and equipping your Adventure Center.

Marketing

We have no obligation to conduct advertising except through the Central Marketing Fund described below. We advertise nationally through our website. We will direct all programs that the Central Marketing Fund finances and we will have sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. We have no obligation to spend any amount on advertising in an area where each franchisee is located. (Franchise Agreement – Section 10).

We have established and intend to maintain a URL website, www.escapehunt.com, promoting the System and identifying the location of franchise and company-owned Adventure Centers. You are required to authorize us to identify and promote your Adventure Center on our website and further authorize us to modify our website and to conduct promotions on a system-wide basis, and you and your Adventure Center will participate in all such promotions. You are prohibited from establishing or utilizing your own URL website, mobile apps appearing on smartphones or other electronic devices (including, for example, Android Marketplace or the Apple Store), or social media webpage to promote your Adventure Center, except as described in our Digital and Social Media policy set forth in the Manuals. (Franchise Agreement – Section 10(j)).

We or Area Representative will review and approve or disapprove all marketing collateral that you create, including without limitation, your local advertising, marketing and promotional activities and campaigns. In addition, we may develop and administer from time to time advertising, marketing and sales promotional programs (e.g. alcoholic beverage menu and marketing promotions and specialized menu offerings) in which you will participate according to the terms and conditions that we prescribe. Finally, we or Area Representative will review your proposed budget and advertising plan for the grand opening of your Adventure Center and advise you of any required modifications to such plan and budget (provided that no modification of the budget will require you to spend in excess of the "Grand Opening Amount" described in your Franchise Agreement). (Franchise Agreement, Sections 10(d), 10(e), and 10(f)).

Grand Opening Program

At least 60 days before the date of the Grand Opening of the Adventure Center, the advertising plans and budget for such opening or Grand Opening must be submitted to and approved in writing by Franchisor. You must spend $5,000 to $10,000 in the four-week period comprised of the two weeks preceding the opening and two weeks after the opening of your Adventure Center in marketing, promotion and advertising of your Adventure Center that complies with our written specifications including but not limited to digital marketing, Pay-Per-Click and Search Engine Optimization expenditures. We must approve all advertising items, methods, and media. Upon Franchisor's request, Franchisee will submit to Franchisor documentation evidencing its advertising expenditures.

Advertising Cooperatives

We have the right to establish and maintain local or regional advertising cooperatives and composed of certain other franchisees located in the geographic area in which you are located. Membership in, and the coverage of, each advertising cooperative will be defined geographically and typically will be based upon the metropolitan area in which the Adventure Center is located. We may establish advertising cooperatives in some but not all geographic areas. If you are required to participate in an advertising cooperative established by us, you will contribute the amount designated by your advertising cooperative (which will be based upon a percentage of your Gross Sales) and your contribution will be credited against the amount you are required to spend for local marketing. Each Escape Hunt Adventure Center within an advertising cooperative's geographic area, including Escape Hunt Adventure Centers owned by us or our affiliates, will be a member of the advertising cooperative will have one vote per Adventure Center. Each member of an advertising cooperative will contribute the same percentage of the Gross Sales of its Adventure Center to the advertising cooperative. Each advertising cooperative will be required to adopt governing bylaws that meet our approval and that we may require the advertising cooperative to amend such bylaws from time to time. We will provide each advertising cooperative with a sample form of bylaws that it must use containing certain terms and conditions that we require, although the bylaws cannot modify the voting structure set forth in this paragraph. Members of the advertising cooperative will be entitled to obtain a copy of the bylaws upon written request. Each advertising cooperative must submit to us its meeting minutes upon our request and must obtain our written approval of all promotional and advertising materials and activities, creative execution, and media schedules before their implementation. The members of each advertising cooperative and their elected officers will be responsible for the administration of the advertising cooperative. We reserve the right to administer the advertising cooperative's funds and require payment from its members via electronic funds transfer. Upon our request, an advertising cooperative must engage the services of a professional media buyer or advertising agency approved by us that has expertise in the industry and in the particular market. Also, each advertising cooperative will be required to have an independent certified public accountant prepare annual unaudited financial statements, which will be available to us and to all franchisee members of the advertising cooperative. Currently, there are no advertising cooperatives. We have the right to require advertising cooperatives to be formed, changed, dissolved, or merged.

Currently, there is no established advertising council comprised of franchisees that advise us on advertising policies although we may informally consult franchisees in connection with marketing, promotional or advertising initiatives.

Escape Hunt Intranet

We may establish and maintain an intranet facility through which members of the Escape Hunt network of Adventure Centers may communicate with each other and through which we may disseminate updates to the Manuals and other confidential information. We will have no obligation to maintain the Escape Hunt Intranet indefinitely. We will establish policies and procedures for the Escape Hunt Intranet's use. These policies, procedures and other terms of use will address issues such as (1) restrictions on the use of abusive, slanderous or otherwise offensive language in electronic communications; (2) restrictions on communications that endorse or encourage breach of any franchisee's franchise agreement; (3) confidential treatment of materials that we transmit via the Intranet; (4) password protocols and other security precautions; (5) grounds and procedures for our suspending or revoking a franchisee's access to the Escape Hunt Intranet; and (6) a privacy policy governing our access to and use of electronic communications that franchisees post on the Escape Hunt Intranet. The Escape Hunt Intranet facility and all communications that are posted to it will become our property. You must purchase and install all necessary additions to your Adventure Center's information system and establish and continually maintain electronic connection with the Escape Hunt Intranet that allows us to send messages to and receive messages from you. Your obligation to maintain connection with the Escape Hunt Intranet will continue until your Franchise Agreement's expiration or termination (or, if earlier, until we dismantle the facility). You must contribute to the cost of the Escape Hunt Intranet's maintenance and further development in accordance with the same terms and conditions as established under the Website provisions above.

Central Marketing Fund

We reserve the right to establish and administer a Central Marketing Fund for the creation and development of marketing, advertising, and related programs, campaigns and materials, including electronic, print, Internet and Social Media, as well as the planning and purchasing of global advertising and strategic brand positioning initiatives. "Central Marketing Fund" means the Escape Hunt marketing fund established and administered by us and our Affiliates for the promotion of the Brand in North America. If and when we establish such Central Marketing Fund, you must contribute a continuing central marketing fee in the amount we establish to the Central Marketing Fund (such amount being based on a percentage of the Adventure Center's Gross Sales), which will not exceed 3% of Gross Sales. We will direct all advertising and marketing programs, including but not limited to research methods, branding, creative concepts and materials, sponsorships, and endorsements used in connection therewith; selection of geographic and media markets; and media placement and the allocation thereof. For the avoidance of doubt, if a Central Marketing Fund is established, you will remain responsible for the costs associated with the placement of any marketing and media in the Designated Area for the Adventure Center. We reserve the right to terminate (and, if terminated, to reinstate) the Central Marketing Fund. If the Central Marketing Fund is terminated, all unspent monies on the date of termination accrued will be distributed to franchisees operating Escape Hunt Adventure Center in proportion to their respective contributions to the Central Marketing Fund accrued during the preceding three-month period.

The Central Marketing Fund, if established, will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses, and overhead as we may incur in activities related to the administration of the Central Marketing Fund and its programs. The Central Marketing Fund will be operated solely as a conduit for collecting and expending fees collected by Escape Hunt franchisees in North America. We will not act as trustee with respect to the Central Marketing Fund and will have no fiduciary duty to you or your Affiliates, Principals or any other franchisees with regard to the operation or administration of the Central Marketing Fund.

We undertake no obligation to ensure that expenditures by the Central Marketing Fund (if established) in or affecting any geographic area are proportionate or equivalent to the contributions to the Central Marketing Fund by Escape Hunt Adventure Centers operated in that geographic area or that your Adventure Center or any other Escape Hunt Adventure Center will benefit directly or in proportion to its fees paid to the Central Marketing Fund, or, further, that all Escape Hunt Adventure Center operated by us or any of our Affiliates will pay the same contributions to the Central Marketing Fund. Unless otherwise provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to Franchisee with respect to maintaining, directing or administering the Central Marketing Fund.

If established, all new franchisees under the System are required to contribute the same percentages of their Gross Sales to the Central Marketing Fund. If we establish company-owned Adventure Centers in the United States, they will contribute to the Central Marketing Fund on the same basis as franchisees. We may institute the Central Marketing Fund upon 60 days' prior written notice to you. We are not obligated to provide an accounting of each marketing, advertising or promotional program and spend for your individual Adventure Center. The Central Marketing Fund is not audited. For fiscal year ending December 31, 2021, we did not collect the Central Marketing Fee from Escape Hunt franchisees in the United States. (Franchise Agreement – Section 10(a)).

Local Marketing Expenditure

You must make the Local Marketing Expenditure equal to 2% of Gross Sales each quarter during the Term. At our request, you will furnish us with copies of invoices and other documentation evidencing your expenditures. If we determine that your Local Marketing Expenditures total less than the then-current percentage of Gross Sales we require, we may notify you of any additional amounts that you must spend on local marketing. If you have not spent such additional amounts (in addition to any ongoing marketing requirements) by the end of the quarter in which you receive notice from us, then the failure to make the required Local Marketing Expenditure will constitute a default under the Franchise Agreement. You must throughout the Term engage in local advertising, marketing and promotional activities and campaigns in accordance with our Standards and the Manuals.

Technology

Before commencement of the operation of your Adventure Center, you must purchase the required computer hardware, software, internet connections and service, required dedicated telephone and power lines and other related accessories, peripherals, consoles and equipment required to operate our then-current mandatory audio/visual system. You must also acquire the licenses for the additional Games (including Brand Games and Super Brand Games) that will be offered and implemented at your Adventure Center.

We may require you throughout the franchise term to purchase, license and use the A/V System, operations, booking and reservation software, customer relations management software (CRM) back office, accounting, customer service, loyalty program processing and other hardware and software in the operation of your Adventure Center, including additions, upgrades, enhancements and replacements of the current software and hardware (including A/V System), provided that such upgrades will not exceed in the aggregate with all required improvements to the Adventure Center $250,000 during the initial term of the Franchise Agreement. Some or all of these may be developed, supplied or licensed by or on behalf of us or an affiliate, at such cost as we or our approved vendors make such systems, hardware, software, upgrades, enhancements and replacements available to franchisees. The third parties whose computer-related products you buy have no contractual right or obligation to provide ongoing maintenance, repairs, upgrades, or updates unless you obtain a service contract or a warranty covers the product. We currently do not provide

computer-related products and therefore have no such obligations. We estimate that the annual costs payable to third parties for maintenance, repairs, upgrades, or updates will range from $4,000 to $5,000.

We require that you implement and use a reporting system as approved by us and may also require you to purchase and maintain remote servers, off-site electronic repositories, and broadband or other high speed Internet connections. You may be required to pay a software license fee for some or all software we require you to use. You must acquire, install, and maintain such anti-virus and anti-spyware software as we require and must comply with such data security and consumer privacy policies as we may prescribe from time to time as set forth in the Manuals.

We estimate the cost of purchasing all required computer hardware and software systems to be approximately $44,000 to $46,000. Of this amount, $40,000 is related to the games technology (encompassed in the Game Room Fit-Out line-item in Item 7), and $4,000 to $6,000 is for non-games technology (encompassed in the Equipment, Furniture, Fixtures, and Signage line-item in Item 7). This does not include the CRM platform subscription or the Game License Fees that you will pay in connection with developing your Adventure Center. The CRM platform subscription costs approximately $250 per month per site, which is payable to a third party. Payments begin once the franchisee starts the subscription, which is typically one month before the site opens. We may at any time require that you upgrade your payment processing hardware and software including requiring you to use "chip and pin" technology to ensure that credit card payment processing is consistent with PCI Standards. We may, at our option, provide basic technology support during Adventure Center operating hours for computer(s) and other basic office equipment in your Adventure Center. If we make available such technology support services, you may, at your option, elect to receive such service from us, provided you must execute our then-current form of technology support agreement and pay the fees associated with such technology support services.

You must: (a) use any proprietary software programs, Games, system documentation manuals, and other proprietary materials that we require in connection with the operation of the Adventure Center; (b) input and maintain in your computer such data and information as we prescribe; and (c) purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever we adopt new or upgraded programs, manuals, and materials system-wide. You must enter into all software license agreements, third party license agreements (with respect to Brand Games and Super Brand Games), "terms of use" agreements, and software maintenance agreements, in the form and manner prescribed by our approved vendors, and pay all fees imposed under the agreements. (Franchise Agreement – Section 8). We generally will have independent, unlimited access to the information that the technology system at your Adventure Center generates and maintains.

Confidential Manuals

After you sign your Franchise Agreement, we will give you access to our Manuals. The Manuals may be in electronic format. A copy of the table of contents of the Manuals is attached to this Disclosure Document as Exhibit F. We consider the contents of the Manual is to be proprietary and confidential and you are bound by the restrictive covenants regarding our confidential information set forth in the Franchise Agreement with respect to your use of the Manuals. The Operations Manual of the Adventure Center contains 74 pages. (Franchise Agreement – Section 11).

Training

No later than 45 days before the opening date of your Adventure Center, your Operating Principal and General Manager must attend and successfully complete, to our satisfaction, our initial training program.

Before attending training, each participant must submit to us completed application forms and upon our request, a signed liability waiver in the form prescribed by us, and complete any other pre-training requirements described in the Manuals. The initial training program lasts approximately five days for your Operating Principal and General Manager. The training materials currently consist of the Manuals, checklists, demonstrations and on the job-training. We reserve the right to charge additional amounts for uniforms used by your management personnel during training. Our initial training program is subject to change, without notice, to reflect updates in the materials, methods, and Manuals and changes in personnel. We do not charge for this training or for materials, but you are responsible for all costs and expenses you and your personnel incur in connection with completing our initial training program, including without limitation the cost of obtaining required certifications, compensation, travel, lodging, meals and other miscellaneous costs. Our initial training program is held on an as needed basis and, as of the issuance date of this disclosure document, will be conducted at Adventure Centers operated by Area Representative in the United States. All trainees must complete the initial training program in accordance with the requirements set forth in the Manuals, wherever conducted.

We or Area Representative will determine whether your Operating Principal and General Manager have satisfactorily completed initial training. If any of your designated participants fail to meet the admission requirements for the initial training program, if the initial training program is not satisfactorily completed by your trainees after meeting the admission requirements, or if we, in our reasonable business judgment based upon the performance of your trainees, determine that the initial training program cannot be satisfactorily completed by such person(s), you must immediately designate a replacement trainee(s), as applicable, to apply for and complete such training before the opening date of your Adventure Center. We reserve the right to charge you a training fee for training any additional or replacement management personnel. (Franchise Agreement – Section 6(a)).

If you fail to designate replacement trainee(s) who have satisfied the admission requirements, if the initial training program is not satisfactorily completed by any replacement trainee (or the initial trainee, if no replacement is designated) by the deadline set forth above, or if we determine that the training program cannot be satisfactorily completed by such person(s), and you fail to satisfy the initial training program requirements within 30 days following notice from us, we may, at our sole option, delay the opening of your Adventure Center or terminate the Franchise Agreement upon notice to you and retain the initial franchise fee and any other fees paid by you under the Franchise Agreement. (Franchise Agreement – 20(a)(1)(d)).

Your management personnel may attend such additional or remedial training programs and seminars as we may offer. We may require that certain of your management personnel complete such additional training (including on-site remedial training). For all such training, we or Area Representative will provide the instructors and training materials; however, we reserve the right to impose a reasonable fee for such training, including costs of travel, lodging, meals, and compensation for our representatives. You are responsible for any and all expenses incurred by you or your trainees in connection with such additional training including the costs of travel, lodging, meals, and wages. (Franchise Agreement Sections 6(c), 6(d) and 6(e)).

In connection with the opening of the Adventure Center, we or Area Representative will provide you with one or more of our training personnel to provide on-site training, supervision and assistance, with respect to such matters and for such period of time determined by us (but no less than four days). The on-site training, supervision and assistance may not be provided for consecutive days and may be provided either before and/or after the opening of the Adventure Center. You will be responsible for the actual costs and expenses incurred by us in connection with providing such on-site training. Except as otherwise provided in this Item 11, you will be responsible for training all Adventure Center personnel under the specifications

and standards regarding such training described in the Manuals or otherwise in writing by us. (§§ 6(b) and 13 of the FA).

Craig James, Head of Operations, is responsible for the content of the training program. He has 13 years of experience running teams and operating businesses in the leisure and hospitality sector and has been with the Escape Hunt brand since October 2017. Also involved in various aspects of training is Richard Harpham, our Director and Chief Executive Officer, who has over 5 years of experience with our brand and in this industry and therefore has working knowledge of all aspects of operations. Jake Halbert, Vice President of Operations for Go Xperia, our Area Representative in the United States, will be involved in hands-on training in the United States. Mr. Halbert has been coaching, training, and supporting franchisees for over 15 years. He also leads the hands-on training in each franchise market on-site and is affiliated with the franchised Adventure Center that currently operates in Houston, Texas. Given that affiliation, Mr. Halbert has working knowledge of all aspects of the operations of an Adventure Center. We may supplement or use additional instructors on our training staff to conduct our training programs, at our discretion. Our additional instructors generally have a minimum of 3 months of experience directly with Adventure Centers.

Below is a summary of the subject matters, hours of classroom training, hours of on-the-job training and the location for our initial training program.

TRAINING PROGRAM

ALL MANAGEMENT PERSONNEL

Subject	Hours of Classroom Training	Hours of On-the-job Training	Location[1]
Company History	4	0	Mutually Agreed Location
Adventure Center Positions – Brand Standards	12	24	Mutually Agreed Location
Systems	4	16	Mutually Agreed Location
Marketing	4	0	Mutually Agreed Location
Compliance	4	0	Mutually Agreed Location
Ops Manual	4	0	Mutually Agreed Location
Best Practice	4	0	Mutually Agreed Location

[1]We may offer certain training modules electronically (e.g. via our intranet, the Internet or other electronic access) which may be accessed from your Adventure Center.

Subject	Hours of Classroom Training	Hours of On-the-job Training	Location[1]
Merch Shop	4	0	Mutually Agreed Location
Best Practice Game Production, Installation and Management			Mutually Agreed Location
TOTAL	40	40	

As further described in Item 15, your Operating Principal must attend the annual meeting, convention, or conference of franchisees and all meetings relating to new products or product preparation procedures, new operational procedures or programs, training, Adventure Center management, sales or sales promotion, or similar topics, at your own expense.

ITEM 12
TERRITORY

Franchise Agreement

The Franchise Agreement grants to you the right to operate an Escape Hunt Adventure Center at a single location selected by you and approved by us. You do not have the right to use alternative channels of distribution (as further described below) in connection with offering the products and services of the System unless otherwise approved by us.

The Adventure Center will be located within a designated geographic area (the "Designated Area") as described in the Franchise Agreement. At such time as you propose and we accept your proposed Adventure Center location identified at a specific address within the Designated Area such that it becomes the "Premises," the Designated Area will automatically and without further writing be reduced to an area described in Exhibit G and illustrated in the map in Attachment G-1 of your Franchise Agreement. You will confirm the address of the Premises (as well as the scheduled opening date for your Adventure Center) by signing the Designated Area and Premises addendum attached to the Franchise Agreement as Exhibit G. You are required to operate the Adventure Center only at the Premises and may not relocate the Adventure Center without our prior written consent. If we consent, you must comply with our then-current site selection and construction standards. Your Franchise Agreement does not give you any options, rights of first refusal or similar rights to acquire additional franchises, but you may apply for the right to operate additional Escape Hunt Adventure Centers under separate Franchise Agreements.

We will not, during the term of your Franchise Agreement, operate or grant others the right to operate any other Escape Hunt Adventure Center in the Designated Area identified in Exhibit F of the Franchise Agreement during the term of the Franchise Agreement. The exact size of the Designated Area will be determined based on several factors, including without limitation the population base; density of population; growth trends of population; apparent degree of affluence of population; the density of residential and business entities; Adventure Center co-tenants, traffic generators, driving times; and major topographical features which clearly define contiguous areas, like rivers, mountains, major freeways, and underdeveloped land areas. We will determine the Designated Area and insert a map of the Designated Area as Attachment G-1 to Exhibit F of the Franchise Agreement once the Premises for your Adventure Center is identified and has been approved by us. There are no particular minimum or maximum sizes for

Designated Areas because, given the distinctive nature of an Adventure Center, the specific size of a Development Area depends on the specific market.

We will not, except as provided below and as long as you are in full compliance with the Franchise Agreement, establish and operate or license or authorize any other party to establish or operate an Escape Hunt Adventure Center within the Designated Area for the remainder of the term of the Franchise Agreement. Except as expressly limited by the previous sentence, we and our affiliates retain all rights with respect to Escape Hunt Adventure Centers, the Marks, the sale of similar of dissimilar products and services and any other activities we deem appropriate whenever and wherever we desire. Specifically, we and our affiliates reserve the following rights:

1) Advertise and promote the System within and outside the Designated Area, including digital promotion and advertising of the Escape Hunt brand;

2) Operate, and license others (including Area Representative) to operate, Escape Hunt Adventure Centers at any location outside the Designated Area, including locations that are adjacent to the Designated Area;

3) Except for the restriction against the establishment of another Escape Hunt Adventure Center in the Designated Area, offer and sell, and authorize others (including Area Representative) to offer and sell, approved collateral products and services, including those offered and sold at Escape Hunt Adventure Centers (such as Games, clothing and other Escape Hunt memorabilia), under the Marks or other marks at or from any location or through any channel of distribution (including, but not limited to, retail stores, wholesale, the Internet (or any other existing or future form of electronic commerce), other retail or Adventure Center locations and other entertainment service facilities; and

4) Establish and operate, and license others (including Area Representative) to establish and operate, any business other than an Escape Hunt Adventure Center, including other adventure centers or entertainment-related businesses, under the Marks or under other marks, including adventure centers or other businesses that we or our affiliates may operate, acquire, be acquired by, or be merged or consolidated with.

You will not receive an exclusive territory. You may face competition from other franchisees, from Escape Hunt Adventure Centers that we own, or from other channels of distributions that competitive brands that we control. We are not required to compensate you in any way for offering or selling in your Designated Area any of the products or services described in (1)-(4) above. The restrictions on our right to operate in your Designated Area do not apply to any Escape Hunt Adventure Center existing or under development on the date the Franchise Agreement is signed.

We, Area Representative and any other Escape Hunt franchisees may also, at any time, advertise and promote the System. You are prohibited from selling products identified by the Marks through any other channels or methods of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing, without our prior consent. You may not solicit or sell products and items identified by the Marks outside the Designated Area.

The territorial rights granted to you under the Franchise Agreement are not dependent upon the achievement of a certain sales volume, market penetration or other contingency. During the term of your Franchise Agreement, we may not alter your Designated Area described in Exhibit F and illustrated in Attachment F-

1 of your Franchise Agreement. However, we may modify your Designated Area upon renewal. You do not receive the right to acquire additional franchises within or outside of your Designated Area unless you sign an Area Development Agreement or another Franchise Agreement with us.

Area Development Agreement

Under an Area Development Agreement, you are assigned a geographic area (the "Territory") within which you are required to develop two or more Escape Hunt Adventure Centers under a prescribed Development Schedule. The size of the Territory may range from a portion of a city or an unincorporated area to a single or multi-county or single state area and will be described in the Area Development Agreement by reference to a description, an area marked on a map, streets or highways, political jurisdiction boundaries, by an area encompassed within a radius of a specific distance (or a range of distances) or of a distance sufficient to encompass a specified population (or range of populations) or by such other method of delineation as we may prescribe.

Subject to your full compliance with the Area Development Agreement and the remaining part of this paragraph, neither we nor our affiliates will establish, or authorize any other person or entity, other than you, to establish an Escape Hunt Adventure Center in the Territory (subject to all of the reservations and limitation related to a Designated Area described above, which also apply to a Territory) until the earlier of: (i) the expiration or termination of the Area Development Agreement; (ii) the date upon which you must sign the Franchise Agreement for your last Adventure Center to be developed under the Development Schedule set forth in the Area Development Agreement; or (iii) our modification of your development rights in the Territory (including without limitation your exclusivity in the Territory) following your failure to satisfy the Development Schedule in your Area Development Agreement (as further described below). If your Territory is divided into a series of "markets" to be developed, then exclusivity will terminate with respect to each such market included within your Territory upon execution of the last Franchise Agreement required to fulfill the development obligations for such market. At that time, the Designated Area for each Franchise Agreement in the market will remain as the only territorial protection in the market and we will have the right to franchise or open Escape Hunt Adventure Centers outside the Designated Area(s) within such market.

You must develop your Adventure Centers in accordance with the Development Schedule set forth in your Area Development Agreement. The territorial rights granted to you under the Area Development Agreement are not dependent upon the achievement of a certain sales volume, market penetration or other contingency except as stated in the following paragraph. Also, except as stated in the following paragraph, there are no circumstances under which the Territory may be altered prior to the expiration or termination of the Area Development Agreement.

As a condition to exercising your development rights under your Area Development Agreement and executing a Franchise Agreement for development of each Adventure Center, you must satisfy the following:

5) You and your affiliates and principals must be in full compliance with all provisions of your Area Development Agreement and any other agreements (including any Franchise Agreements) between you and your affiliates and us and our affiliates. You must have opened each Adventure Center in a timely manner as required under the Development Schedule. You must have at all times operated, and continue to operate, each of your existing Adventure Centers in accordance with our standards set forth in the Manuals. Additionally, you must demonstrate you are capable of operating each

proposed Adventure Center required under the Development Schedule in accordance with our standards.

6) You and your principals must satisfy our then-current financial criteria for developers of Escape Hunt Adventure Centers as set forth in the Manuals. You must not be in default, and have not been in default during the 12 months preceding your request for financial approval, of any monetary obligations owed to us or our affiliates under any Franchise Agreement or other agreement between you or any of your affiliates and us and any of our affiliates.

7) You must have prepared or obtained, and submitted to us upon our request, in a timely manner, all information and documents requested by us in connection with the Area Development Agreement or any other agreements to be executed between you and any of your affiliates and us or any of our affiliates, and you must have taken such additional actions in connection therewith as may be requested by us.

8) Neither you nor any of your principals will have made any transfer or attempted transfer of a controlling interest in the Developer entity without our prior consent.

If you fail to comply with the Development Schedule, including failing to submit for our approval a site that satisfies our then-current criteria for an Escape Hunt Adventure Center premises, execute a Franchise Agreement or open an Adventure Center by the deadline set forth in the Development Schedule, or otherwise commit a material event of default under the Area Development agreement as described in Item 17, we may, in addition to other remedies, terminate, modify or reduce the Territory granted to you or modify or reduce the number of Adventure Centers you may develop within the Territory. If you develop an Adventure Center outside of your Territory, then we will modify the Territory granted to you in your Area Development Agreement by requiring you to release a portion of your Territory identified by us.

ITEM 13
TRADEMARKS

The Franchise Agreement gives you a license to operate an Escape Hunt Adventure Center under the mark, "Escape Hunt" and to use any future Marks we authorize.

Our affiliate, Escape Hunt IP Limited ("EH IP") owns the following Marks on the Principal Register of the United States Patent and Trademark Office, and all required affidavits have been filed.

No.	Mark	*Register*	Registration Number	Registration Date
1	Escape Hunt (standard characters)	Principal	5,311,961	October 17, 2017

2		Principal	5,400,234	February 13, 2018
3		Principal	5,923,305	December 3, 2019

There is no presently effective determination of the U.S. Patent and Trademark Office, the trademark trial and appeal board, the trademark administrator, of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which is relevant to its ownership, use, or licensing.

We know of no superior prior rights or infringing use that could materially affect your use of the Marks, and we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

Our rights to the Marks and the proprietary System know-how are derived from a nonexclusive perpetual license dated November 11, 2020 ("Intercompany License") between us and EH IP. The Intercompany License grants us the right to use the Marks and the proprietary know-how for the purpose of licensing them to our franchisees and fulfilling our obligations under the Franchise Agreement. The Intercompany License is terminable only for material breach of the Intercompany License agreement and only if we do not cure or begin to cure the breach within the cure period specified by EH IP. We have the right to require a franchisee to discontinue the use of any Marks at any time (including, for example, if our right to use a Mark under the Intercompany License Agreement is terminated). We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you.

In addition to the Marks described above, we will, at our sole option, sublicense to you trademarks, design marks, logos and/or service marks of a third party licensor ("Third Party Licensor Marks') related to Brand Games or Super Brand Games. We may discontinue the use of any Brand Games or Super Brand Games at any time and, in such case, you will be required to cease the use of any Third Party Licensor Marks related to such discontinued Brand Game or Super Brand Game.

We are not obligated to protect your rights to use the Marks or any third party licensor's marks or to protect you against claims of infringement or unfair competition. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks or Third Party Licensor Marks (except as otherwise provided in the sublicense agreement you sign in connection with the purchase of such Brand Game or Super Brand Game) or if the proceeding is resolved unfavorably to you.

You must promptly notify us of any infringement of, challenge to the use of, or claim by any person of any rights in any of the Marks or Third Party Licensor Marks. You and your principals must agree not to communicate with any person other than us, any designated affiliate, and our or their counsel about any infringement, challenge, or claim. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or U.S. Patent and Trademark Office (or other) proceeding, from any infringement, challenge, or claim concerning any of the Marks and Third Party Licensor Marks (subject to the terms of our license agreement with the applicable third party licensor). You must sign all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain the continued validity and enforceability of the Marks and Third Party Licensor Marks as well as our interests or those of our affiliates or third party licensors in any litigation or proceeding involving the Marks or Third Party Licensor Marks or to otherwise protect and maintain our or our affiliates' interest in the Marks and the third party licensor's interest in the Third Party Licensor Marks.

You may use only the Marks that we designate, must use them only in the manner that we authorize and permit, and must use them with the symbols, "®", "™", or "℠", as appropriate. You may use the Marks and Third Party Licensor Marks only in connection with the operation and promotion of your Adventure Center(s), and only in the manner we prescribe. You may not use any of the Marks or Third Party Licensor Marks as part of your corporate or other name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. Neither you nor your principals may take any action that would prejudice or interfere with the validity of our rights with respect to the Marks or Third Party Licensor Marks and may not contest the validity of our interest in the Marks or Third Party Licensor Marks or assist others to do so.

You may not use the Marks or Third Party Licensor Marks or any part or derivative of the Marks Third Party Licensor Marks on the Internet, except as expressly permitted in writing. This prohibition includes use of the Marks or Third Party Licensor Marks or any derivative of the Marks or Third Party Licensor Marks as part of any URL or domain name, including but not limited to any gaming website, social networking website, mobile application or marketing/discounting website; as part of any user name; or as part of any email address unless expressly approved by us in writing.

We have the right to substitute different trade names, service marks, trademarks, and indicia of origin for the Marks or Third Party Licensor Marks if the Marks or Third Party Licensor Marks can no longer be used, or if we determine that the substitution will be beneficial to the System. If we do, we may require you to discontinue or modify your use of any Mark or Third Party Licensor Marks or use one or more additional or substitute Marks or Third Party Licensor Marks at your expense.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents and do not have any pending patent applications that are material to the franchise.

We do not own any copyrights and do not have any pending copyright applications that are material to the franchise. However, we do claim copyright protection and proprietary rights in the original materials used in the System, including our Manuals, Games (including Games designs, props, equipment, room décor, furniture, fixtures, lighting and A/V System), bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, and other written materials relating to the operation of Escape Hunt Adventure Centers and the System.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement or Area Development Agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use, or licensing of the copyrights. You may not use any of our copyrighted works on the Internet without our written permission. This includes display of the copyrighted works on commercial websites, gaming websites, advertising and promotion websites, mobile applications and social networking websites.

"Confidential Information" means all proprietary and confidential information relating to the development and operation of Escape Hunt Adventure Centers, including, without limitation, all information, knowledge, know-how, trade secrets, methodologies, techniques, procedures, applications and materials, in whatever form, used in or related to the System which we provide to you, or which you or your affiliates or your respective employees develop or have access to, in connection with the Franchise Agreement, Area Development Agreement or the development and operation of the Adventure Center(s) thereunder, including, without limitation, any product sourcing, manufacturing, inventory management and control, supply, distribution; pricing; standards for site selection, general contractors, architects, architectural and construction plans, and trade dress (i.e. the unique, distinctive, and non-functional overall appearance and image of the Adventure Center in the marketplace, including without limitation our standards related thereto); technology, and related computer software; advertising, marketing and promotional programs including gift card, loyalty and customer reward programs; customer data (i.e. any personally identifiable information, such as a person's or entity's name, address, phone number, fax number, email address, loyalty program number (if applicable), social media profile identification (e.g. Twitter name)); financial data and statements; training and management programs; and any other information or data regarding our or any of our affiliates' business that would reasonably be considered the proprietary or confidential information of us or our affiliates.

You and your employees must maintain the confidentiality of all Confidential Information. Additionally, you and your principals must agree not to communicate or use our Confidential Information for the benefit of anyone else during and after the term of the Franchise Agreement. You and your principals must also agree not to use our Confidential Information at all after the Franchise Agreement terminates or expires. You and your principals can give this Confidential Information only to your employees who need it to operate your Escape Hunt Adventure Center. You must have your Operating Principal, General Manager, and any of your other personnel who have received or will have access to our Confidential Information, sign similar covenants.

If you or any of your principals develop any new concept, process, or improvement in the operation or promotion of your Escape Hunt Adventure Center (including without limitation the design and/or operation of the Games), you must promptly notify us and give us all information we require about the new process or improvement, without compensation. You and each of your principals agree that any of these concepts, processes, or improvements will become our property, and we may use or disclose them to other franchisees as we determine appropriate.

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

During the term of the Franchise Agreement, your Operating Principal and your General Manager must devote full-time and best efforts to the management of the Adventure Center. Your "Operating Principal"

is the individual who actively directs the day-to-day business affairs regarding the Adventure Center and who is responsible for overseeing the general management of the Adventure Center.

Your Operating Principal and your General Manager must provide direct on-premises supervision to the Adventure Center. The Operating Principal and the General Manager must complete our training course. You must always have at least one General Manager that has completed training to our satisfaction, and we do not require that this manager have any equity interest in the franchisee entity. If the General Manager fails to satisfactorily complete the training program, you may designate a different individual, who must then complete the training program to our satisfaction and at your expense. The use of an Operating Principal and General Manager in no way relieves you of your obligations to comply with the Franchise Agreement and to insure that the Adventure Center is operated in accordance with our standards. We have the right to require that the Operating Principal and the General Manager be at the Adventure Center for any inspection or evaluation we conduct.

If we hold an annual meeting, convention or conference, your Operating Principal must attend the annual meeting, convention, or conference of franchisees and all meetings relating to new products or product preparation procedures, new operational procedures or programs, training, management, sales or sales promotion, or similar topics, at your own expense. Your General Manager may attend, at your expense, such annual meeting, convention or conference only if we grant you our prior written approval. However, your General Manager must attend the annual training meeting for General Managers, at your expense. In addition, we reserve the right to require that you and/or your Operating Principal and/or your General Manager attend any additional meetings and training that we deem appropriate under special circumstances.

All shareholders, officers, directors, partners, members, multi-unit supervisors, and all managers and other employees having access to our proprietary information must sign confidentiality agreements in a form we require. In addition, your Operating Principal under the Franchise Agreement, Designated Principal under the Area Development Agreement and, if requested by us.

Your principals will be individually and jointly and severally bound by all of your obligations and the obligations of principals under the Franchise Agreement and Area Development Agreement by signing the Guaranty and Assumption of Obligations. We do not require that the spouses of your principals (if any) sign the Guaranty and Assumption of Obligations.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

All Games you use or sell at the Adventure Center must conform to our standards and specifications. These are described in our Manuals and other writings. You must not deviate from our standards and specifications unless we first give you our written consent. You must also comply with all applicable laws and regulations and secure all appropriate governmental approvals for the Adventure Center.

Your Adventure Center must only offer Games and approved services and products that we authorize for Escape Hunt franchises, which we may change during the franchise term. You may not, without our prior written approval, offer any form of "escape the room" theme or any mystery or puzzle in any form or medium other than live escape game experiences that we specify in the Manuals. You may not offer any other services or products that we have not specifically authorized for your Adventure Center. There generally are no limits on our right during the franchise term to modify the services or products that your Adventure Center must or may offer and sell. The Adventure Center premises may only be used for the purpose of operating an Escape Hunt Adventure Center in compliance with the Franchise Agreement.

Promotional and marketing materials and signage must all be as specified or approved by us. You must open and operate the Adventure Center during the operating hours and days as we specify in the Manuals or otherwise in writing.

You must participate in all market research programs that we require, which includes test-marketing new products, purchasing a reasonable quantity of new products for test-marketing, promoting the sale of the new products. You must provide us with timely reports and test results for all such programs.

We may make available to you and may require you to purchase for resale to your customers certain merchandise like Escape Hunt or Games-logoed items and related memorabilia in amounts as we require.

You may not advertise, promote, post, or list information relating to the Adventure Center on the Internet (through the creation of a Website or otherwise), without our prior written consent, other than in compliance with the marketing and social media guidelines set forth in the Manual.

We reserve the right to establish maximum, minimum, or other pricing requirements with respect to the prices you may charge for products or services, as permitted by law. We reserve the right to establish and maintain customer loyalty and gift card programs, in which case you must honor redemptions of loyalty program rewards and gift cards at your Adventure Center.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The following tables list certain important provisions of the Franchise Agreement and Area Development Agreement. You should read these provisions in the Franchise Agreement and Area Development Agreement attached to this disclosure document.

Franchise Agreement

	Provision	Section in Franchise Agreement	Summary
a.	Length of franchise term	Section 3(a)	Term is 10 years.
b.	Renewal or extension of the term	Sections 3(b)	Two additional, consecutive 5-year terms.
c.	Requirements for franchisee to renew or extend	Section 3(b)	Your renewal right permits you to remain as a franchisee after the initial term of your Franchise Agreement expires. However, to remain a franchisee, you must meet all required conditions to renewal, including signing our then-current form of franchise agreement, which may have materially-

	Provision	Section in Franchise Agreement	Summary
			different terms and conditions than your original expiring franchise agreement. Other requirements are that you: (1) give us written notice of your decision to renew at least 6 months prior to the expiration of the initial term; (2) are in good standing under your Franchise Agreement and any other agreement between you or your affiliates and us or our affiliates; (3) have presented documentation satisfactory to us that you have the right to remain in possession of the premises for your Adventure Center; (4) have completed any necessary repairs and upgrades such that your Adventure Center complies with our then-current standards described in the Manuals; (5) have paid the successor fee in the amount of $15,000; (6) have complied with our then-current training requirements for management personnel; and (7) sign and cause your principals to sign a general release in a form prescribed by us.
d.	Termination by franchisee	Not Applicable	You may terminate the Franchise Agreement on all grounds allowed under state law.
e.	Termination by franchisor without cause	Not Applicable	Not Applicable
f.	Termination by franchisor with cause	Section 19	We can terminate the Franchise Agreement only if you default or fail to comply with your obligations. The Franchise Agreement and Area Development Agreement contain cross-default provisions. That means that we have the right to terminate the Franchise Agreement if we terminate the Area Development Agreement.
g.	"Cause" defined – curable defaults	Section 19(a)	Curable defaults include 30 days to cure failure to finish out the Adventure Center in accordance with Section 5(e) of the Franchise Agreement; 30 days to cure failure to begin operating the Adventure Center by the earlier of the Opening Date or Opening Deadline; 30 days to cure failure to maintain an

	Provision	Section in Franchise Agreement	Summary
			Operating Principal and General Manager that have completed initial training; five days to cure any failure to make payments owed to us; three days to cure any understatement of Gross Sales or failure to report Gross Sales; and 30 days for failure to abide by our standards and requirements in connection with the operation of your business, or failure to meet any requirements or specifications established by us, and any other default not listed in h. ("non-curable faults") below.
h.	"Cause" defined – noncurable defaults	Section 19(a)	Except as prohibited under state law, non-curable defaults include bankruptcy or insolvency (our right to terminate may not be enforceable under federal bankruptcy law); material misrepresentation or omission by you or your principals or affiliates that negatively affects us; except in the case of a force majeure event, cessation of operation of the Adventure Center for two or more consecutive days or on any single federally recognized holiday (except those holidays on which we have approved your Adventure Center to close as set forth in the Manuals); surrender of control of the Adventure Center without our prior written consent; you or your principals or affiliates being held liable or convicted of a felony, indictable offense or other unlawful act or you or your principals or affiliates engaging in any dishonest or unethical conduct or act that may materially or adversely affect the brand, System or goodwill associated with the Marks; any unauthorized use or misuse of the Marks; any unauthorized transfer pursuant to Section 17 by you or any of your principals or affiliates; any unauthorized disclosure or use of our confidential information (including without limitation the Manuals); any failure by you, your principals or your Operating Principal to comply with the representations, warranties and covenants set forth in the Franchise Agreement; termination by us or our

	Provision	Section in Franchise Agreement	Summary
			affiliates of any other agreement with you or your affiliates; default under the lease for the Adventure Center premises and failure to cure such default (if curable); failure to pay any taxes applicable to the Adventure Center and its operations; failure to comply with applicable law; loss or revocation of any license or permit required to operate the Adventure Center; if, on three or more occasions in any 12-month period, you fail to submit when due reports or other information required under the Franchise Agreement, fail to pay when due any amounts due to us or our affiliates or fail to materially comply with the Franchise Agreement, regardless of whether you corrected such failures.
i.	Franchisee's obligations on termination/non-renewal	Section 20	Obligations include ceasing operation of your Adventure Center (including without limitation cessation of the use of the System (including the Games)); payment of all amounts owed to us; discontinuing the use of all Marks; ceasing use of the System and our confidential information (including without limitation the Manuals) and returning copies of all such confidential information to us; assignment of telephone numbers, domain names, electronic mail address, websites, social media accounts and search engines related to the operation of the Adventure Center or the System or that otherwise associates you with the Escape Hunt brand to us or our designee; transfer of certain anonymized customer data to us; de-identification of your Adventure Center in accordance with our then-current standards described in the Manuals; and compliance with all post-termination covenants and obligations, including without limitation confidentiality, competition and indemnification.
j.	Assignment of contract by franchisor	Section 17(a)	No restriction on our right to assign.

	Provision	Section in Franchise Agreement	Summary
k.	"Transfer" by franchisee – defined	Section 17(b)	Includes any transfer of your interest in the Franchise Agreement, a controlling ownership interest in you or your interest in substantially all of the assets of you or the Adventure Center.
l.	Franchisor approval of transfer by franchisee	Section 17(b)	We have the right to approve all transfers under the Franchise Agreement but will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Section 17(c)	Except as prohibited under state law, you must be in full compliance with the Franchise Agreement and you, your affiliates and your principals must be current on all amounts owed to us or our affiliates; your proposed transferee must meet all of our then-current requirements for new franchisees and have complied with the then-current training requirements; your proposed transferee and its principals must sign our then-current form of franchise agreement and all ancillary agreements; you and your proposed transferee must have agreed to the terms of the purchase agreement and assumption of any lease of the Adventure Center premises and any equipment, if applicable; you must pay a transfer fee; you and your principals must execute a general release in favor of us and our affiliates, principals, successors, assigns, employees and agents; and other conditions that we may reasonably require from time to time as part of our transfer policies (also see r below).
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 17(f)	We can match any offer for the franchised business.
o.	Franchisor's option to purchase franchisee's business	Section 21	Upon termination, we have the right to purchase or designate a third party that will purchase all or any portion of the assets of your Adventure Center, including the land, building, equipment, fixtures, signs, furnishings, supplies, leasehold improvements, and inventory. Upon

	Provision	Section in Franchise Agreement	Summary
			expiration, we have the right to purchase or designate a third party that will purchase the Operating Assets. Qualified appraiser(s) will determine price as set forth in Schedule H of the Franchise Agreement.
p.	Death or disability of franchisee	Section 17(e)	Upon death or disability of any of your principals that holds a controlling interest in you or if we determine the death or disability of one of your principals adversely affects the operation of the Adventure Center, you must transfer such principal's interest in you to a third party approved by us within six months of such death or disability.
q.	Non-competition covenants during the term of the franchise	Section 18(a)	You and your principals will not divert any business or customer to a competitor, you will not be involved in a competing Adventure Center and you will not do or perform any act injurious or prejudicial to the goodwill associated with the Marks and System.
r.	Non-competition covenants after the franchise is terminated or expires	Section 18(a)	For the two-year period following termination or expiration of the Franchise Agreement (and, with respect to your principals, for the two-year period following the date upon which your principal ceases being a "principal" as defined in the Franchise Agreement), you and your principals will not divert any business or customer to a competitor or be involved in a competing Adventure Center located (i) within the Designated Area defined in your Franchise Agreement; (ii) at or within five miles of the Adventure Center; or (iii) within ten miles of any Escape Hunt Adventure Center operating or under constructions in or outside the United States.
s.	Modification of the agreement	Sections 27(c)	Generally, no modifications without your consent, except that we may unilaterally change the Marks and Manuals.
t.	Integration/merger clause	Sections 27(f)	Only the terms of the Franchise Agreement and its attached exhibits are binding (subject to applicable state law). Any representations or

	Provision	Section in Franchise Agreement	Summary
			promises outside of the disclosure document and franchise agreement may not be enforceable. Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 25	Except for certain claims, non-binding mediation and then all disputes must be arbitrated in New York unless contrary to applicable state law.
v.	Choice of forum	Section 25(c)(7)	Arbitration in New York, New York (subject to state law).
w.	Choice of law	Section 25(b)	New York law applies (subject to state law).

Area Development Agreement

	Provision	Section in Area Development Agreement	Summary
a.	Length of area development term	Section 3(a) and Exhibit A	Depends on the number of Adventure Centers you commit to open.
b.	Renewal or extension of the area development term	Section 3(b)	You will have the option to renew your Area Development Agreement for a successor term, the term of which will depend on the number of Adventure Centers you commit to open.
c.	Requirements for franchisee to renew or extend	Section 3(b)	Your renewal right permits you to remain as a developer after the initial term of your Area Development Agreement expires. However, to remain a developer, you must meet all required conditions to renewal, including that you: (1) give us written notice of your decision to renew at least 6 months prior to the expiration of the initial term; (2) and your affiliates are in good standing under the Area Development Agreement, all Franchise Agreements and any other agreement between you or your affiliates and us or our affiliates; (3) and we agree upon a Development Schedule for the successor term that is memorialized in an amendment to your

	Provision	Section in Area Development Agreement	Summary
			Area Development Agreement or set forth in a new Area Development Agreement that will be signed by you and us; (4) you pay us the successor fee; and (5) you and your principals sign a release of us and our affiliates, principals, successors, assigns, agents and employees in the form prescribed by us.
d.	Termination by developer	Not Applicable	You may terminate the Area Development Agreement on all grounds allowed under state law.
e.	Termination by franchisor without cause	Not Applicable	Not Applicable
f.	Termination by franchisor with cause	Section 12	We can terminate the Area Development Agreement only if you default or fail to comply with your obligations. The Franchise Agreement and Area Development Agreement contain cross-default provisions. That means that we have the right to terminate the Area Development Agreement if we terminate the Franchise Agreement.
g.	"Cause" defined – curable defaults	Section 12(a)	Curable defaults include 30 days to cure failure to develop Adventure Centers in accordance with the Development Schedule; five days to cure any failure to make payments owed to us; and 30 days for failure to abide by our standards and requirements in connection with the operation of your business, or failure to meet any requirements or specifications established by us, and any other default not listed in h. ("non-curable faults") below.
h.	"Cause" defined – noncurable defaults	Section 12	Except as prohibited under state law, non-curable defaults include bankruptcy or insolvency (our right to terminate may not be enforceable under federal bankruptcy law); material misrepresentation or omission by you or your principals or affiliates that negatively affects us; you or your principals or affiliates being held liable or convicted of a felony, indictable offense or other unlawful act or you or your principals or affiliates engaging in any dishonest or unethical conduct or act that may

	Provision	Section in Area Development Agreement	Summary
			materially or adversely affect the brand, System or goodwill associated with the Marks; any unauthorized use or misuse of the Marks; any unauthorized transfer pursuant to Section 11 by you or any of your principals or affiliates; any unauthorized disclosure or use of our confidential information (including without limitation the Manuals); any failure by you, your principals or your designated principal to comply with the representations, warranties and covenants set forth in the Area Development Agreement; termination by us or our affiliates of any other agreement with you or your affiliates; failure to pay any taxes applicable to your business and the development of the Adventure Centers; failure to comply with applicable law; loss or revocation of any license or permit required to develop the Adventure Centers; if, on three or more occasions in any 12-month period, you fail to materially comply with the Franchise Agreement, regardless of whether you corrected such failures.
i.	Franchisee's obligations on termination/non-renewal	Section 13	Obligations include payment of all amounts owed to us (including without limitation a lump sum payment of liquidated damages, described in Item 6) and ceasing use of the System and our confidential information (including without limitation the Manuals) and returning copies of all such confidential information to us (except as authorized pursuant to an effective Franchise Agreement between you and us in connection with the operation of Adventure Centers). Developer must also comply with all post-termination covenants and obligations, including without limitation confidentiality, competition and indemnification.
j.	Assignment of contract by franchisor	Section 11(a)	No restriction on our right to assign.
k.	"Transfer" by franchisee – defined	Section 11(b)	Includes any transfer of your interest in the Area Development Agreement or a controlling ownership interest in you or substantially all of your assets.

	Provision	Section in Area Development Agreement	Summary
l.	Franchisor approval of transfer by franchisee	Section 11(c)	We have the right to approve all transfers under the Area Development Agreement but will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Section 11(c)	Except as prohibited under state law, you must be in full compliance with the Area Development Agreement, all Franchise Agreements and any other agreements between you or your affiliates and us and our affiliates; you must transfer all Franchise Agreements in accordance with the transfer requirements set forth therein with the transfer of your Area Development Agreement; you, your affiliates and your principals must be current on all amounts owed to us or our affiliates; your proposed transferee must meet all of our then-current requirements for new developers; your proposed transferee and its principals must sign our then-current form of area development agreement and all ancillary agreements; you must pay a transfer fee; you and your principals must execute a general release in favor of us and our affiliates, principals, successors, assigns, employees and agents; and other conditions that we may reasonably require from time to time as part of our transfer policies (also see r below).
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 11(f)	We can match any offer for your franchised business.
o.	Franchisor's option to purchase franchisee's business	Section 13(e)	Upon termination, we have the right to purchase or designate a third party that will purchase the assets of the Adventure Centers at our option. The purchase price for the assets will be determined by qualified appraiser(s) in accordance with Exhibit F of the Area Development agreement.
p.	Death or disability of franchisee	11(e)	Upon death or disability of any of your principals that holds a controlling interest in you or if we determine the death or disability of one of your principals adversely affects the development of the Adventure Center, you

	Provision	Section in Area Development Agreement	Summary
			must transfer such principal's interest in you to a third party approved by us within six months of such death or disability.
q.	Non-competition covenants during the term of the franchise	Section 8(a)	You and your principals will not divert any business or customer to a competitor, you will not be involved in a competing Adventure Center and you will not do or perform any act injurious or prejudicial to the goodwill associated with the Marks and System.
r.	Non-competition covenants after the franchise is terminated or expires	Section 8(a)	For the two-year period following termination or expiration of the Area Development Agreement (and, with respect to your principals, for the two-year period following the date upon which your principal ceases being a "principal" as defined in the Area Development Agreement), you and your principals will not divert any business or customer to a competitor or be involved in a competing Adventure Center located (i) within the Territory defined in your Area Development Agreement; or (ii) within ten miles of any Escape Hunt Adventure Center operating or under constructions in or outside the United States.
s.	Modification of the agreement	Section 17(c)	Generally, no modifications without your consent, except that we may unilaterally change the Manuals.
t.	Integration/merger clause	Section 17(f)	Only the terms of the Area Development Agreement and its attached exhibits are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and area development agreement may not be enforceable. Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 15	Except for certain claims, all disputes must be mediated, and if not resolved, arbitrated in New York unless contrary to applicable state law.

	Provision	Section in Area Development Agreement	Summary
v.	Choice of forum	Sections 15(c)(7)	Litigation must be in the U.S. District Court for the Southern District of New York or the state courts of New York County, Manhattan Borough (subject to state law).
w.	Choice of law	Section 15(b)	Delaware law applies (subject to state law).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's 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 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.

Our management prepared this financial performance representation based on information provided by our one franchisee (of 2 franchisees total) in the United States, located in Houston, Texas, that operates the type of Escape Hunt Adventure Center for which we are offering franchises in this disclosure document. This Item 19 is based exclusively on that one franchisee's performance. Our other operational franchisee, located in Miami, Florida, does not operate the type of Escape Hunt Adventure Center for which we are offering franchises in this disclosure document (see below).

This financial performance representation shows certain historical average, median, and high/low monthly performance metrics during the 12-month period from July 1, 2021, through June 30, 2022 (the "2021/22 Measured Period"), for the single franchised Escape Hunt Adventure Center operating in Houston, Texas ("Escape Hunt Houston"). Escape Hunt Houston offers and sells game adventures under an operating model that is materially consistent with the operating model to be used by the franchises that are the subject of this franchise offering. Excluded from this financial performance representation is information for a franchised Miami, Florida-based Escape Hunt Adventure Center ("Escape Hunt Miami") because Escape Hunt Miami operates legacy games and uses an operating model that differs materially from the operating model to be used by the franchises that are the subject of this franchise offering.

The performance metrics presented below were obtained from the unaudited management information records of Escape Hunt Houston.

For 12 months to June 30, 2022	Average over 12 months	Median	High	Number / % of months exceeding average	Month of High	Low	Month of low
Monthly average number of participants per booking[1]	4.32	4.32	4.84	6 / 50%	August	3.78	October
Monthly average revenue per booking[2]	$156.82	$158.80	$188.55	7 / 58%	November	$127.04	January
Monthly average revenue per participant[3]	$36.23	$36.16	$39.45	6 / 50%	June	$32.45	January

Notes:

(1) "Monthly average number of participants per booking" is calculated as the total number of individual participants attending the Adventure Center during the month, divided by the number of bookings. Each booking refers to a single escape game played.

(2) "Monthly average revenue per booking" is calculated as the total revenue during the month, divided by the number of bookings at the Adventure Center during that month.

(3) "Monthly average revenue per participant" is calculated as the total revenue during the month divided by the number of participants attending the Adventure Center during that month.

Escape Hunt Houston was open for operation during the entire 2021/2022 Measured Period. It began operating under the current commercial model in August 2019.

This financial performance representation does not reflect the costs of sales, operating expenses or other costs or 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 Escape Hunt Adventure Center. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

Written substantiation of all financial performance information presented in this financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations about a franchisee's future financial performance or the past financial performance of franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections for your future income, you should report it to our management by contacting Graham Bird,

Escape Hunt USA Franchises Limited, Belmont House, Station Way, Crawley RH10 1YA, United Kingdom (graham@xpfactory.com), the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For fiscal years 2019 to 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	2	2	0
	2020	2	2	0
	2021	2	2	0
Company-Owned	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Total Outlets	2019	2	2	0
	2020	2	2	0
	2021	2	2	0

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For fiscal years 2019 to 2021

State	Year	Number of Transfers
All States	2019	0
	2020	0
	2021	0
Total	2019	0
	2020	0
	2021	1

Table No. 3

Status of Franchised Outlets
For fiscal years 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Florida*	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Texas	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Totals*	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2

* The outlet operated in Florida is not operated under the franchise model currently offered in this disclosure document.

Table No. 4

Status of Company-Owned Outlets
For fiscal years 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
All States	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
Totals	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

Table No. 5

Projected Openings As Of December 31, 2021

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
All States	0	0	0
Total	0	0	0

The names, addresses, and telephone numbers of our franchisees as of December 31, 2021, are listed on Exhibit D.

The name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had an Adventure Center terminated, cancelled, or not renewed by us or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement or has not communicated with us within 10 weeks of the issuance date of this disclosure document, are listed on Exhibit E. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experience as a franchisee in our franchise system.

There are no trademark-specific franchisee organizations associated with the Escape Hunt franchise system.

ITEM 21
FINANCIAL STATEMENTS

Exhibit G contains our audited financial statements (stated in United States dollars) as of and for the periods ending December 31, 2021, and December 31, 2020, our unaudited balance sheet as of June 30, 2022, and our unaudited income statement for the 6 months ended June 30, 2022. We have not been in business for 3 years and, therefore, cannot include 3 years of audited financial statements in this disclosure document.

ITEM 22
CONTRACTS

Attached to this disclosure document are the following contracts or documents and their attachments:

1. Exhibit B—Area Development Agreement (with exhibits and appendices).
2. Exhibit C—Franchise Agreement (with exhibits and appendices).
3. Exhibit H—Sample Copy of General Release.
4. Exhibit I—Franchisee Disclosure Questionnaire.

ITEM 23
RECEIPTS

The last two pages of this disclosure document are detachable duplicate Receipts. Please sign and date both copies of the Receipt. Keep one signed copy of the Receipt for your file and return to us the other signed copy of the Receipt. The Receipt contains the names of our franchise sellers or brokers.

EXHIBIT A

TO THE FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

Escape Hunt USA Franchises Ltd

(a wholly owned subsidiary of Escape Hunt PLC)

Financial Report

December 31, 2021

Escape Hunt USA Franchises Ltd

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Independent Auditor's Report

To the Directors
Escape Hunt USA Franchises Ltd

Opinion

We have audited the financial statements of Escape Hunt USA Franchises Ltd (the "Company"), which comprise the balance sheet as of December 31, 2021 and 2020 and the related statements of operations, stockholder's (deficit) equity, and cash flows for the year ended December 31, 2021 and period from November 18, 2020 to December 31, 2020, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020 and the results of its operations and its cash flows for the year ended December 31, 2021 and period from November 18, 2020 to December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Company and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

PRAXITY™
Empowering Business Globally

To the Directors
Escape Hunt USA Franchises Ltd

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

June 15, 2022

Escape Hunt USA Franchises Ltd

Balance Sheet

December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash	$ 206,046	$ 100,000
Other current assets	4,455	483
Total current assets	210,501	100,483
Other Assets - Loan receivable	111,694	2,417
Total assets	**$ 322,195**	**$ 102,900**
Liabilities and Stockholder's Equity		
Current Liabilities		
Accounts payable	$ 6,292	$ 8,701
Advance from related party	-	1,366
Contract liability	5,000	-
Accrued liabilities	34,250	-
Total current liabilities	45,542	10,067
Advance From Related Party	215,259	-
Contract Liability - Net of current portion	12,916	-
Total liabilities	273,717	10,067
Stockholder's Equity	48,478	92,833
Total liabilities and stockholder's equity	**$ 322,195**	**$ 102,900**

See notes to financial statements.

Escape Hunt USA Franchises Ltd

Statement of Operations

	Year Ended December 31, 2021	Period from November 18, 2020 (Date of Inception) to December 31, 2020
Net Sales		
Royalty fees	$ 26,454	$ -
Franchise fees	417	-
Total net sales	26,871	-
Operating Expenses	79,752	7,167
Operating Loss	(52,881)	(7,167)
Nonoperating Income (Expense)		
Interest income	8,694	-
Foreign exchange loss	(168)	-
Total nonoperating income	8,526	-
Net Loss	**$ (44,355)**	**$ (7,167)**

See notes to financial statements.

Escape Hunt USA Franchises Ltd

Statement of Stockholder's (Deficit) Equity

Balance - November 18, 2020	$ -
Net loss	(7,167)
Contribution	100,000
Balance - December 31, 2020	92,833
Net loss	(44,355)
Balance - December 31, 2021	**$ 48,478**

See notes to financial statements.

Escape Hunt USA Franchises Ltd

Statement of Cash Flows

	Year Ended December 31, 2021	Period from November 18, 2020 (Date of Inception) to December 31, 2020
Cash Flows from Operating Activities		
Net loss	$ (44,355)	$ (7,167)
Adjustments to reconcile net loss to net cash from operating activities -		
Changes in operating assets and liabilities that (used) provided cash:		
Other current assets	(3,972)	(2,900)
Accounts payable	(2,409)	8,701
Contract liability	17,916	-
Accrued liabilities	34,250	-
Loan receivable	(109,277)	-
Net cash used in operating activities	(107,847)	(1,366)
Cash Flows from Financing Activities		
Advances from related party	213,893	1,366
Capital contributions	-	100,000
Net cash provided by financing activities	213,893	101,366
Net Increase in Cash	106,046	100,000
Cash - Beginning of period	100,000	-
Cash - End of period	**$ 206,046**	**$ 100,000**

See notes to financial statements.

Note 1 - Nature of Business

Escape Hunt USA Franchises Ltd (the "Company") is a United Kingdom limited company formed on November 18, 2020 (date of inception). The Company is engaged in franchising escape the room adventure centers in the United States. The Company operates under the name Escape Hunt and related trademarks (the "Marks"). Under a licensing agreement with Escape Hunt Innovations Limited, an entity related through common ownership, the Company has nonexclusive right to use the Marks in connection with its operations in exchange for an annual license fee. As of December 31, 2021, the Company had one franchised location. The Company did not have any franchised locations as of December 31, 2020.

Note 2 - Significant Accounting Policies

Basis of Presentation

The financial statements of the Company have been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

Loan Receivable

The Company has a loan receivable with a franchisee, which is reported at original issue amount plus accrued interest, less principal repaid. Interest is recognized according to terms of the specific agreement. An allowance for loan losses is determined based on a specific assessment of all loans that are delinquent or determined to be doubtful to be collected. Loans are considered delinquent if the repayment terms are not met. All amounts deemed to be uncollectible are charged against the allowance for loan losses in the period that determination is made.

The loan receivable accrues interest at 20 percent annually. As of December 31, 2021, the loan had accrued interest of approximately $8,700. There was no accrued interest as of December 31, 2020. The loan is classified as long term on the accompanying balance sheet, as management does not expect the loan to be repaid during 2022. The Company has not recorded an allowance for loan losses as of December 31, 2021 and 2020.

Revenue Recognition

The Company's revenue mainly consists of franchise fees and royalties. The Company sells individual franchisees the right to operate a franchise within a defined territory using the franchise name. The initial term of franchise agreements is typically 10 years.

The Company has obligations to provide franchisees with the franchise rights to operate a center. The Company has concluded that the franchise right represents a single performance obligation. Therefore, initial franchise fees for each agreement are allocated to each individual franchise and recognized over the term of the respective franchise agreement beginning on the date a franchise agreement is signed. Income for royalties is recognized over the term of the respective franchise agreement as the underlying services are provided.

Payment Terms

Initial franchise fees are due and typically paid when a franchise agreement is entered into and are nonrefundable. Royalties are paid on a monthly basis based upon a percentage of franchisee gross sales. Franchise fees are collected prior to the satisfaction of the Company's performance obligation, resulting in the Company recognizing deferred revenue contract liabilities. Amounts that are expected to be recognized as revenue within one year are classified as current deferred revenue in the accompanying balance sheet.

Note 2 - Significant Accounting Policies (Continued)

The Company's franchise agreements with franchisees have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties as the transaction price is based on the franchisees' sales. The variable consideration is recognized based on the actual amounts incurred each month.

Income Taxes

A current federal tax and state tax liability or asset is recognized for the estimated federal and state taxes payable or refundable. Deferred federal and state tax liabilities or assets are recognized for the estimated future federal and state tax effects of temporary differences between financial reporting and tax accounting. For the year ended December 31, 2021 and period from November 18, 2020 to December 31, 2020, the Company did not have taxable income, and any temporary differences were *de minimis*; thus, a current liability or asset and deferred liability or asset was not recognized.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including June 15, 2022, which is the date the financial statements were available to be issued.

Note 3 - Stockholder's Equity

The Company has authorized 1,000 ordinary shares with a nominal value of $0.01 per share. As of December 31, 2021 and 2020, all shares were issued and outstanding.

Note 4 - Related Party Transactions

As of December 31, 2021 and 2020, the Company has an outstanding payable due to Escape Hunt PLC (the parent company) in the amount of $215,259 and $1,366, respectively. This consists of funding to support working capital needs and professional fees paid by Escape Hunt PLC on behalf of the Company. There is no formal agreement or payment terms for the outstanding obligation.

UNAUDITED FINANCIAL STATEMENTS

Balance Sheet
Escape Hunt USA Franchises Ltd
As at 30 June 2022
Accruals basis

	Jun 30, 2022
Assets	
Cash and Cash Equivalents	
Barclays USA Franch (33633047)	$172,840.96
Barclays USA Franch USD (56885833)	$1,433.00
Total Cash and Cash Equivalents	**$174,273.96**
Current Assets	
Accounts Receivable	$70,984.02
Accrued Income	$3,738.00
VAT Receivable	$631.07
Total Current Assets	**$75,353.09**
Other Non-current Assets	
Loan to related party	$42,920.44
Total Other Non-current Assets	**$42,920.44**
Total Assets	**$292,547.49**
Liabilities and Equity	
Liabilities	
Current Liabilities	
(L) Advance from Plc to USA Franchises	$212,149.13
Accounts Payable	$5,281.08
Accruals	$34,250.00
Deferred income	$5,000.00
Total Current Liabilities	**$256,680.21**
Non-Current Liabilities	
Deferred Income - Non-Current	$10,416.31
Total Non-Current Liabilities	**$10,416.31**
Total Liabilities	**$267,096.52**
Equity	
Capital – 1,000 Ordinary Shares	$10.00
Current Year Earnings	-$23,914.83
Retained Earnings	-$50,634.21
Share premium	$99,990.00
Total Equity	**$25,450.96**
Total Liabilities and Equity	**$292,547.48**

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

Income Statement

Escape Hunt USA Franchises Ltd
1 January 2022 to 30 June 2022
Accrual basis

	Jan 1 – Jun 30, 2022
Revenue	
Income - Franchise	$19,465.03
Income service - Upfront fees	$2,500.02
Total Revenue	**$21,965.05**
Less Cost of Sales	
Cost of revenues : Intellectual Property License	$5,535.56
Total Cost of Sales	**$5,535.56**
Gross Profit	**$16,429.49**
Operating Expenses	
Audit fees	$6,000.00
Bank Fee	$126.14
Legal Expenses	$5,281.08
Repairs & Maintenance	$9,583.24
Unrealised Currency losses	-$19,353.86
Net Income / (Loss) before Tax	**-$23,914.83**
Tax	-
Net Income	**-$23,914.83**

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

EXHIBIT B

TO THE FRANCHISE DISCLOSURE DOCUMENT

AREA DEVELOPMENT AGREEMENT

ESCAPE HUNT USA FRANCHISES LTD.

Area Development Agreement

SUMMARY PAGE

This Area Development Agreement is made and entered into by and between Franchisor and Developer identified below. This Summary Page summarizes certain provisions of this Area Development Agreement to which it is attached. In the event of any conflict in the Summary Page and the Area Development Agreement, the provisions of the Area Development Agreement will control.

Effective Date:	_____
Expiration Date:	_____
Developer:	_____
Business Entity:	___ corporation ___ partnership ___ limited liability company, formed under the laws of _____.
Designated Principal:	_____
Development Fee:	_____ [$40,000 per Adventure Center]
Initial Franchise Fee:	$40,000 per Adventure Center to be developed
Extension Fee:	$20,000
Transfer Fee:	$15,000
Territory:	_____, as geographically constituted as of the Effective Date.
Developer:	_____
Address for Notices:	_____
	_____
	phone: _____
	fax: _____
	email: _____
Franchisor:	Escape Hunt USA Franchises Ltd., a UK limited company
Address for Notices:	3 Pear Place
	London SE1 8BT, UK
Attention:	Head of Franchise
Email:	[_____]
With a copy to:	Victoria Molony

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ESCAPE HUNT USA FRANCHISES LTD.

AREA DEVELOPMENT AGREEMENT

WHEREAS, Franchisor has expended significant effort, money and time to develop the System, all of which may be periodically changed or modified, at Franchisor's sole option, for establishing and operating Escape Hunt Adventure Centers that offer the Products and utilize the System and Marks.

WHEREAS, Franchisor developed and will continue to develop valuable goodwill in the Marks and may periodically develop or acquire other trademarks and service marks for use under the System, all of which may be changed or modified at Franchisor's sole option.

WHEREAS, Developer desires to obtain the right to identify and propose locations for Adventure Centers within the Territory and to develop and operate Adventure Centers at the Premises pursuant to one or more Franchise Agreements.

NOW, THEREFORE, in consideration of Franchisor's granting to Developer the right to develop Adventure Centers in the Territory subject to and in accordance with the terms hereof, the mutual obligations provided for in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS.

Certain initially capitalized terms used frequently in this Agreement are defined in this Section 1. Other terms are defined elsewhere in this Agreement in the context in which they arise.

(a) "**ADA**" means the Americans with Disabilities Act.

(b) "**Adventure Center**" means the Escape Hunt Adventure Center operating under the Marks and System pursuant to an Escape Hunt Franchise Agreement between Franchisor and a Franchisee.

(c) "**Affiliate**" means with respect to a named Person, any Person that is controlled by, controlling or under common control with the named Person.

(d) "**Agreement**" means this Escape Hunt Area Development Agreement between Franchisor and Developer.

(e) "**Applicable Law**" means any federal, state, and local laws, ordinances, and codes, together with all rules, regulations, policies, and guidelines related thereto, applicable to the subject matter of this Agreement, including the development, construction and/or operation of the Adventure Center pursuant to the terms hereof, including, without limitation, all laws and regulations related to health and safety, sale and service of liquor, beer and wine; labor, consumer privacy and data security and those governing public accommodations for persons with disabilities.

(f) "**Basic Game**" means games developed and approved by Escape Hunt for use by Franchisees that may require problem and/or clue solving ingenuity as part of experiential and participative entertainment made available to Franchisee in the Escape Hunt Games Catalogue made part of the Manuals.

(g) "**Brand**" means the Escape Hunt brand.

(h) "**Brand Game**" means a game available to Franchisee in the Escape Hunt Games Catalogue made part of the Manuals and which is developed by Franchisor and a Third Party Brand Licensor for use in the Adventure Center.

(i) "**Competitive Business**" means any and all businesses substantially similar to Escape Hunt Adventure Centers that, as determined by Franchisor, principally offer a participative entertainment experience involving groups of individuals taking part in games involving puzzle solving and ingenuity. A Competitive Business does not include: (1) other businesses that are

licensed by Franchisor or any of its Affiliates; or (2) Developer's Existing Brands.

(j) "**Conditions**" means collectively, the "Operational," "Financial," "Legal" and "Ownership" conditions to execution by Developer and Franchisor of a Franchise Agreement.

(k) "**Confidential Information**" means any and all information, knowledge, know-how, trade secrets, Trade Dress, methodologies, techniques, procedures, applications and materials, in whatever form, used in or related to the System which Franchisor provides to Developer, or which Developer or its Affiliates or employees develop or have access to, in connection with this Agreement or the operation of an Adventure Center hereunder, including, without limitation, the Standards; the Manuals; the Games (including the knowledge and specification for the implementation and operation of the Games), and associated materials, supplies, equipment, fixtures, furnishing and services relating to the Games, including any Confidential Information relating to any Third Party Brand Licensors; Franchisor's or its Affiliate's product sourcing, pricing, manufacturing, inventory management and control, supply and distribution; technology, point of sale and related computer software; advertising, marketing and promotional programs including gift card, loyalty and customer reward programs; Customer Data; financial data and statements; training and operational methodology, content (including without limitation inventory and financial controls) and management programs; and any other information or data regarding the business of Franchisor or any of its Affiliates that would reasonably be considered the proprietary or confidential information of Franchisor or its Affiliates.

(l) "**Consequential Damages**" means damages and injury that result from a Party's negligent performance of or other breach of this Agreement for (a) lost profits; or (b) compensation for damages to reputation and goodwill including costs of or resulting from delays, financing, marketing materials and media time and space, and costs of changing, substituting or replacing the same.

(m) "**Control**" or "**Controlling Interest**" means the power, directly or indirectly, to direct or cause the direction of the management and policies of an Entity, whether by contract or otherwise.

(n) "**Crisis Management Event**" means an event that Franchisor determines may materially affect the Marks and goodwill associated therewith.

(o) "**Cybersecurity Incident**" means any event or occurrence that results in unauthorized access to or adversely affects the availability or integrity of Confidential Information, which event or occurrence could not have been prevented by reasonable administrative, physical or technical security measures.

(p) "**Designated Principal**" means a Principal of Developer who supervises and oversees the operation of the business contemplated by this Agreement. The first Designated Principal is identified on the Summary Page.

(q) "**Developer**" means the Entity so described on the Summary Page.

(r) "**Development Fee**" means an initial fee in the amount set forth on the Summary Page owed to Franchisor upon Developer's execution of this Agreement.

(s) "**Development Period**" means as applicable, the 12-month period ending on the calendar day immediately preceding the first anniversary of the Effective Date and each subsequent 12-month period thereafter during the Initial Term and Successor Term, if applicable.

(t) "**Development Schedule**" means the schedule set forth in Exhibit A.

(u) "**Effective Date**" means the effective date of this Agreement as set forth on the Summary Page.

(v) "**Entity**" means a business entity, including a corporation, limited liability company, general or limited partnership, limited liability partnership or any other type of legal entity.

(w) "**Equity Interest**" means any direct or indirect stock, unit, membership, partnership or other legal, equitable or beneficial ownership interest, or other voting rights, in an Entity, but does not include direct or indirect ownership solely as an investment of securities of any Entity traded on any securities exchange if the owner is not a Controlling Person (or a member of an Entity that Controls such Entity) and does not, directly or indirectly, own 5% or more of any class of securities of such Entity.

(x) "**Escape Hunt Brand Property**" means any interior and exterior signage, décor and art using the Marks or Third Party Brand Marks and any furniture, equipment, or materials designated by Franchisor as "Escape Hunt Brand Property," including without limitation the Games and any props used in the operation of Adventure Centers.

(y) "**Escape Hunt Games Catalogue**" means the catalogue of Games that Escape Hunt makes available to Franchisees.

(z) "**Event of Default**" means any breach by Developer of, or any failure by Developer to comply with, any condition or obligation of this Agreement as described in Section 12.

(aa) "**Existing Brands**" means the centers operated under a system and marks other than the System and Marks by Developer as of the Effective Date.

(bb) "**Extension Fee**" means a fee in the amount of one-half of the Development Fee as set forth on the Summary Page and payable by Developer to Franchisor in connection with the extension of a Development Period.

(cc) "**Force Majeure Event**" means Acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe), strikes, lockouts or other industrial disturbances; war (declared or undeclared), riot, terrorist acts, Cybersecurity Incident, or other civil disturbances; epidemics; or other forces, that materially and adversely affect the ability of a Party hereto to perform provided that with respect to any or all events they are not within the reasonable control of the Party affected thereby. Financial inability of a Party hereto will not constitute a Force Majeure Event.

(dd) "**Franchise**" means the right to operate an Adventure Center pursuant to this Agreement.

(ee) "**Franchise Agreement**" means Franchisor's then–current form of franchise agreement that governs the operation of an Adventure Center. Franchisor's current form of Franchise Agreement is attached to this Agreement as Exhibit D.

(ff) "**Franchisee**" means Developer or an Affiliate of Developer approved by Franchisor to operate an Adventure Center pursuant to an executed Franchise Agreement between Franchisor and Developer.

(gg) "**Franchisor**" means the Entity so described on the Summary Page.

(hh) "**Franchisor Indemnitees**" means Franchisor, its Affiliates and their respective principals, employees, agents, successors and assignees.

(ii) "**Games**" means collectively the Basic Games, Brand Games and Super Brand Games.

(jj) "**Ideas and Concepts**" means game themes, theme-books, storylines, designs and specifications relating to the Games, processes, ideas, concepts, methods, techniques, materials or customer information relating to the Games, the System and the Adventure Center(s) that Developer or its Affiliate creates or develops from time to time in connection with the development or operation of the Adventure Center(s).

(kk) "**Indemnified Matter**" means any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to a judgment) or any settlement thereof, as described in Section 10.

(ll) "**Initial Franchise Fee**" means the initial fee Developer must pay to Franchisor as set forth in Section 5(d) in the amount set forth on the

Summary Page upon Developer's execution of a Escape Hunt Franchise Agreement in connection with each Adventure Center developed hereunder.

(mm) "**Initial Term**" means the initial term of this Agreement as set forth in Section 3(a).

(nn) "**Intellectual Property**" means all intellectual property or other proprietary rights throughout the world, whether existing under contract, statutes, convention, civil law, common law or any law whatsoever, now or hereafter in force or recognized, including (1) patents and rights to inventions; (2) trademarks, service marks, logos, trade dress and design rights (including without limitation the Marks); (3) works of authorship, including, without limitation, copyrights, source codes, moral rights, and neighboring rights; (4) trade secrets; (5) Ideas and Concepts; (6) publicity and privacy rights; (7) any rights analogous to those set forth herein and any other intellectual property and proprietary rights; (8) any application or right to apply for any of the rights referred to in subsections (1) through (7) above; and (9) any and all renewals, divisions, continuations, continuations-in-part, re-issuances, re-examinations, extensions and restorations of any of the foregoing (as applicable).

(oo) "**Internet**" means all modes of communications between computers and between computers and television, telephone, facsimile and similar communications devices, including the World Wide Web, proprietary online services, e-mail, news groups, social media, mobile applications, electronic bulletin boards and related communications.

(pp) "**Lease**" means the document executed by Developer or its Affiliate with an owner or lessor of real property in connection with the granting of the right to occupy the Premises and operate a Adventure Center from the Premises, including the Lease Addendum (as defined in the Franchise Agreement). Lease includes any sublease or renewal of any lease or sublease.

(qq) "**Losses and Expenses**" means without limitation, all losses, compensatory, exemplary or punitive damages, arbitration costs, mediation costs, settlement amounts, judgments, court costs, fines, charges, costs, and expenses, including without limitation reasonable legal fees and Consequential Damages.

(rr) "**Manuals**" means Franchisor's operations and training manuals, and any other written directives related to the System, in whatever form and provided in whatever manner, as the same may be periodically amended and revised by Franchisor at its sole option, including the Standards, all bulletins, supplements and ancillary and additional manuals and directives established by Franchisor from time to time.

(ss) "**Marks**" means the Escape Hunt trademarks and service marks and such other registered and unregistered trademarks, trade names, service marks, logos, slogans, emblems and other indicia of origin as are now designated, and may hereafter be designated by Franchisor (including without limitation any Marks relating to the Games owned or controlled by, or under license to Franchisor) in writing for use in connection with the System.

(tt) "**Notice**" means any notice, demand, request, consent, approval, and other communication in writing required or permitted to be given or which are to be given with respect to the Agreement.

(uu) "**Offering Fee**" means a payment in the amount of $15,000 that will be owed to Franchisor in connection with any offerings of debt or any Equity Interest of Developer or any Affiliate or any of the Principals thereof as set forth in Section 11(g).

(vv) "**Opening Deadline**" means the date by which a Adventure Center must be open for business to the public as set forth in the applicable Franchise Agreement.

(ww) "**Party**" or "**Parties**" means either Franchisor or Developer individually or collectively.

(xx) "**Permanently Disabled**" means being subject to any physical, emotional or mental injury, illness or incapacity that prevents Developer or any Principal holding a Controlling Interest in

Developer from performing his or her obligations under this Agreement or any other agreement related hereto for at least 90 consecutive days, and from which recovery is unlikely within 90 days from the date such individual is determined to be Permanently Disabled. If the Parties hereto disagree as to whether a Person is "Permanently Disabled" the determination will be made by a licensed practicing physician, selected by Franchisor, upon examination of the Person, or, if the Person refuses to submit to an examination, then for purposes of Section 11(e), the Person will automatically be considered Permanently Disabled as of the date of refusal.

(yy) "**Person**" means any natural person or Entity.

(zz) "**Personnel**" means all Persons employed by Developer or any of its Affiliates in connection with the development and operation of the Adventure Centers.

(aaa) "**Premises**" means the site approved by Franchisor for Franchisee's Adventure Center as set forth in the applicable Franchise Agreement.

(bbb) "**Principal**" means collectively or individually, the Persons holding a direct or indirect Equity Interest in Developer or in any Affiliate of Developer as designated by Franchisor and Developer's officers and directors. Any reference to "Principal" in this Agreement includes the Designated Principal.

(ccc) "**Products**" means the Escape Hunt or Games branded merchandise, as specified from time to time by Franchisor in the Manuals, or otherwise in writing. Products include the Proprietary Products.

(ddd) "**Proprietary Products**" means all proprietary clothing and merchandise used or made available for sale or offered on a free promotional basis at or from the Adventure Centers bearing any of the Marks or designated as proprietary by Franchisor or any Affiliate, including without limitation those products bearing Third Party Brand Marks licensed to Franchisor by a Third Party Brand Licensor.

(eee) "**Site Application**" means the documents and information that Developer must submit to Franchisor prior to Franchisor's evaluation of a proposed site, including without limitation, demographic data, photographs, maps, artists' renderings, site plans, and/or a copy of the Lease and documentation indicating Developer's prospects for acquiring possessory interest in the Premises

(fff) "**Standards**" means the standards, requirements, specifications, techniques, methods, policies and procedures of the System and Brand and for the development and operation of Escape Hunt Adventure Centers, as set forth in the Manuals or otherwise specified by Franchisor in writing and as may be amended by Franchisor from time to time.

(ggg) "**Successor Fee**" means the successor fee Developer must pay to Franchisor as set forth in Section 3(b) in the amount equal to Franchisor's then-current Development Fee multiplied by the number of Escape Hunt Adventure Centers to be developed by Developer during the Successor Term.

(hhh) "**Successor Term**" means the 10-year period commencing after the expiration of the Initial Term as set forth in Section 3(b).

(iii) "**Summary Page**" means the Summary Page of this Agreement that directly precedes the Table of Contents of this Agreement.

(jjj) "**Super Brand Game**" a Brand Game derived from or relating to one of the world-leading entertainment brands or properties as recognized in the Designated Area, as determined by Franchisor in its sole discretion, based on aggregate sales of assets relating to such brand, including without limitation, films, television, print, publishing, games, music, consumer products and merchandising.

(kkk) "**System**" means the business system for establishing and operating the Adventure Centers, the distinguishing characteristics of which include, without limitation, The Escape Brand Property; the Standards; the Games (including training, operational methods, marketing,

promotion and Brand positioning for the Games and the terms and conditions of Developer's license to use the Third Party Brand Marks and Third Party Brand IP related to the Brand Games and Super Brand Games); quality and uniformity of products and services offered; procedures for product sourcing, inventory, management, logistics, pricing; training and assistance; and marketing, advertising and promotional programs; all of which may be changed, improved and further developed by Franchisor from time to time.

(lll) "**Term**" means the term of this Agreement, including the Initial Term and any Successor Term.

(mmm) "**Third Party Brand IP**" means all intellectual property and other proprietary rights in the Brand Games and Super Brand Games licensed to Franchisor for use in the operation of the Escape Hunt Adventure Centers system, whether existing under contract, statutes, convention, civil law, common law or any law whatsoever, now or hereafter in force or recognized, including (1) patents and rights to inventions; (2) trademarks, service marks, logos, Trade Dress and design rights (including without limitation the Third Party Brand Marks); (3) works of authorship, including, without limitation, copyrights, source codes, moral rights, and neighboring rights; (4) trade secrets; (5) publicity and privacy rights; (6) any rights analogous to those set forth herein and any other intellectual property and proprietary rights; (7) any application or right to apply for any of the rights referred to in subsections (1) through (6) above; and (8) any and all renewals, divisions, continuations, continuations-in-part, re-issuances, re-examinations, extensions and restorations of any of the foregoing (as applicable).

(nnn) "**Third Party Brand Licensor**" means any third-party with whom Franchisor enters into an agreement to exploit their brand or their intellectual property as part of a Game.

(ooo) "**Third Party Brand Marks**" means the Third Party Brand Licensor's trademarks and service marks and such other registered and unregistered trademarks, trade names, service marks, logos, slogans, emblems and other indicia of origin of the Brand Games and Super Brand Games licensed to Franchisor for use in the operation of the Escape Hunt Adventure Center system.

(ppp) "**Territory**" means the geographic area described on the Summary Page.

(qqq) "**Trade Dress**" means the unique, distinctive, and non-functional overall appearance and image of the Adventure Center in the marketplace and includes the Standards.

(rrr) "**Transfer**" means and includes any voluntary, involuntary, direct or indirect assignment, transfer, sale, conveyance, disposition, gift, encumbrance, pledge, hypothecation, or mortgage by Developer or any of its Principals of all or any part of its rights, interests or obligations in this Agreement, Developer, the Adventure Center (including the Premises), the Operating Assets or any Equity Interest, directly or indirectly, in Developer to any Person or any other transaction that would, alone or together with other previous, simultaneous or proposed Transfer, have the effect of transferring Control, this Agreement, or substantially all of the assets of the business operated pursuant to this Agreement. Any transfer of an Equity Interest in Developer or the ownership, possession, or Control of the Adventure Center may be made only in conjunction with a Transfer of this Agreement.

(sss) "**Transfer Fee**" means the transfer fee in the amount set forth on the Summary Page that Developer or the transferee must pay to Franchisor as set forth in Section 11(c)(6).

2. GRANT OF DEVELOPMENT RIGHTS.

(a) Development Rights. Franchisor grants to Developer and Developer accepts from Franchisor, the right to develop a pre-determined number of Adventure Centers in the Territory during the Initial Term. This Agreement does not grant Developer the right to use the Marks, the System or operate an Adventure Center. Each Adventure Center must be operated under a separate Franchise Agreement. Developer has no rights under this Agreement to develop any Adventure Centers outside of the Territory or to

develop adventure centers under other brands that may come to be owned, operated or franchised by Franchisor or its Affiliates and that do not utilize the System. Subject to the rights reserved to Franchisor in Section 2(b) and provided Developer and its Affiliates remain in full compliance with this Agreement and all other agreements with Franchisor or any of its Affiliates during the Term, Franchisor will not:

(1) operate, directly or indirectly, nor grant to Persons the right to operate, an Adventure Center located within the Territory;

(2) offer or sell, directly or indirectly, nor grant to Persons the right to offer or sell those experiential entertainment services which comprise the Games and related Products and services under the Marks within the Territory;

(3) operate, directly or indirectly, nor grant to Persons the right to operate, a Competitive Business located within the Territory; provided that, Franchisor and its Affiliates will have the right to: a) establish and operate, and grant Persons the right to establish and operate, Competitive Businesses located within the Territory under marks and business methods the rights to which are acquired by Franchisor or its Affiliates pursuant to, as the result of, or in connection with a merger with or acquisition by any Entity or acquisition by Franchisor or its Affiliates of any Entity, including an asset transfer; and b) in such case, operate or grant to Persons the right to operate such Competitive Business as an Adventure Center.

The rights granted under this Section 2(a) are limited to the right to develop Adventure Centers and do not include (1) any right to subfranchise, sublicense, subcontract, share, divide or partition this Agreement or any rights hereunder; (2) sell Products identified by the Marks at any location or through any other channels or methods of distribution, including the Internet (or any other existing or future form of electronic commerce), other than at Adventure Centers within the Territory; (3) any right to sell Products identified by the Marks to any Person for resale or further distribution; or (4) any right to exclude, control or impose conditions on Franchisor's development or operation of franchised, Affiliate or company-operated Adventure Centers (whether under the Marks or different trade names or trademarks) at any time or at any location outside of the Territory.

(b) <u>Reserved Rights</u>. Franchisor retains all rights inside and outside the Territory except those that are expressly granted to Developer in this Agreement. Without limiting Franchisor's and its Affiliates' rights described in this Section 2(b), Franchisor and its Affiliates and any other authorized Person may, among other things:

(1) Advertise and promote the System within and outside the Territory;

(2) Operate, and license others to operate, Escape Hunt Adventure Centers at any location outside the Territory, including locations that are adjacent to the Territory;

(3) Except for the restriction against the establishment of another Adventure Center in the Territory, offer and sell, and authorize others to offer and sell, approved collateral products and services, including those offered and sold at the Adventure Center (including the Games and related clothing, merchandise and other items (e.g. similar game activities)), under the Marks or other marks at or from any location or through any channel of distribution (including, but not limited to, the Internet, online streaming, software, video (or any other existing or future form of electronic commerce), mail order, other retail locations and other multi-brand facilities providing a limited number or representative sample of the products and services normally offered by an Escape Hunt Adventure Center);

(4) Establish and operate, and license others to establish and operate, any business other than an Escape Hunt Adventure Center, including other adventure centers or escape room-related businesses, under the Marks or under other marks; and

(5) Establish and operate and license others to establish and operate any centers or other businesses that Franchisor or its Affiliates may operate as a result of any acquisition, consolidation or merger involving Franchisor or its Affiliate.

3. INITIAL AND SUCCESSOR TERMS.

(a) Initial Term. The Initial Term will commence on the Effective Date described on the Summary Page and will expire on the earlier of the expiration date set forth on the Summary Page or the date upon which Developer opens for operation the cumulative number of Adventure Centers in the Territory set forth in the Development Schedule.

(b) Successor Term. Developer will have the option to renew the Initial Term for one Successor Term if Developer and its Affiliates are in full compliance with this Agreement (including the Development Schedule) and all other agreements with Franchisor or any of its Affiliates (including Franchise Agreements signed pursuant to this Agreement) during the Initial Term and the Parties agree in writing upon a new Development Schedule. Developer will notify Franchisor that it is exercising its renewal right no later than 6 months before the scheduled expiration date of the Initial Term of this Agreement and will remain in good standing throughout the remainder of the Initial Term. Developer and Franchisor will enter into good faith discussions to establish a new Development Schedule before expiration of the Initial Term, with such new Development Schedule to be memorialized, at Franchisor's sole option, in the form of an amendment to this Agreement or by the Parties entering into a new development agreement on the terms of this Agreement with the adjustment to the Development Schedule. If the Parties fail to reach an agreement on the new Development Schedule, this Agreement will expire as set forth in Section 3(a). Developer will pay to Franchisor the Successor Fee concurrently with the execution by Developer of a new development agreement or an amendment to this Agreement and Developer and its Principals will execute a release of Franchisor and its Affiliates in the form prescribed by Franchisor, provided that such release will exclude any claims that cannot be released under Applicable Law.

4. DEVELOPMENT SCHEDULE.

(a) Development Schedule. Developer will exert its best efforts and take all steps necessary and consistent with this Agreement to fully develop Adventure Centers in the Territory. Without limiting the foregoing, Developer must have open and operating in the Territory, pursuant to Franchise Agreements, the cumulative number of Adventure Centers by the corresponding dates as set forth in the Development Schedule. Developer must execute Franchisor's then-current form of Franchise Agreement for each Adventure Center on or before the applicable date set forth in the Development Schedule and open each such Adventure Center by the Opening Deadline set forth in the applicable Franchise Agreement, provided that such Opening Deadline will not modify the cumulative number of Adventure Centers that Developer must have open and operating as of the expiration of each Development Period.

(b) Investment. Developer acknowledges that: (1) the estimated expenses and initial investment requirements for any Adventure Center are subject to increase over time and future Adventure Centers likely will involve greater initial investment and operating capital requirements; and (2) it is required to open all of the Adventure Centers on the dates set forth in the Development Schedule regardless of the requirement of a greater investment, the financial condition or performance of Developer's then-existing Adventure Centers or any other circumstances, financial or otherwise.

(c) Exercise of Development Rights. Developer may not develop an Adventure Center unless: (1) at least 45 days prior to the date set forth in the Development Schedule for the execution of each Franchise Agreement, Developer requests that Franchisor send its then-current franchise disclosure document and Franchise Agreement, confirms its intent to develop the applicable Adventure Center and sends to Franchisor all information necessary to complete the Franchise Agreement for the applicable Adventure Center; and (2) all of the conditions set forth in Section 5(c) have been met.

(d) Adventure Center Casualty. If an operating Adventure Center is closed due to a Force Majeure Event, then such Adventure Center will be deemed open and in operation as of the end of such Development Period, but not thereafter.

(e) Failure to Comply With Development Schedule. Developer's complete, timely, and strict compliance with the Development Schedule is the essence of this Agreement and without such compliance, Franchisor would not be willing to enter into this Agreement (or any Franchise Agreement) with Developer. Developer's failure to fulfill its obligations with respect to any Development Period of the Development Schedule (including without limitation timely executing a Franchise Agreement for each Adventure Center and opening the Adventure Center by the Opening Deadline prescribed in such Franchise Agreement) will constitute an Event of Default under this Agreement. If Developer fails to either execute a Franchise Agreement, open an Adventure Center by the Opening Deadline set forth in the applicable Franchise Agreement or have operating at least the minimum number of Adventure Centers according to the applicable Development Period and Franchise Agreements, or if Developer ceases operation of any Adventure Center prior to the expiration of the term of the applicable Franchise Agreement and does not re-open such Adventure Center within the time period required by the Franchise Agreement (except in the event of closure due to a Force Majeure Event as provided in Section 14), Franchisor has the right but not the obligation to terminate this Agreement. Franchisor may, at its option, but not in lieu of termination or any other remedies available to Franchisor in this Agreement, the Franchise Agreement or at law, effective upon Notice to Developer: (1) terminate or modify Developer's exclusivity in the Territory; (2) modify the Territory; and/or (3) limit the number of remaining Adventure Centers that may be developed by Developer in the Territory.

(f) Option to Extend Development Period. If Developer is unable to satisfy the minimum number of operating Adventure Centers required during any Development Period, then Developer may, upon 90 days' Notice to Franchisor and payment of the Extension Fee, extend the deadline by which it must comply with the Development Schedule for the applicable Development Period by 180 days. However, in no event will any such extension extend the duration of the Development Schedule or otherwise affect the requirements that Developer must satisfy during any other Development Period. A Development Period may be extended only once and Developer may purchase no more than one extension during the Term.

5. SITE SELECTION AND FRANCHISE AGREEMENTS.

(a) Franchisor's Consent to Developer's Premises. Developer is required to obtain Franchisor's prior written consent to each of the Premises before executing a lease for, or a binding agreement to purchase, any proposed Premises dedicated to an Adventure Center. Developer assumes all cost, liability, expense and responsibility for locating, obtaining and developing the Premises for each Adventure Center within the Territory and for finish-out or renovation and equipping the Adventure Center at the Premises in accordance with the applicable Franchise Agreement. Developer will submit to Franchisor within 30 days after the commencement of each Development Period its complete Site Application for a proposed site for each Adventure Center to be developed during the applicable Development Period. Franchisor will provide Developer with site selection assistance as Franchisor deems advisable, including without limitation Franchisor's site selection guidelines and design specifications and conducting an on-site evaluation of the proposed site; provided, Franchisor will not conduct an on-site evaluation for any proposed site prior to the receipt of the complete Site Application. Developer acknowledges and agrees that Franchisor providing its site selection guidelines and design specifications and any other site selection assistance to Developer prior to the proposed site being accepted by Franchisor will not create any reliance or expectation damages or liability for Franchisor and such activities will not create any expectations or representations to Developer that any proposed site will be accepted by Franchisor.

(b) Site Acceptance. Franchisor will have 30 days after receipt of the complete Site Application to accept or not accept, at its sole option, each site proposed by Developer. If Franchisor does not respond within the 30-day time period, Franchisor will be deemed to have rejected the proposed site. Upon Franchisor's written acceptance of a proposed site, the Developer (or its

Affiliate, as Franchisee) will execute within ten days of such written acceptance a Franchise Agreement and any exhibit thereto designating the Premises as the location of the Adventure Center. No site may be used for the location of the Adventure Center unless it is first accepted by Franchisor. Franchisor may revoke its acceptance of a proposed site if Developer commits a default of this Agreement or any other agreement with Franchisor or its Affiliates and fails to cure such default within the applicable cure period, if any. Franchisor's approval of the Premises and its rendering of site selection assistance, if any, in the selection of the Premises does not constitute a representation, promise, warranty, or guarantee by Franchisor, express or implied, that the Adventure Center operated at the Premises will be profitable or otherwise successful. Franchisor assumes no liability or responsibility for: (1) evaluation of a proposed site's soil for hazardous substances; (2) inspection of any structure on the proposed site for asbestos or other toxic or hazardous materials; or (3) compliance with ADA and any other Applicable Law. Developer is solely responsible for obtaining satisfactory evidence and/or assurances that the proposed site and any structures thereon are free from environmental contamination and in complete compliance with all Applicable Law.

(c) Development Conditions. In conjunction with Franchisor's decision to execute each Franchise Agreement, Franchisor may require that Developer and its Principals furnish to Franchisor financial statements (historical and pro forma), statements of the sources and uses of capital funds, budgets and other information about Developer, its Principals and each of Developer's Affiliates that is, or may be, involved in the development, ownership or operation of any Adventure Center. All such information must be verified in writing by Developer and its Principals as being true, complete and accurate in all respects. Such information must be submitted to Franchisor promptly upon Franchisor's request and will be relied upon by Franchisor, among other factors, in determining whether to execute this Agreement. Each of the following conditions and approvals must have occurred or be obtained before Developer will have the right to execute each Franchise Agreement. Developer must meet all "Operational," "Financial," "Legal" and "Ownership" conditions, as set forth below, before such rights will become effective:

(1) Operational Conditions: Developer, its Affiliates and Principals must be in full compliance with all provisions of this Agreement and any other agreements (including any Franchise Agreements) between Developer and its Affiliates and Franchisor and its Affiliates. Developer must have opened each Adventure Center in a timely manner as required under the Development Schedule. Developer must have at all times operated, and continue to operate, each of Developer's existing Adventure Centers in accordance with the Standards. Developer further must demonstrate it is capable of operating each proposed Adventure Center required under the Development Schedule in accordance with the Standards.

(2) Financial Conditions: Developer and its Principals must satisfy Franchisor's then-current financial criteria for developers of Adventure Centers as set forth in the Manual. Developer must not be in default, and have not been in default during the 12 months preceding Developer's request for financial approval, of any monetary obligations owed to Franchisor or Franchisor's Affiliates under any Franchise Agreement or other agreement between Developer or any of its Affiliates and Franchisor or any of its Affiliates. Developer acknowledges and agrees that it is vital to Franchisor's interest that each of Franchisor's developers is financially sound to avoid failure of one or more Adventure Centers and that such failure would adversely affect Franchisor's reputation, the goodwill associated with the Marks and the System.

(3) Legal Conditions: Developer must have prepared or obtained, and submitted to Franchisor upon Franchisor's request, in a timely manner, all information and documents requested by Franchisor in connection with this Agreement or any other agreements to be executed between Developer or any of its Affiliates and Franchisor or any of its Affiliates, and Developer have taken such additional actions in connection therewith as may be requested by Franchisor from time to time.

(4) Ownership Conditions: Neither Developer nor any of its Principals will have transferred or attempted to transfer a Controlling Interest in Developer without Franchisor's prior written consent.

(d) Franchise and Related Agreements. Each Franchise to be granted pursuant to this Agreement will be governed by Franchisor's then-current form of Franchise Agreement (including all attachments and related agreements and documents), which Developer (or its Affiliate, as Franchisee) agrees to execute and pay upon execution the Initial Franchise Fee due thereunder. Upon Franchisor's approval of Developer's proposed site for each Adventure Center in accordance with Sections 5(a) and 5(b), Developer must execute the Franchise Agreement for each Adventure Center, provided that each such Franchise Agreement must be executed by the deadline set forth in the Development Schedule. Concurrently with Developer's execution and delivery to Franchisor of each Franchise Agreement, Developer and its Principals and Affiliates must, except to the extent prohibited by Applicable Law, execute and deliver to Franchisor a general release in form and substance satisfactory to Franchisor, of any and all claims against Franchisor, its Affiliates and its owners, officers, directors, employees, agents, successors and assigns accruing prior to the effective date of the Franchise Agreement.

(e) Development by Developer or its Affiliates. Developer may develop the Adventure Centers through one or more of its Affiliates provided such Affiliate is pre-approved in writing by Franchisor. In such case, (1) the Affiliate will execute the Franchise Agreement and its Principals will execute a Guaranty and Undertaking of Obligations, and (2) Developer will guaranty the payment and performance of such Affiliate in the form prescribed by Franchisor.

6. AREA DEVELOPMENT FEE.

(a) Development Fee. On the Effective Date, Developer will pay to Franchisor the Development Fee described on the Summary Page. The Development Fee is fully earned when paid to compensate Franchisor for expenses incurred during the negotiation and implementation of this Agreement as well as development opportunities lost or deferred as a result of the rights granted to Developer under this Agreement, and is not refundable or recoupable under any circumstances. The Development Fee is due and payable when this Agreement is signed.

(b) Taxes. Any and all amounts expressed as being payable pursuant to this Agreement are exclusive of any applicable taxes. Accordingly, if applicable, all payments by Developer will, in addition, include an amount equal to any and all goods and services taxes, sales taxes or other taxes, assessments or amounts of a like nature imposed on any payments to be made pursuant to this Agreement. Developer agrees to fully and promptly cooperate with Franchisor to provide any information or records it requests in connection with any application by Franchisor to any taxing authority with respect to Developer.

7. REPRESENTATIONS, WARRANTIES AND COVENANTS.

(a) Business Entity Developer.

(1) Developer warrants that it is duly organized or formed and validly existing in good standing under the laws of the jurisdiction of its incorporation or formation; it has the necessary consents, approvals, licenses and/or permits to carry out the business activities contemplated by this Agreement; it will furnish such other information about its organization or formation as Franchisor may reasonably request to confirm the same; and the execution and delivery of this Agreement has been duly authorized by it.

(2) If Developer is not publicly traded (*i.e.*, less than 20% of its equity shares that are entitled to participate in the election of its Board of Directors are traded on a national exchange in the United States), it will disclose to Franchisor all Principals holding any Equity Interests in Developer and will disclose to Franchisor all beneficial owners, directors, officers, employees or agents of Developer who are government officials. Developer will provide Franchisor with such financial information as Franchisor may periodically request from Developer and each

Principal, including copies of unaudited financial statements to be delivered to Franchisor on a quarterly basis, within 20 days after the end of each calendar quarter, and copies of audited financial statements, to be delivered to Franchisor on an annual basis, no later than 60 days after the end of each calendar year.

(3) If Developer is not publicly traded, each Principal will execute and deliver to Franchisor a Guaranty and Undertaking of Obligations in the form attached hereto as Exhibit C.

(b) Compliance With Applicable Law. Developer will be solely responsible for complying with all Applicable Laws in connection with the development and operation of Adventure Centers in the Territory, and will timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of its business, including, without limitation, licenses to do business, sales tax permits, importation of materials, transmission of royalties and all other payments relevant to Developer's performance under this Agreement, environmental and safety and fire clearances. Developer will notify Franchisor in writing immediately upon the commencement of any legal action, suit, or proceeding, any administrative action or the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental authority, which may adversely affect the operation or financial condition of Developer or which may have any materially adverse effect on Franchisor or its Affiliates, the goodwill associated with the Marks and the System or on Adventure Centers generally.

(c) Insider Trading. Developer will advise any Persons who are informed as to the matters that are the subject of this Agreement, including, without limitation, any of the Confidential Information, that Applicable Law prohibits any Person who has received from an issuer, material, non-public information concerning matters like those that are the subject of this Agreement from purchasing or selling securities of that issuer on the basis of the information or from communicating the information to any other Person under circumstances in which it is reasonably foreseeable that such Person is likely to purchase or sell securities on the basis of that information.

(d) Ideas and Concepts. From time to time in connection with the operation of the Adventure Center, Developer may create or develop Ideas and Concepts that Developer believes will improve the System or the Adventure Centers. Developer will promptly disclose such Ideas and Concepts to Franchisor and will not implement such Ideas and Concepts without the prior written approval of Franchisor. Franchisor may elect to use or adopt such Ideas and Concepts if Franchisor determines that such adoption or use will benefit the System. If Franchisor uses or adopts any of such Ideas and Concepts, they will be deemed to be part of the System without any compensation payable to Developer by Franchisor. All Ideas and Concepts, whether or not constituting protectable Intellectual Property, and whether created by or on behalf of Developer, any Principal or Personnel in connection with the Adventure Centers, will be deemed to be Franchisor's sole and exclusive Intellectual Property. Developer, on behalf of itself and its Principals and all Personnel, hereby assign all rights in any Ideas and Concepts to Franchisor or any of its Affiliates and will execute and deliver all such additional instruments and documents as Franchisor may request to evidence the assignment and Franchisor's or any of its Affiliate's ownership of such Ideas and Concepts

(e) Designated Principal. Developer will designate an individual to serve as the Designated Principal of the Developer. Developer's first Designated Principal is identified on the Summary Page. The Designated Principal will, at all times, meet the following qualifications:

(1) The Designated Principal will, during the entire period he or she serves as Designated Principal, have authority to make decisions for Developer in connection with Developer's obligations under this Agreement and the relationship with Franchisor.

(2) The Designated Principal will devote his or her energy, best efforts and the time required to supervise and oversee the conduct of the business contemplated by this Agreement.

(3) The Designated Principal will be an individual who reads, speaks and comprehends English, is of good moral character and is acceptable to both Developer and Franchisor.

(4) The Designated Principal will execute the Confidentiality and Non-Compete Agreement attached to this Agreement as Exhibit E. Developer is responsible for Designated Principal's compliance with and will take all reasonable steps to enforce the terms of the Confidentiality and Non-Compete Agreement.

If, at any time or for any reason, the Designated Principal identified on the Summary Page no longer satisfies each of the above qualifications, Developer will promptly designate another Designated Principal who possesses the qualifications listed above.

(f) Management and Personnel. At all times throughout the Term, Developer will and will cause its Affiliates (as Franchisee) to hire, train and supervise Personnel sufficient to meet its obligations under this Agreement in accordance with the Standards or otherwise in writing by Franchisor. Developer will maintain a competent, conscientious, trained staff and take such steps as are necessary to ensure that its Personnel preserve good customer relations and fully comply with Applicable Law.

8. RESTRICTIVE COVENANTS.

Developer recognizes that Franchisor has developed and owns the goodwill in the Brand and must protect the Marks, Confidential Information, and System. Developer and its Principals each acknowledges and agrees that the access to and use of Confidential Information authorized by this Agreement are among the consideration for the restrictive covenants set forth in Section 8(a), and Developer and its Principals each further acknowledges and agrees that the restrictive covenants set forth in Section 8(a) are necessary to prevent Franchisor from suffering irreparable harm. THE FOREGOING ACKNOWLEDGMENTS AND AGREEMENTS ARE A MATERIAL INDUCEMENT FOR FRANCHISOR TO ALLOW DEVELOPER AND ITS PRINCIPALS TO HAVE ACCESS TO AND USE CONFIDENTIAL INFORMATION.

(a) Non-Compete. Developer and each of its Principals covenant and agree that during the Term, and for a continuous uninterrupted period of two years following its expiration, termination, or an approved Transfer and with respect to a Principal, following the date the Principal ceases to be a Principal under this Agreement, Developer and each of its Principals, as applicable, will not, without Franchisor's prior written consent, either directly or indirectly, for itself or themselves, or through, on behalf of, or in conjunction with, any Person, firm, partnership, corporation, or other Entity:

(1) Divert or attempt to divert any actual or prospective business or customer of any of the Adventure Centers to any Competitive Business, by direct or indirect inducement or otherwise.

(2) Do or perform directly, or indirectly, any other act injurious to or prejudicial to the goodwill associated with the Marks and the System; or

(3) Own, maintain, operate, be employed by, engage in, franchise, lease property to, advise, help, make loans to, or have any interest in, either directly or indirectly, any Competitive Business.

During the Term, these restrictions apply to any Competitive Business located within the United States (excluding Developer's Existing Brands). Following the expiration of the Term, termination of this Agreement, or an approved Transfer of this Agreement and with respect to a Principal, following the date the Principal ceases to be a Principal under this Agreement, this restriction will apply to any Competitive Business located (i) within the Territory; or (ii) at or within five miles of any Escape Hunt Adventure Center then operating or under construction within or outside the United States, except as otherwise approved in writing by Franchisor.

If any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by

appropriate order of the court to that deemed reasonable. If, at any time during the two year period following the expiration, termination, or approved Transfer of this Agreement or the date any Principal ceases to be a Principal under this Agreement, Developer or its Principals fail to comply with its obligations under this Section 8(a), that period of non-compliance will not be credited toward satisfaction of the two-year period.

(b) Non-Disclosure of Confidential Information. Developer and each of its Principals each acknowledges that Franchisor may provide Developer and its Principals with Confidential Information that derive value from not being generally known in the industry that are reasonably necessary for the development and operation of the Adventure Centers and that Developer has entered into this Agreement in order to use such Confidential Information to the economic benefit of Developer. Developer agrees that Confidential Information remains the sole property of Franchisor. Franchisor will take reasonable steps to mark as "confidential" or "proprietary" any Confidential Information that it deems as such but the failure to mark such Confidential Information will not cause it to be public information. Developer and each of its Principals will not use, duplicate, or disclose to others any Confidential Information except as expressly authorized by Franchisor in writing and will implement measures to maintain the confidentiality of such Confidential Information that is no less strict than the measures Developer uses with its own confidential information. To the extent that any Confidential Information is to be provided to Developer's advisors, representatives, agents or any Personnel, each of them must use such Confidential Information solely in connection with their respective roles with the Adventure Centers or Developer's business and execute a confidentiality and non-disclosure agreement in a form prescribed by Franchisor consistent with the foregoing.

(c) Ownership. All Confidential Information furnished or disclosed by Franchisor to Developer or any of its Principal or otherwise obtained by Developer or it Principals is and will remain the property of Franchisor. Any reproductions, notes, summaries or similar documents relating to the Confidential Information, and any files, memoranda, reports, price lists, proprietary information, and other documents relating to the System, will become and remain the Intellectual Property of Franchisor immediately upon their creation and Franchisor will own all rights, title and interest in such Intellectual Property. Upon expiration or termination of this Agreement, Developer will immediately return all copies of such Confidential Information and Intellectual Property to Franchisor. Developer must promptly reveal to Franchisor any discoveries, inventions, innovations or improvements made by Developer, its Principal, Personnel or independent contractors relating to the System, or any Confidential Information. Further, all proprietary interests in any devices, information, know-how, materials, methods, processes and techniques utilizing those discoveries, inventions, innovations and improvements are Franchisor's Intellectual Property.

(d) Interference with Employees. Developer acknowledges that it is an independent business and responsible for the control and management of the day-to-day operations of the Adventure Center, its Personnel and the Personnel of its Affiliates (as Franchisee) in the development and operation of the Adventure Centers, including but not limited to the hiring and discharging of Developer's and its Affiliates' Personnel and setting and paying wages and benefits of Developer's and Developer's Affiliates' Personnel. Developer acknowledges that Franchisor has no power, responsibility or liability in any respect to the hiring, discharging, setting and paying of wages or related matters, as the sole power, responsibility and liability for such matters rest exclusively with Developer and its Affiliates. Developer further acknowledges that none of its Personnel will be deemed to be an employee of Franchisor or its Affiliates for any purpose whatsoever, and no act by Franchisor to protect the Brand including without limitation the System or Marks in any way shifts any employee or employment-related responsibility from Developer to Franchisor.

(e) Severability and Enforceability of Covenants. Each of the covenants contained in this Section 8 will be considered separate and independent from each other. If any covenant in this Agreement which restricts competitive activity

is deemed unenforceable for any reason, but would be enforceable by reducing or substituting any part of it in accordance with Section 17(a), such covenant will be enforced to the fullest extent permissible under Applicable Law.

9. INDEPENDENT CONTRACTORS.

(a) Independent Contractors. It is understood and agreed by the Parties that this Agreement does not create a fiduciary relationship between them; that Franchisor and Developer are and will be independent contractors; and that nothing in this Agreement is intended to make either Party a general or special agent, joint venturer, partner or employee of the other for any purpose. Developer will conspicuously identify itself in all dealings as the owner of development rights granted under an Agreement with Franchisor and will place such notices of independent ownership on such forms, business cards, stationery and advertising and other materials as Franchisor may periodically require.

This Agreement (and the relationship of the parties which arises from this Agreement) grants Franchisor the right to make decisions, take actions and/or refrain from taking actions which are not inconsistent with Developer's explicit rights and obligations hereunder or under Applicable Law and that may affect favorably or adversely Developer's interest. Developer acknowledges and agrees that Franchisor may operate and change the System and Franchisor's business in any manner that is not expressly and specifically prohibited by this Agreement or Applicable Law. Whenever Franchisor has reserved in this Agreement a right and/or discretion to take or withhold an action, or to grant or decline to grant Developer a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement or prohibited by Applicable Law, Franchisor may make its decision or exercise its right and/or discretion on the basis of its judgment of what is in its best interests, including its judgment of what is in the best interests of Escape Hunt franchise network, at the time Franchisor's decision is made, without regard to: (1) whether other reasonable or even arguably preferable alternative decisions or actions could have been made by Franchisor; (2) whether Franchisor's decision or the action it takes promotes its financial or other individual interest; (3) whether its decision or the action it takes applies differently to Developer and one or more other franchisees; or (4) whether Franchisor's decision or the exercise of its rights is adverse to Developer's individual interest or the individual interests of any other particular franchisees. Franchisor will have no liability to Developer for any such decision or exercise of its rights. Without limiting the foregoing, Franchisor will have no obligation to ensure that the Adventure Centers are developed and operated in accordance with Applicable Law and will have no liability in the event Developer's development of the Adventure Centers violates Applicable Law.

(b) No Liability for Acts of Other Party. Developer must not employ any of the Marks in signing any contract or applying for any license or permit, or in a manner (other than the use contemplated hereby) that may result in Franchisor's liability for any of Developer's indebtedness or obligations. Except as expressly authorized in writing, neither Franchisor nor Developer will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other or be obligated by or have any liability under any agreements or representations made by the other. Franchisor will not be obligated for any damages to any Person or property directly or indirectly arising out of the operation of Developer's business.

10. INDEMNIFICATION. DEVELOPER, ON ITS BEHALF AND ON BEHALF OF ITS AFFILIATES AND PRINCIPALS, WILL INDEMNIFY, DEFEND AND HOLD HARMLESS THE FRANCHISOR INDEMNITEES AGAINST AND REIMBURSE ANY ONE OR MORE OF THE FRANCHISOR INDEMNITEES FOR ANY AND ALL LOSSES AND EXPENSES ARISING OUT OR FROM OR RELATED TO, ANY CLAIMS, DIRECTLY OR INDIRECTLY, ARISING OUT OR FROM OR RELATED TO: (A) THE DEVELOPMENT, OPERATION OR CLOSING OF THE ADVENTURE CENTER; (B) ANY BREACH BY DEVELOPER OR

ANY PRINCIPAL OF THIS AGREEMENT, OR DEVELOPER'S, ANY OF ITS AFFILIATES' OR PRINCIPALS', OR DESIGNATED PRINCIPAL'S BREACH OF ANY OTHER AGREEMENT WITH FRANCHISOR OR ITS AFFILIATES; AND (C) THE MARKETING, PROMOTION OR ADVERTISEMENT OF THE ADVENTURE CENTERS OR PRODUCTS OR THE SALE OF ANY PRODUCTS OFFERED BY THE ADVENTURE CENTERS, INCLUDING UNFAIR OR FRAUDULENT ADVERTISING CLAIMS (WHETHER IN PRINT ADVERTISING OR ELECTRONIC MEDIA), AND PRODUCT LIABILITY CLAIMS. FRANCHISOR HAS THE RIGHT, AT ITS OPTION, TO DEFEND ANY SUCH CLAIM AGAINST IT AT DEVELOPER'S SOLE COST AND EXPENSE. IF DEVELOPER DEFENDS ANY CLAIM, IT MAY NOT ENTER INTO ANY SETTLEMENT AGREEMENT OR OTHERWISE RESOLVE OR CONCLUDE THE MATTER WITHOUT FRANCHISOR'S PRIOR WRITTEN CONSENT. THIS INDEMNITY WILL CONTINUE IN FULL FORCE AND EFFECT SUBSEQUENT TO, AND NOTWITHSTANDING, THE EXPIRATION OR TERMINATION OF THIS AGREEMENT. UNDER NO CIRCUMSTANCES WILL FRANCHISOR OR ANY OTHER FRANCHISOR INDEMNITEES BE REQUIRED TO SEEK RECOVERY FROM ANY INSURER OR OTHER THIRD PARTY, OR OTHERWISE TO MITIGATE ITS OR DEVELOPER'S LOSSES AND EXPENSES, IN ORDER TO MAINTAIN AND RECOVER FULLY A CLAIM AGAINST DEVELOPER. ANY FAILURE TO PURSUE SUCH RECOVERY OR MITIGATE A LOSS WILL IN NO WAY REDUCE OR ALTER THE AMOUNTS RECOVERABLE BY FRANCHISOR OR ANOTHER FRANCHISOR INDEMNITEE FROM DEVELOPER.

11. TRANSFERABILITY OF INTEREST.

(a) Transfer by Franchisor. This Agreement is and any of Franchisor's rights, obligations and interests herein are fully assignable by Franchisor, in whole or in part, without the consent of Developer, and inures to the benefit of any assignee or other legal successor to the interests of Franchisor; if any such assignee expressly agrees to assume Franchisor's obligations under this Agreement, then upon such assumption Franchisor and its Affiliates will be fully released of any and all liabilities hereunder. Franchisor may also assign any or all of its rights, obligations and interests under this Agreement to an Affiliate; sell or encumber its assets, its Marks, or its System to any third party; merge, acquire other Entities, or be acquired by another Entity; engage in a public offering of its securities; engage in a private placement of some or all of its securities; or undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; provided that the new owner of an Entity will assume all of Franchisor's obligations hereunder. Franchisor may take or perform any such actions without liability or obligation to Developer and Developer expressly waives any claims, demands or damages arising from or related to any or all of the above actions or variations thereof.

(b) Transfer by Developer. The rights and duties created by this Agreement are personal to Developer, and Franchisor has granted rights under this Agreement in reliance upon the business skill, financial capacity and personal character of Developer and its Principals. Accordingly, no Transfer is permitted or authorized without Franchisor's prior written approval, subject to the conditions below.

(c) Conditions for Approval of Transfer. If the proposed Transfer by Developer is of this Agreement, Control of Developer or substantially all of its assets, or is one of a series of Transfers (regardless of the time period over which such Transfers occur) which in the aggregate constitute the Transfer of this Agreement or Control of Developer, and if Franchisor has not exercised its right of first refusal under Section 11(f), Franchisor will approve a Transfer only if the conditions set forth in this Section 11(c), as may be amended by Franchisor from time to time, are met prior to or concurrently with the proposed effective date of the Transfer:

(1) Developer (and its Principals if Developer is not publicly traded) has paid the Development Fee and other amounts owed to Franchisor and its Affiliates, submitted all required documents, information statements and data and otherwise are in full compliance with this Agreement as of the date Developer requests for approval of the Transfer and as of the effective date of the Transfer.

(2) Developer and its Affiliates Transfer to transferee all Franchise Agreements and all existing Adventure Centers developed and operated by Developer and its Affiliates under this Agreement and the Franchise Agreements in accordance with the conditions for approval of Transfer set forth in such Franchise Agreements.

(3) The proposed transferee (and its direct and indirect owners): (i) have sufficient business experience, aptitude, assets and financial resources to develop and operate the Adventure Centers; (ii) are individuals of good character and otherwise meet Franchisor's then-applicable Standards for Adventure Center developers and operators; (iii) are not engaged and will not engage in the operation or ownership of a Competitive Business, and will engage only in the development and operation of the Adventure Centers; and (iv) will cooperate with reasonable due diligence requests made by Franchisor promptly thereafter and if additional time is reasonably needed, then prior to the proposed effective date of the Transfer.

(4) The transferee and each of its owners as specified by Franchisor will provide Franchisor with a business plan for the Adventure Centers acceptable to Franchisor.

(5) The transferee and each of its owners as specified by Franchisor will agree to be bound by all of the terms and conditions of Franchisor's then-current form of area development agreement and sign the ancillary agreements and documents Franchisor requires for Adventure Center franchisees and any principal.

(6) Developer or the transferee pays to Franchisor a Transfer Fee in connection with the Transfer.

(7) Developer (and its transferring Principals if Developer is not publicly traded) and Franchisor have executed a general release, in form satisfactory to Franchisor, releasing Franchisor Indemnitees from any and all claims arising out of the development and operation of the Adventure Centers, excluding claims related to the development of the Adventure Center by Developer or any Principal which have not been expressly assumed by the transferee and its owners and those claims which cannot be released under Applicable Law.

(8) Developer and each Principal must have complied with any other conditions that Franchisor reasonably requires from time to time as part of its transfer policies, provided that such conditions will not be more stringent than any conditions otherwise imposed on new developers signing the then-current area development agreement.

(d) Effect of Franchisor's Consent. Any Transfer without Franchisor's consent constitutes an Event of Default rendering such Transfer void and of no effect. Franchisor's consent to a Transfer does not constitute a representation as to the fairness of the terms of any contract between Developer and the transferee, a guarantee of the prospects of success of the Adventure Centers or transferee, or a waiver or release of any claims Franchisor may have at any time against Developer (or its Principals) or of its right to demand the transferee's exact compliance with any of the terms or conditions of this Agreement.

(e) Transfer Upon Death or Permanent Disability. If any Principal that holds a Controlling Interest in Developer dies or becomes Permanently Disabled and Franchisor determines that such death or disability adversely affects the development of the Adventure Centers required by this Agreement, such Principal's executor, administrator, or other personal representative must Transfer such Principal's interest in this Agreement or his or her interest in Developer (including Transfer by bequest or inheritance) to a third party approved by Franchisor in accordance with Section 11(c) within a reasonable period of time, not to exceed 6 months from the date of death or Permanent Disability. A failure to Transfer the

interest of any such Principal in this Agreement or the Controlling Interest in Developer within this period of time in accordance with the foregoing constitutes an Event of Default.

(f) Franchisor's Right of First Refusal. If Developer or any of Developer's Principals desire to make a Transfer, Developer or such Principal must obtain a bona fide, executed written offer and earnest money deposit in the amount of at least 5% of the offering price from a responsible and fully disclosed purchaser and must deliver immediately to Franchisor a true, accurate and complete copy of such offer. If the offeror proposes to buy any other property or rights from Developer or any Principals or Developer's Affiliates (other than rights under this Agreement and Franchise Agreements for Adventure Centers) as part of the bona fide offer, the proposal for such property or rights must be set forth in a separate, contemporaneous offer that is disclosed to Franchisor, and the price and terms of purchase offered to Developer or the Principals for the Transfer must reflect the bona fide price offered therefor and may not reflect any value for any other property or rights.

Franchisor has the option, exercisable by notice delivered to Developer or the Principals, as applicable, within 30 days from the date of delivery of a complete and accurate copy of such offer to Franchisor, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that: (a) Franchisor may substitute cash for any form of payment proposed in such offer; (b) Franchisor's credit will be deemed equal to the credit of any proposed purchaser; and (c) Franchisor will have not less than 30 days from the option exercise date to consummate the transaction. Franchisor has the right to investigate and analyze the business, assets and liabilities and all other matters Franchisor deems necessary or desirable in order to make an informed investment decision with respect to the fairness of the terms of Franchisor's right of first refusal. Franchisor may conduct such investigation and analysis in any manner Franchisor deems reasonably appropriate and Developer and its Principals must cooperate fully with Franchisor in connection therewith.

If Franchisor exercises its option to purchase, Franchisor is entitled to purchase such interest subject to all representations and warranties, releases, non-competition covenants, closing documents and indemnities as Franchisor reasonably may require. If Franchisor does not exercise its option to purchase, Developer or its Principals may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to Franchisor's approval of the Transfer; provided that if the sale to such offeror is not completed within 30 days after delivery of such offer to Franchisor, or if there is a material change in the terms of the offer, Developer must promptly notify Franchisor and Franchisor will have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth herein) during the 30-calendar day period following Developer's notification of the expiration of the 30-calendar day period or the material change to the terms of the offer.

(g) Securities. Developer will be permitted to engage in the public and/or private issuance of stock, notes, bonds and other securities during the Term, provided that such issuance of securities are in compliance with all Applicable Law in effect at the time of such issuance; prior to offering for sale such stock, notes, bonds or other securities, Developer secures Franchisor's written approval, which consent will not be unreasonably withheld; and Developer pays the Offering Fee to Franchisor. Developer further must secure Franchisor's consent to any and all press releases, news releases and any and all other publicity, the primary purpose of which is to confirm the description of the relationship between Franchisor and Developer is true, accurate and complete in Developer's offering. Only after Franchisor has provided its written approval may Developer proceed to file, publish, issue and release and make public any said data, material and information regarding the securities offering. Developer will not imply that Franchisor is participating in the underwriting, issuance or offering of such securities. Developer acknowledges and agrees that any review by Franchisor is solely for its own information and its approval does not constitute any kind of authorization, acceptance, agreement, endorsement, approval or ratification of the same, either expressly or implied. Developer may make no oral or written notice of any kind whatsoever indicating or implying that Franchisor and/or its

Affiliates have any interest in the relationship whatsoever to the proposed securities offering other than acting as Franchisor. Developer will indemnify, defend and hold the Franchisor Indemnitees harmless from all Losses and Expenses arising from Developer's offering of information published or communicated in actions taken in that regard.

12. DEFAULT AND TERMINATION.

The occurrence of any of the following will adversely and substantially affect the interests of Franchisor and will be deemed an Event of Default constituting just cause for exercising any of the remedies set forth herein.

(a) Termination for Events of Default. Franchisor may terminate this Agreement upon delivery to Developer of Notice as a result of the occurrence of any of the following Events of Default and Developer's failure to cure such Event of Default within the cure period described below, if any, and absent a cure period, immediately upon Franchisor's Notice to Developer:

(1) Developer fails to comply with the Development Schedule during any Development Period pursuant to Section 4 and Exhibit A of this Agreement and fails to cure such default within 30 days after Notice of such Event of Default is delivered to Developer.

(2) Developer fails to pay any fees or other amounts due hereunder to Franchisor within five days after Notice of nonpayment is delivered to Developer.

(3) Developer (or any of its Principals or Affiliates) has made any material misrepresentation or omission in connection with this Agreement that negatively impacts Franchisor.

(4) Developer or any of its Principals or Affiliates is or has been held liable or convicted by a court of law, pleads or has pleaded no contest to, a felony, indictable offense or other unlawful act, engages in any dishonest or unethical conduct or otherwise engages in any act or conduct which may materially and adversely affect the reputation of the Brand, the Adventure Centers, any other Escape Hunt Adventure Centers or the goodwill associated with Marks.

(5) Developer (or any of its Principals or Affiliates) makes an unauthorized Transfer pursuant to Section 11.

(6) Developer (or any of its Principals or Affiliates) makes any unauthorized use or disclosure of any Confidential Information or uses, duplicates or discloses any portion of the Manuals in violation of this Agreement, Developer or any of its Affiliates or any of its or their principals or managers makes any unauthorized use of the Marks or any unauthorized use or disclosure of Trade Secrets or Confidential Information or otherwise engages in conduct that materially and adversely affects the reputation of the Adventure Centers or the goodwill associated with the Marks.

(7) Developer, Designated Principal or any of Developer's Principals fails to comply with or perform its covenants, representations and warranties in this Agreement, including without limitation the representations, warranties and covenants set forth in Section 7 and the restrictive covenants against competition set forth in Section 8.

(8) Franchisor has delivered a Notice of termination of a Franchise Agreement with Developer or any of its Affiliates (as Franchisee) in accordance with its terms and conditions.

(9) Developer fails to pay when due any income, withholding, service, sales or any other applicable taxes due on Developer's business or any Adventure Center's operations, unless it is in good faith contesting its liability for such taxes and has effectively stayed the enforcement of liability for such taxes.

Except as provided in this Section 12, Franchisor may terminate this Agreement for failure by Developer (or any of its Principals) to comply with any other material provision of this Agreement including without limitation the representations and warranties contained in this Agreement, or any Standard material to development of the Adventure Centers within 30

days after Notice of such Event of Default is delivered to Developer.

(b) Termination for Repeated Default. This Agreement will terminate immediately upon delivery of Notice to Developer if Developer (or any of its Principals) fails on three or more separate occasions within any period of 12 consecutive months of any Event of Default under Section 12(a), whether the same or different Events of Default and whether or not such failures are corrected after Notice of such failure is delivered to Developer.

(c) Termination for Insolvency. This Agreement will automatically terminate upon any of the following: if any bankruptcy proceeding is commenced by or against Developer (or any Affiliate or Principal), Developer makes an assignment for the benefit of creditors or admits in writing its insolvency or inability to pay its debts generally as they become due; Developer consents to the appointment of a receiver, trustee or liquidator of all or the substantial part of its property; the Adventure Center is attached, seized, subjected to a writ or distress warrant or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within 30 days after Notice from Franchisor; or any order appointing a receiver, trustee or liquidator of Developer or the Adventure Center is not vacated within 30 days following the entry of such order.

(d) Termination for Violation of Applicable Law. This Agreement will terminate immediately upon delivery of Notice to Developer if Developer (or any of its Principals or Affiliates) violates any Applicable Law or has any necessary license or certification revoked or suspended in whole or in part.

13. EFFECT OF TERMINATION, EXPIRATION OR NONRENEWAL.

Upon expiration or termination of this Agreement:

(a) Payment of Amounts Owed. Developer will pay to Franchisor within 15 days after the effective date of expiration or termination of this Agreement, or on such later date that the amounts due are determined, such fees, amounts owed for purchases from Franchisor or its Affiliates, interest due on any of the foregoing and all other amounts owed to Franchisor or its Affiliates which are then unpaid. If this Agreement is terminated by Franchisor following the occurrence of an Event of Default and Developer's failure to cure within any applicable cure period, Developer will within 30 days following the effective date of such termination pay Franchisor in a single lump sum payment, as liquidated damages and not as a penalty, an amount equal to the Initial Franchise Fee for each undeveloped Adventure Center. Developer acknowledges and agrees that the liquidated damages provided for in this Section 13(a) are a fair and reasonable approximation of the amount of damages sustained by Franchisor. Payment to Franchisor of such liquidated damages will not constitute an election of remedies by Franchisor or excuse performance of Developer's post-termination obligations hereunder. Any payments received will be in addition to and not in lieu of any other remedies available to Franchisor at law or in equity.

(b) Marks. Developer may not directly or indirectly at any time or in any manner use any Mark, including any use of Marks in a derogatory, negative, or other inappropriate manner in any media, including, but not limited to, print or electronic media; use any colorable imitation of a Mark in any manner or for any purpose; utilize for any purpose any trade name, trade or service mark or other commercial symbol or other indicia that indicates or suggests a connection or association with Franchisor or the Adventure Center; identify any business as a former Adventure Center; or identify itself as one of Franchisor's licensees or franchisees (except with respect to other Adventure Centers Developer or its Affiliate owns and operates under continuing agreements with Franchisor). Developer will take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to its use of any Mark.

(c) System and Manuals. Developer will immediately cease to use System and Confidential Information in any business or otherwise; and return to Franchisor all copies of the Manuals and

any other proprietary or confidential materials that Franchisor has loaned to Developer.

(d) Restrictive Covenants and Continuing Obligations. Developer will comply with the restrictive covenants set forth in this Agreement. Developer's (and its Affiliates' and its Principals') obligations which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until such obligations are satisfied in full or by their nature expire.

(e) Purchase Option. Upon termination of this Agreement in accordance with Section 12 (excluding termination pursuant to Section 12(a)(1) or Section 12(a)(2)), Franchisor will have the option, exercisable by giving written notice thereof to Developer within 60 days from the date of such termination, to purchase the Operating Assets of Adventure Centers that are open and operating pursuant to this Agreement and any Franchise Agreement executed pursuant hereto, free and clear of all liens, restrictions or encumbrances (except with respect to any liens, restrictions or encumbrances running with the real estate that were approved by Franchisor in writing prior to Developer's or its Affiliates' purchase of the real estate). Franchisor will also have the option to purchase (or, as applicable, require Developer to assign to Franchisor any applicable leases for) all of such Adventure Centers' signs, equipment, fixtures and useable inventory in accordance with the terms of the applicable Franchise Agreements. The purchase price for such Adventure Centers will be determined in accordance with Exhibit F. In addition to the foregoing options, Franchisor has the right and option to require Developer to assign the lease(s) for each of the locations of such Adventure Centers to Franchisor or its designee in accordance with the applicable Franchise Agreements. If Franchisor elects to exercise the foregoing options, Franchisor will exercise such options with respect to all Adventure Centers that are open and operating in full compliance with the applicable Franchise Agreements. If Franchisor does not exercise its option with respect to such Adventure Centers then in operation, then Developer or its Affiliate (as Franchisee) may continue operating the Adventure Centers subject to the terms of the applicable Franchise Agreements. Nothing contained in this Section 13(e) will constitute a waiver of Franchisor's rights or remedies for an Event of Default under any Franchise Agreement between Franchisor and Developer or its Affiliate (as Franchisee).

14. FORCE MAJEURE AND CRISIS MANAGEMENT EVENTS.

(a) Force Majeure. Neither Franchisor nor Developer will be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform obligations results from a Force Majeure Event. Any delay resulting from any Force Majeure Event will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable in the judgment of the Party to whom performance is owed. Developer or Franchisor will, within five days of the occurrence of the Force Majeure Event, give a written Notice to the other Party stating the nature of the Force Majeure Event, its anticipated duration and any action being taken to avoid or minimize its effect. Any suspension of performance will be of no greater scope and of no longer duration than is reasonably required; provided, however, if the suspension of performance continues for 90 days from the date of the occurrence and such failure to perform would constitute an Event of Default of this Agreement in the absence of such Force Majeure Event, the Parties will meet and discuss in good faith any amendments to this Agreement to permit Franchisor to exercise its rights under this Agreement. If the Parties are not able to agree on such amendments within 30 days and if suspension of performance continues, Franchisor may terminate this Agreement immediately by giving written Notice to Developer or exercise any of the remedies described in Section 12 or otherwise available at law or in equity. In no event will Developer's inability to pay amounts due under this Agreement constitute a Force Majeure Event and no Force Majeure Event will operate to excuse Developer from the prompt payment of any fee or other payment due to Franchisor pursuant to this Agreement.

(b) Crisis Management Events. Developer must notify Franchisor within 24 hours of the

occurrence of any Crisis Management Event by the method periodically specified in the Manuals or otherwise in writing, comply with Franchisor's instructions and fully cooperate with Franchisor's instructions in response to the Crisis Management Event. Failure to notify Franchisor within the required time period is a material breach of this Agreement.

15. GOVERNING LAW; DISPUTE RESOLUTION.

(a) Non-Binding Mediation. Before any Party may bring an action or commence a proceeding against the other Party, the Parties must first meet to mediate the dispute (except for controversies, disputes or claims related to or based on improper or unauthorized use of the Marks or breach of the covenants and obligations set forth in Section 8(a) or Section 8(b) in New York, New York or such other location agreed upon by the Parties. Any such mediation will be non-binding and will be conducted by the International Institute for Conflict Prevention & Resolution ("CPR") in accordance with its then-current rules for mediation of commercial disputes.

Notwithstanding anything to the contrary, this Section 15 will not bar either Party from obtaining injunctive relief pursuant to Section 15(c)(5) against threatened conduct that will cause it to incur Losses and Expenses, under the usual equity rules, including the applicable rules for obtaining restraining orders and injunctions, without having to engage in mediation. In addition, this Section 15(a) will not apply to any claim or dispute relating to Developer's failure to pay fees or other amounts owed to Franchisor under this Agreement. Franchisor and Developer will each bear their own costs of mediation, and each will bear one-half the cost of the mediator or mediation service.

(b) Governing Law. This Agreement will be governed by and interpreted according to the laws (exclusive of the conflicts of laws rules) of the State of New York applicable to contracts entered into in New York, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act), the Copyright Act, and the Patent Act. As of the Effective Date, Franchisor has a place of business in the State of New York, and New York otherwise bears a reasonable relationship to this Agreement, the Parties' relationship established by this Agreement, and the Parties. By agreeing to the application of New York law, the Parties do not intend to make this Agreement or their relationship subject to any franchise, dealership, distributorship, business opportunity, or similar statute, rule, or regulation of the State of New York to which this Agreement or the Parties' relationship otherwise would not be subject. To the extent that this Agreement or the Parties' relationship otherwise would not, but for this New York choice-of-law provision, be subject to such statutes, this Section 15 does not constitute a waiver of any statutory rights or remedies. Developer, its Principals and Franchisor acknowledge and agree that the choice of applicable state law set forth in this Section 15(b) provides each of the Parties with the mutual benefit of uniform interpretation of this Agreement and the Parties' relationship created by this Agreement. Developer, its Principals and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit, and that each Party's agreement regarding applicable state law has been negotiated in good faith and is part of the benefit of the bargain reflected in this Agreement.

(c) Arbitration.

(1) Claims Subject to Arbitration. Subject to Paragraph 15(c)(2), the Parties agree that all controversies, claims, or disputes between Franchisor and Developer arising out of or relating to the following (each, an "Arbitrable Claim") will be finally resolved by binding arbitration in accordance with Section 15(c)(4):

(A) this Agreement or any other agreement between Franchisor and Developer or any of its Affiliates or Principals;

(B) the relationship between Developer and Franchisor;

(C) the scope and validity of this Agreement or any other agreement between Franchisor or its Affiliates and Developer or any of its Affiliates or Principals, specifically including all disputes regarding the scope, validity or existent of this arbitration agreement, except that

Franchisor and Developer intend for the court to address the applicability and scope of the exceptions found in Section 15(c)(2)(A); and/or

(D) the offer or sale of the franchise opportunity.

(2) Exception of Claims Subject to Arbitration. Franchisor and Developer recognize and agree that certain claims of Franchisor may not be best suited to determination through arbitration and agree that Franchisor, at its sole option, may bring the following types of claims, cases, disputes and causes of action either in court or in arbitration:

(A) Claims seeking injunctive or other equitable relief to enforce provisions of this Agreement, including without limitation claims for infringement of Franchisor's intellectual property, violation of the confidentiality provisions of Section 8(b) or breach of the non-compete provisions of Section 8(a), provided however that non-equitable claims joined with any injunctive claims must be heard separately in arbitration, and that regardless of the forum, any injunctive relief may be given without the necessity of Franchisor posting bond or other security and any such bond or other security is hereby waived; further, Developer acknowledges that the termination of any litigation for injunctive or other equitable relief shall not bar Franchisor from asserting non-equitable claims in an arbitration involving the same parties or causes of action;

(B) Claims related to unauthorized use or misappropriation of Franchisor's Marks or Third Party Brand Marks, trade secrets, Confidential Information or any of Franchisor's Intellectual Property; and/or;

(C) Claims, including claims by an affiliate of Franchisor, seeking recovery or any other remedy based on Developer's failure to pay any moneys due under this Agreement, any agreement with an affiliate of Franchisor, or any unpaid invoices owed to an affiliate of Franchisor when due.

For resolution of any claim that is not subject to mandatory arbitration under Section 15(c)(1), such claim will be resolved in the Chosen Forum in accordance with Section 15(d).

(3) No Class Action. No party except Franchisor (including its employees, agents, officers or directors and its parent, subsidiary or affiliated companies) and Developer (including where applicable the immediate family members, owners, heirs, executor, successors, assigns, shareholders, partners, and guarantors (as applicable) may join in or become a party to any arbitration proceeding arising under or related to this Agreement or any other agreement between Franchisor and Developer, the relationship between Franchisor and Developer, the scope and validity of this Agreement or any other agreement between Franchisor and Developer, specifically including whether any specific claim is subject to arbitration at all (i.e. arbitrability questions) and/or the offer or sale of the franchise opportunity; and further, the arbitrator will not be authorized to permit any person or entity that is not a party to this Agreement or identified in this paragraph to be involved in or to participate in any arbitration conducted pursuant to this Agreement. No matter how styled by the party bringing the claim, any claim or dispute is to be arbitrated on an individual basis and not as a class action or representative action and further, no claim may be consolidated or joined. **DEVELOPER EXPRESSLY WAIVES ANY RIGHT TO ARBITRATE OR LITIGATE AS A CLASS ACTION OR IN A PRIVATE ATTORNEY GENERAL CAPACITY**. Any question regarding the interpretation or enforceability of this prohibition on class-wide or representative arbitration shall be resolved by a court of competent jurisdiction, and not the arbitrator.

(4) Binding Arbitration in New York, New York. Subject to the provision for temporary injunctive relief pending arbitration contained in Section 15(c)(5), all Arbitrable Claims will be finally resolved by binding arbitration in accordance with the CPR Rules for Non-Administered Arbitration (the "CPR Rules") then currently in effect. All Arbitrable Claims will be decided by one arbitrator chosen from the Panels of Distinguished Neutrals maintained by the International Institute for Conflict and Prevention & Resolution ("CPR") in accordance with Rules

5.3 and 6 of the CPR Rules. Unless otherwise agreed in writing, any arbitrator chosen to decide an Arbitrable Claim will be a current or former practicing attorney or judge; have at least ten years of experience in litigation, arbitration, and/or mediation of commercial disputes; and have prior experience as an arbitrator of at least three manufacturer/dealer or franchisor/developer disputes. Each Party will be responsible for its own attorneys' fees associated with the arbitration and for such costs as it is liable pursuant to the CPR Rules. The place of arbitration will be New York, New York unless otherwise agreed in writing. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq. (the "FAA"). It is expressly understood and agreed that arbitration proceedings under this Agreement are subject to the confidentiality provisions of Section 19(b) of this Agreement.

(5) Temporary Injunction Relief Pending Arbitration. The Parties to this Agreement understand, acknowledge, and agree that the CPR Rules specifically contemplate the availability of interim measures to preserve the status quo and/or prevent irreparable injury pending arbitration. The Parties expressly understand and agree that the advance notice requirements provided for in this Agreement, with respect to termination or amendment provide sufficient opportunity for a Party challenging any termination or amendment of this Agreement to seek interim measures (including the arbitral equivalent of a temporary restraining order, preliminary injunction, or other equitable relief) in arbitration pursuant to the binding arbitration provisions of Section 15(c)(4). By seeking or obtaining a temporary restraining order, preliminary injunction, or other equitable relief pending arbitration pursuant to the provisions of this Section 15(c)(5), a Party is not relieved of its obligation to have the merits of an Arbitrable Claim decided in accordance with the binding arbitration provisions of Section 15(c)(4).

(6) Enforcement of Arbitration Awards. Judgment upon the award rendered by the arbitrator(s) in any arbitration between the Parties may be entered by any court of competent jurisdiction.

(7) Contingency. If for any reason the binding arbitration provisions of this Agreement are not enforceable, the exclusive forum for resolution of any otherwise Arbitrable Claims will be the United States District Court for the District of New York except that, if the federal court lacks subject matter jurisdiction, the forum shall be the Superior Court of New York. The provisions of this Section 15(c)(7) will not apply to any claim for temporary injunctive relief pending arbitration filed pursuant to Section 15(c)(5) above.

(d) Consent to Jurisdiction and Venue. To the extent that this Agreement permits or requires litigation, the Parties hereby irrevocably submit to the exclusive jurisdiction provision of Section 15(c)(7) (the "Chosen Forum"). By execution and delivery of this Agreement, each Party hereby irrevocably waives, to the fullest extent it may effectively do so, any claim that it is not personally subject to the jurisdiction of the Chosen Forum or that the Chosen Forum is not a convenient forum. By execution and delivery of this Agreement, each Party hereby agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action, or proceeding, any claim that it is not personally subject to the jurisdiction of the Chosen Forum or that the Chosen Forum is not a convenient forum. Franchisor and Developer agree that a final judgment (as to which all appeals have been exhausted or the time within which such appeals may be made has expired) in any such action or proceeding will be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

(e) Limitations of Claims. Any and all claims arising out of or relating to this Agreement or the relationship among the Parties will be barred unless a judicial or arbitration proceeding is commenced within two years from the date on which the Party asserting such claim knew or should have known of the facts giving rise to such claims.

(f) Limitation on Damages. Except with respect to (1) Developer's obligation to indemnify Franchisor and its Affiliates pursuant to Section 10, (2) claims for Developer's disclosure of Confidential Information in Section 8(b); (3) payment or recovery of liquidated damages

described in Section 13(a); and (4) lost profits incurred by Franchisor as a result of early termination of this Agreement under Section 12, FRANCHISOR AND DEVELOPER WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, SPECIAL AND CONSEQUENTIAL DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND DEVELOPER, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY DIRECT OR GENERAL DAMAGES THE PARTY SUSTAINS.

(g) Rights of Parties Are Cumulative. Franchisor's and Developer's rights under this Agreement are cumulative, and their exercise or enforcement of any right or remedy under this Agreement will not preclude their exercise or enforcement of any other right or remedy under this Agreement which they are entitled by Applicable Law to enforce.

(h) Costs and Legal Fees. If Franchisor incurs expenses in connection with the Developer's failure to pay when due any monies owed, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, Developer will reimburse Franchisor for any of the costs and expenses which it reasonably incurs, including, without limitation, reasonable accounting, attorneys', arbitrators' and related fees to enforce such provisions of the Agreement.

(i) WAIVER OF JURY TRIAL. THE PARTIES HERETO IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM IN CONNECTION WITH ANY MATTER OR DISPUTE OF ANY KIND ARISING UNDER OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY RIGHT OR REMEDY HEREUNDER, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF FRANCHISOR OR DEVELOPER.

_____

Initials

(j) Material Inducement for Franchisor. DEVELOPER AND ITS PRINCIPALS EACH EXPRESSLY ACKNOWLEDGES AND AGREES THAT THIS SECTION 15 IS ENTERED INTO VOLUNTARILY AND IS NOT THE PRODUCT OF COERCION ON THE PART OF FRANCHISOR. THE BINDING ARBITRATION, CHOICE OF LAW AND FORUM, WAIVER OF PUNITIVE DAMAGES, LIMITATION ON ACTIONS, WAIVER OF CLASS ACTION, AND OTHER PROVISIONS OF THIS SECTION 15 ARE A MATERIAL INDUCEMENT FOR FRANCHISOR TO ENTER INTO THIS AGREEMENT.

16. NOTICES.

All Notices required or permitted under this Agreement will be deemed given (1) when delivered by hand; (2) two days after electronically confirmed transmission by facsimile or electronically confirmed delivery receipt by electronic mail; or (3) three days after confirmed delivery if by certified or registered mail, postage prepaid; or (4) upon delivery by a nationally-recognized courier or delivery service. Either Party may specify a different address by notifying the other Party in writing of the different address. The notice address for each Party is set forth on the Summary Page.

17. MISCELLANEOUS.

(a) Severability; Substitution of Valid Provisions. Except as expressly provided to the contrary in this Agreement, each section, paragraph, term and provision of this Agreement, and any portion, will be considered severable. If for any reason any part of this Agreement is held to be invalid, that determination will not impair the other parts of this Agreement. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of geographical area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, Developer and Franchisor agree that it will be enforced to the fullest extent permissible under Applicable Law and public policy. If any Applicable Law requires a greater prior notice of the termination of or refusal to enter into a

successor franchise than is required hereunder, a different standard of "good cause," or the taking of some other action not required hereunder, the prior notice, "good cause" standard and/or other action required by such law will be substituted for the comparable provisions hereof. If any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable under Applicable Law, Franchisor has the right, at Franchisor's sole option, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to make it valid and enforceable.

(b) Effect of Delay, Waiver, Omission or Forbearance. No delay, waiver, omission or forbearance by Franchisor to exercise any right, option, duty or power arising out of any breach or default by Developer or its Principals under this Agreement will constitute a waiver by Franchisor to enforce any such right, option, duty or power against Developer or its Principals, or as to subsequent breach or default by Developer or its Principals. Subsequent acceptance by Franchisor of any payments due to it hereunder will not be deemed to be a waiver by Franchisor of any preceding breach by Developer or its Principals of any terms, provisions, covenants or conditions of this Agreement.

(c) Binding Effect. This Agreement is binding upon the parties and their respective executors, administrators, heirs, assigns and successors in interest and will not be modified except by a written agreement signed by both Developer and Franchisor.

(d) Disclaimer of Warranties. Each Party hereby acknowledges that neither the other Party nor its agents or representatives have made any promises, representations, guarantees nor warranties of any nature concerning actual or potential sales or profits of an Escape Hunt Adventure Center or that the licensed Adventure Centers to be established and operated by Developer or its Affiliate (as Franchisee), hereunder will be successful or profitable. Developer and its Principals represent and acknowledge that they are not relying upon any information, promise, representation, guaranty, or warranty by Franchisor in entering into this Agreement other than those set forth in this Agreement (including its exhibits, addenda, and attachments). Developer and its Principals expressly waive any claim of negligent misrepresentation or omission. Each Party further represents to the other that it has independently reviewed and evaluated the business to be conducted by Developer under this Agreement, and the decision to enter into this Agreement was made solely in reliance upon such independent evaluation.

(e) Receipt of Disclosure. The following applies only in the event this Agreement will have effect within a province or territory requiring compliance with pre-sale franchise disclosure law: Developer acknowledges that it has received as one document at one time, either personally or by registered mail, a copy of the form of this Agreement, the exhibits hereto, and the applicable complete franchise disclosure document not less than 14 days prior to the earlier of: (1) the date on which this Agreement or any other agreement relating thereto was executed, and (2) the payment of any consideration by or on behalf of Developer relating to this Agreement, and the franchise associated therewith (except, where applicable, any deposit permitted under Applicable Law).

(f) Entire Agreement. This Agreement (including its exhibits, addenda, and attachments) constitutes the entire agreement between the Parties, and supersedes any and all prior or contemporaneous negotiations, discussions, understandings, or agreements. There are no other oral or written understandings or agreements between Franchisor and Developer relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in the Franchise Disclosure Document furnished to Developer.

(g) Construction. The preambles and exhibits are a part of this Agreement. Nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any Person not a party to this Agreement. The singular usage

includes the plural and the masculine and neuter usages include the other and the feminine.

(h) Headings. The headings of the several sections and paragraphs are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

(i) Multiple Copies. This Agreement may be executed in multiple copies, each of which will be deemed an original.

(j) Conflicting Provisions. The parties will strive to ensure that there is no conflict between this Agreement and the terms of any Franchise Agreement. If the parties agree to enter in a Franchise Agreement with provisions that conflict with the Agreement, the parties will simultaneously amend this Agreement to be consistent with the Franchise Agreement.

18. PUBLIC ANNOUNCEMENTS.

No public communication, press release or announcement regarding this Agreement, the transactions contemplated hereby, any Franchise Agreement or Crisis Management Event will be made by Developer without Notice to Franchisor and Franchisor's prior approval of such communication, press release or announcement. Developer will not disclose the substance of this Agreement to any third party except as necessary to obtain a lease or renewal or obtain any permit, license or other approvals, or to the extent required by the lawful order of any court of competent jurisdiction having jurisdiction over Developer or for any public disclosure otherwise required by Applicable Law.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the Effective Date.

FRANCHISOR:	**DEVELOPER:**
Escape Hunt USA Franchises Ltd.	**[_____]**
By:_____	By:_____
Printed Name: _____	Printed Name:_____
Title:_____	Title:_____

EXHIBIT A

I. FRANCHISOR'S APPROVAL OF DEVELOPER'S EXISTING BRANDS

In accordance with the restrictive covenants in Section 8(a) and the definition of Competitive Business in Section 1(h) the following Existing Brands operated by Developer and/or its Affiliates are deemed excluded from Competitive Business: _____

_____

_____

Franchisor hereby approves the continued operation of the above-named brands existing as of the Effective Date and acknowledges that Developer may continue to develop additional units of the above-named existing brands anywhere during the Term of the Agreement without any obligation to Franchisor.

II. DEVELOPMENT SCHEDULE

Development Period	Commencement	Expiration	Deadline to Sign Franchise Agreement	Balance of Initial Franchise Fee Due Upon Execution of Franchise Agreement	Cumulative Adventure Centers That Must Be Open and Operating at the Expiration of Each Development Period
1	Effective Date				
2					
3					

FRANCHISOR:

Escape Hunt USA Franchises Ltd.

By:_____
Printed Name: _____
Title:_____

DEVELOPER:

[_____]

By:_____
Printed Name:_____
Title:_____

EXHIBIT B

ORGANIZATIONAL AND OWNERSHIP INFORMATION

Developer is a _____, organized on _____, ___ under the laws of the State of _____. Its Federal Identification Number is _____. It has not conducted business under another name. The following is a list of Developer directors and officers as of the Effective Date. Capitalized terms not defined in this Exhibit B have the meanings given in the Area Development Agreement dated _____ between Developer and Franchisor.

Name	Position(s) Held

Developer represents and warrants to Franchisor that all Equity Interests in Developer are disclosed in the Guaranty. Developer will disclose to Franchisor such additional information as Franchisor may periodically request concerning all Persons having an Equity Interest in Developer. As of the Effective Date:

Name	Mailing Address	% of Equity Interest

FRANCHISOR:

Escape Hunt USA Franchises Ltd.

By:_____
Printed Name: _____
Title:_____

DEVELOPER:

[_____]

By:_____
Printed Name:_____
Title:_____

EXHIBIT C

GUARANTY AND UNDERTAKING OF OBLIGATIONS

This GUARANTY AND UNDERTAKING OF OBLIGATIONS ("Guaranty") dated _____, 20__ (the "Effective Date") is given to Franchisor, by each of the undersigned as a Principal of Developer, in consideration of and as an inducement to the execution of the attached Area Development Agreement, including any exhibits and amendments thereto ("Agreement") by and between Franchisor and Developer. Capitalized terms not defined in this Guaranty and Undertaking of Obligations has the meanings given in the Agreement.

Principal hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the Term and afterward as provided in the Agreement, that Developer will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement.

Principal represents that each and every representation of Developer made in connection with the Agreement is true, correct and complete in all respects as of the time given and as of the time of the undersigned Principal(s)' execution of this Guaranty and Undertaking of Obligations.

Principal acknowledges that it is included in the term "Principal" as described in Section 1(xx) of the Agreement and without limiting any guarantee of Developer's obligations under the Agreement, makes all covenants, representations, warranties and agreements of Principals set forth in the Agreement and is obligated to individually perform thereunder for so long as Principal qualifies as a Principal and thereafter to the extent expressly provided by the terms of the Agreement, including without limitation the representations, warranties and covenants described in the following sections of the Agreement: Section 7 (Representations, Warranties and Covenants), Section 8 (Restrictive Covenants), Section 10 (Indemnification), Section 11 (Transferability of Interest), and Section 15 (Governing Law; Dispute Resolution).

Principal hereby unconditionally agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions, or to engage or refrain from engaging in specific activities.

Principal consents and agrees that it will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so.

Principal consents and agrees that such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other Person and waives any right it may have to require that an action be brought against Developer or any other Person as a condition of its liability. Principal further waives protest and notice of default, demand for payment or nonperformance or any obligations guaranteed, and any and all other notices and legal or equitable defenses to which Principal may be entitled in its capacity as guarantor.

Principal consents and agrees that such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that Franchisor may periodically grant to Developer or to any other Person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the Term.

Principal waives all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Developer arising as a result of the undersigned's execution of and performance under this Guaranty.

This Guaranty and all claims arising from, under or with respect to the relationship between Franchisor and Principal(s) will be interpreted, enforced and governed by the laws of New York (without regard to New York conflicts of law rules).

Principal further acknowledges and agrees as follows:

(a) he has read the terms and conditions of the Agreement and acknowledges that the execution of this Guaranty is in partial consideration for, and a condition to Franchisor's execution of the Agreement, and Franchisor would not have granted such rights without the execution of this Guaranty by each of the undersigned;

(b) This Guaranty will remain in force notwithstanding the death of the undersigned, and will be binding on the undersigned's personal representatives; and

(c) This Guaranty will continue and will be enforceable notwithstanding any change in the name or the constitution of Franchisor or Developer.

Principal represents and warrants that the following is a complete and accurate list of all Principals of Developer and a full description of the nature and extent of each Principal's Equity Interest in Developer. Developer, and Principal as to its Equity Interest, represents and warrants that Principal is the sole and exclusive legal and beneficial owner of its Equity Interest in Developer, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Guaranty.

IN WITNESS WHEREOF, each of the undersigned has affixed its signature as of the Effective Date.

PRINCIPAL:	**EQUITY INTEREST**
By:_____ Printed Name:_____ Title:_____	____%
By:_____ Printed Name:_____ Title:_____	____%
By:_____ Printed Name:_____ Title:_____	____%

EXHIBIT D

FRANCHISE AGREEMENT

EXHIBIT E

DESIGNATED PRINCIPAL'S

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

_____, a company with an address at _____ ("**Developer**"), for itself and on behalf of Franchisor, its franchisor pursuant to the ADA dated _____ between Developer and Franchisor, and _____, an individual having an address at _____ ("**Designated Principal**" or "**you**"), hereby enter into this Agreement, effective as of _____, ("**Effective Date**") and agree as follows:

All defined terms used in this Agreement and not otherwise defined will have the meanings set forth in Attachment E-1.

A. Confidentiality.

1) Developer and Designated Principal, for their mutual benefit, desire to have Franchisor disclose to Designated Principal certain Confidential Information for the Purpose.

2) Confidential Information means any and all information, knowledge, know-how, trade secrets, trade dress, methodologies, techniques, procedures, applications and materials, in whatever form, used in or related to the System which Franchisor provides to Developer, or which Developer or its Affiliates or employees develop or have access to, in connection with this Agreement or the operation of an Adventure Center hereunder, including, without limitation, the Standards; the Manuals; the Games (including the knowledge and specification for the implementation and operation of the Games), and associated materials, supplies, equipment, fixtures, furnishing and services relating to the Games, including any Confidential Information relating to any Third Party Brand Licensors; Franchisor's or its Affiliate's product sourcing, pricing, manufacturing, inventory management and control, supply and distribution; technology, point of sale and related computer software; advertising, marketing and promotional programs including gift card, loyalty and customer reward programs; Customer Data; financial data and statements; training and operational methodology, content (including without limitation inventory and financial controls) and management programs; and any other information or data regarding the business of Franchisor or any of its Affiliates that would reasonably be considered the proprietary or confidential information of Franchisor or its Affiliates ("**Confidential Information**"). Confidential Information may be in any form or medium, tangible or intangible, and may be communicated in writing, orally, or through visual observation.

3) For the duration of Designated Principal's employment with Developer and at all times thereafter, Designated Principal will use the Confidential Information solely for the Purpose, will not disclose such Confidential Information to any third parties without Franchisor's consent and will reproduce Confidential Information only to the extent essential to fulfilling the Purpose.

4) Designated Principal must notify Franchisor immediately upon discovery of any unauthorized use or disclosure of any Confidential Information, or any other breach of the Agreement by Designated Principal or any representative of Designated Principal, and will cooperate with Franchisor in every reasonable way to help Franchisor regain possession of its Confidential Information and prevent its further unauthorized use or disclosure.

5) The covenants of confidentiality set forth in this Agreement will apply after the Effective Date to all Confidential Information disclosed to Designated Principal before and after the Effective Date.

6) Upon Franchisor's request, Designated Principal will either return to Franchisor all Confidential Information or, at Franchisor's option, will certify to Franchisor that all media containing Confidential Information have been destroyed. Provided, however, that an archival copy of the Confidential Information may be retained in the files of Designated Principal's counsel solely for the purpose of proving the contents of the Confidential Information.

7) The foregoing restrictions on Designated Principal's use or disclosure of Confidential Information will not apply to Confidential Information that Designated Principal can demonstrate: a) was independently developed by or for the Designated Principal without reference to the Confidential Information, or was received without restrictions; b) has become generally available to the public through no wrongful act or breach of confidentiality obligations by the Designated Principal; c) was in the Designated Principal's possession without restriction or was known by the Designated Principal without restriction at the time of disclosure; or d) is required by a court order to be disclosed; provided, however, that the Designated Principal has given Franchisor prompt notice of such demand for disclosure, has taken reasonable steps to enable Franchisor to seek to protect the confidentiality of the Confidential Information required to be disclosed and will disclose only that part of the Confidential Information which, in the written opinion of legal counsel, it is required to disclose.

8) As between the parties, all Information will remain the property of Franchisor. By disclosing Confidential Information or executing this Agreement, Franchisor does not grant any license, explicitly or implicitly, under any trademark, patent, copyright, mask work protection right, trade secret or any other intellectual property right. Further, any Confidential Information provided by Franchisor hereunder is provided "AS IS" and no warranties are made by Franchisor regarding such Confidential Information.

9) Execution of this Agreement and the disclosure of Confidential Information pursuant to this Agreement do not constitute or imply any commitment, promise, or inducement by Franchisor to make any purchase or sale, or to enter into any additional agreement of any kind. Moreover, unless otherwise specifically agreed in writing, any knowledge or information which Designated Principal discloses to Franchisor will not be deemed to be proprietary or confidential and will be acquired by Franchisor free from any restrictions; however, no license under any applicable patent(s) of Designated Principal will be granted or implied.

10) Franchisor's failure to enforce any provision, right or remedy under this Agreement will not constitute a waiver of such provision, right or remedy.

11) This Agreement and performance hereunder will be interpreted, enforced and governed by the laws of the location in which Designated Principal's services are performed, without regard to such state's conflicts of laws rules.

12) Designated Principal acknowledges that money damages alone would be an inadequate remedy for the injuries and damages that would be suffered and incurred by Franchisor as a result of Designated Principal's breach of this Agreement. Therefore, Designated Principal agrees that if Designated Principal violates or threatens to violate this Agreement, Franchisor, in addition to any other remedies it may have at law or equity, will be entitled to a restraining order, injunction, or other similar remedy in order to enforce the provisions of this Agreement. In the event Franchisor should seek an injunction hereunder, Designated Principal hereby waives any requirement for the submission of proof of the economic value of any Confidential Information or the posting of a bond or any other security. Designated Principal will bear all costs and expenses, including legal fees and costs, incurred by Franchisor in enforcing the provisions of this Agreement.

B. Competition.

For so long as you are Developer's Designated Principal under the ADA and for a period of two years from disassociation with Developer or date ceasing to be Developer's Designated Principal, you will not, either directly or indirectly, individually or through, on behalf of, or in conjunction with any other person:

1) Own, maintain, operate, be employed by, engage in, franchise, lease property to, advise, help, make loans to, or have any interest in, either directly or indirectly, any Competitive Business;

2) Divert or attempt to divert any actual or prospective business or customer of the Adventure Center to any Competitive Business, by direct or indirect inducement or otherwise; or

3) Do or perform, directly, any or indirectly, any other act injurious to or prejudicial to the goodwill associated with the Marks and the System.

The above covenants apply exclusively in the Territory and the United States of America during the time that you serve as Developer's Designated Principal and within five miles of any then-existing Adventure Center for the 2-year period following the date you cease to be Developer's Designated Principal.

If all or any portion of this Agreement is held unreasonable or unenforceable by a tribunal, court or agency having valid jurisdiction in an unappealed final decision to which Developer is a party, you agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by applicable law. If any portion of the restrictions contained in this Agreement are held to be unreasonable, arbitrary or against public policy by any tribunal, court or agency having valid jurisdiction, then the restrictions will be considered divisible, both as to time and to the geographical area, with each month or the specified period being deemed a separate period of time and each radius mile of the restricted territory being deemed a separate geographical area, so that the lesser period of time or geographical area will remain effective and may be enforced against you so long as the same is not unreasonable, arbitrary, or against public policy. If you violate any of the covenants contained herein, and if any court, tribunal or agency action is instituted by Developer to prevent or enjoin such violation, then the period of time during which the covenants of this Agreement apply will be lengthened by a period of time equal to the period between the date of the breach of the terms or covenants contained in this Agreement and the date on which the decree of the disposition of the tribunal, court or agency having valid jurisdiction of the issues upon the merits will become final and not subject to further appeal.

You acknowledge that the geographical and time limitations contained in this Agreement are reasonable and properly required for the adequate protection of the Confidential Information, including Franchisor's trade secrets. You acknowledge that Franchisor and Developer will provide to you training and Confidential Information in reliance upon the covenants contained in this Agreement.

Without limiting any provision of this Agreement, you and Developer recognize and agree that Franchisor is a third party beneficiary of this Agreement, and at all times during and after your association with Developer as its Designated Principal Franchisor will have the independent right to enforce the terms of this Agreement.

You also recognize and agree that your designation as Developer's Designated Principal may be withdrawn by Developer or that Developer may disassociate with you at any time, with or without cause.

This Agreement and all claims arising from, under or with respect to the relationship between Developer and you will be interpreted, enforced and governed by the laws of New York (without regard to conflicts of law rules). Any dispute arising out of or under this Agreement not settled by agreement will be resolved in accordance with the terms of the ADA.

This Agreement constitutes the entire agreement of the parties with respect to the parties' respective obligations in connection with Confidential Information disclosed hereunder and supersedes all prior oral and written agreements and discussions with respect thereto.

This Agreement may be executed in one or more counterparts and in both original form and one or more electronic or photocopies, each of which will be deemed to be and constitute one and the same instrument.

The parties can amend or modify this Agreement only by a writing duly executed by their respective authorized representatives.

Designated Principal will not assign this Agreement without first securing Franchisor's written consent.

Franchisor will be an intended beneficiary of this Agreement with the full and independent right to enforce each and all of its terms.

As evidenced by your signature below, you hereby acknowledge that you have carefully read this Agreement completely and understand and agree to all of the terms set forth above, and that Developer has provided you with a copy for your records.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives on the date(s) indicated.

DEVELOPER:	**DESIGNATED PRINCIPAL**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Date:_____
Date:_____	

ATTACHMENT E-1
TO CONFIDENTIALITY AND NON COMPETE AGREEMENT

DEFINITIONS

"**ADA**" means the Area Development Agreement between Franchisor and Developer.

"**Adventure Center**" means an Escape Hunt Adventure Center.

"**Affiliate**" means, with respect to a named Person, any Person that is controlled by, controlling or under common control with the named Person.

"**Agreement**" means this Confidentiality and Non-Compete Agreement between Developer and Designated Principal.

"**Competitive Business**" means any and all businesses substantially similar to Escape Hunt Adventure Centers that, as determined by Franchisor, principally offer a participative entertainment experience involving groups of individuals taking part in games involving puzzle solving and ingenuity. A Competitive Business does not include: (i) other businesses that are licensed by Franchisor or any of its Affiliates; or (ii) Developer's Existing Brands.

"**Franchisor**" means Escape Hunt USA Franchises Ltd.

"**Manuals**" means Franchisor's operations and training manuals, and any other written directives related to the System, in whatever form and provided in whatever manner, as the same may be periodically amended and revised by Franchisor at its sole option, including the Standards, all bulletins, supplements and ancillary and additional manuals and directives established by Franchisor from time to time.

"**Person**" means any natural person or entity.

"**Purpose**" means the management of the day to day operations of Developer, including without limitation supervising and overseeing the operation of the business contemplated by this Agreement.

"**Standards**" means the standards, requirements, specifications, techniques, methods, policies and procedures of the System and Brand and for the development and operation of Escape Hunt Adventure Centers, as set forth in the Manuals or otherwise specified by Franchisor in writing and as may be amended by Franchisor from time to time.

"**System**" means the business system for establishing and operating the Adventure Centers, the distinguishing characteristics of which include, without limitation, the Escape Hunt Brand Property; the Standards; the Games (including training, operational methods, marketing, promotion and Brand positioning for the Games and the terms and conditions of Franchisee's license to use the Third Party Brand Marks and Third Party Brand IP related to the Brand Games and Super Brand Games); quality and uniformity of products and services offered; procedures for product sourcing, inventory, management, logistics, pricing; training and assistance; and marketing, advertising and promotional programs; all of which may be changed, improved and further developed by Franchisor from time to time.

EXHIBIT F

PURCHASING OPTION TERMS AND CONDITIONS

If Franchisor exercises its option to purchase under Section 13(e) of the Agreement following termination of the Agreement, Franchisor will purchase the Operating Assets as set forth in Section I below and will assume no liabilities, unless otherwise agreed in writing by the Parties. "Operating Assets" means Brand Property (i.e. all interior and exterior signage, décor and art using the Marks and any furniture, equipment or materials designated by Franchisor as "Brand Property," including without limitation the rotisserie ovens used in the operation of Escape Hunt Adventure Centers) and all other equipment (including without limitation computer hardware, software and audio and sound system), signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Adventure Centers, as periodically specified by Franchisor in the Manuals or otherwise in writing. Franchisor has the unrestricted right to assign this option. Capitalized terms not defined in this Exhibit F have the meanings given in the Agreement.

I. Purchase Price of Operating Assets.

If the Parties cannot agree on a fair market value of the Operating Assets, fair market value will be determined by three independent appraisers (each of whom must at a minimum satisfy Franchisor's criteria for appraisal and valuation firms as set forth in the Standards) who collectively will conduct one appraisal. Each of the Franchisor and Developer may select an appraiser, and the two appraisers will appoint the third appraiser. Franchisor and Developer will select their respective appraisers within 15 days from the date of Franchisor's Notice, and the two appraisers so chosen are obligated to appoint the third appraiser within 15 days from the date on which the last of the two Party-appointed appraisers was appointed. Franchisor and Developer will bear the fee, cost and expense of their own appraisers and share equally the fees, cost and expenses of the third appraiser. The appraisers must agree to complete their appraisal within 30 days from the date of the third appraiser's appointment. If the two appraisers are unable to agree on a third appraiser, the fair market value will be determined by the two appraisers and the average of their determinations will be binding.

II. Occupancy of Premises.

Leasehold Rights. If Developer occupies the Premises an Adventure Center pursuant to a lease agreement, Developer will and will cause any Principal or Affiliate to assign such lease agreement to Franchisor or its designee (subject to landlord's consent). If the Premises is leased from a landlord other than a Principal or Affiliate, on Franchisor's request, Developer will assign the lease agreement to Franchisor or its designee or enter into a sublease with Franchisor or its designee for the remainder of the term of the lease agreement on the same terms (including renewal options) as the lease agreement (subject to landlord's consent). Franchisor acknowledges that this obligation may be subject to approval or consent by any third-party landlord. Developer will exert its best efforts to secure any required consent from any third-party landlord to cause the lease agreement to be assigned or a sublease granted to Franchisor.

If Developer owns the Premises for an Adventure Center, Franchisor, at its option, will upon purchase of the Operating Assets as described in Section I above, enter into a standard lease with Developer on terms comparable to those for which similar commercial properties in the Territory are the being leased. The initial term of the lease with Developer will be at least ten years with two options to renew of five years each, and the rent will be the fair market rental value of the Premises. If Developer and Franchisor cannot agree on the fair market rental value of the Premises, then appraisers (selected in the manner described in Section I above) will determine such rental value, as applicable.

III. Closing.

Franchisor will be entitled to all customary warranties and representations in connection with the purchase of the Operating Assets of the Adventure Centers, as applicable, including, without limitation, representations and warranties as to ownership and condition of and title to assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise. The purchase price will be paid in cash and is due at closing; provided, that Franchisor will have the right to set off from the purchase price (i) all fees due from Developer for any appraisal conducted hereunder, (ii) all amounts due from Developer to Franchisor or any of its Affiliates, and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees). The closing will take place not later than 45 days from the date of determination of the purchase price in writing by the appraisers unless the Parties otherwise agree in writing. At the closing, Developer will deliver to Franchisor:

A. instruments transferring good and merchantable title to the Operating Assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor), with all sales and other transfer taxes paid by Developer (provided, if Developer cannot deliver clear title to all of the purchased assets, the closing of the sale will be accomplished through an escrow);

B. instruments transferring all approvals, licenses (including without limitation liquor licenses) and/or permits of the Adventure Center which may be assigned or transferred, with appropriate consents, if required;

C. instruments transferring fee simple or leasehold interest in the Premises for the Adventure Centers and improvements thereon, subject to any necessary approvals from third-party landlords or financial institutions or banks; and

D. general releases, in form satisfactory to Franchisor, from Developer and its Principals, of any and all claims against Franchisor, its Affiliates, and its officers, directors, employees, agents, successors and assigns.

EXHIBIT G

STATE ADDENDA

RIDER TO THE
ESCAPE HUNT USA FRANCHISES LTD.
AREA DEVELOPMENT AGREEMENT
FOR USE IN CALIFORNIA

This Rider is entered into this ___ day of _____, 20__, by and between Escape Hunt USA Franchises Ltd., a UK limited company ("we," "us," or "our"), and _____ ("Developer," "you," or "your").

1. **BACKGROUND**. We and you are parties to that certain Area Development Agreement dated _____, 20__ (the "Area Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is being signed because (a) any of the offering or sales activity relating to the Area Development Agreement occurred, and the Escape Hunt Adventure Centers you will develop under the Area Development Agreement will be located, in California, or (b) you are a resident of, and will develop your Escape Hunt Adventure Centers in, California.

2. **DEVELOPMENT FEE**. The following language is added at the end of Section 6(a) of the Area Development Agreement:

> Despite the payment provisions above, we will defer the payment of the development fee due under this Agreement on a prorated basis (i.e., per Escape Hunt Adventure Center) until such time as each Escape Hunt Adventure Center opens for business.

3. **ENFORCEMENT.** The following language is added as new Section 19 of the Area Development Agreement:

> No disclaimer, questionnaire, clause, or statement signed by a franchisee or prospective franchisee in connection with the commencement of the franchise relationship shall alone be construed or interpreted as a waiver of any claim of fraud in the inducement, whether common law (unless allowed by existing common law) or statutory, or as alone disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting at the direction of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

[Signature Page Follows]

WITNESS WHEREOF, the parties have executed this Rider to the Area Development Agreement on the date stated on the first page.

FRANCHISOR	**DEVELOPER**
ESCAPE HUNT USA FRANCHISES LTD., a UK limited company	_____ [Name]
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE
ESCAPE HUNT USA FRANCHISES LTD.
AREA DEVELOPMENT AGREEMENT
FOR USE IN HAWAII

This Rider is entered into this ___ day of _____, 20__, by and between Escape Hunt USA Franchises Ltd., a UK limited company ("we," "us," or "our"), and _____ ("Developer," "you," or "your").

1. **BACKGROUND**. We and you are parties to that certain Area Development Agreement dated _____, 20__ (the "Area Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is being signed because (a) any of the franchise offer or sales activity relating to the Area Development Agreement occurred in Hawaii, or (b) you are a resident of Hawaii.

2. **DEVELOPMENT FEE**. The following language is added at the end of Section 6(a) of the Area Development Agreement:

> Despite the payment provisions above, we will defer the payment of the development fee due under this Agreement until such time as we have completed our pre-opening obligations under the Agreement and your first Adventure Center has commenced doing business.

WITNESS WHEREOF, the parties have executed this Rider to the Area Development Agreement on the date stated on the first page.

FRANCHISOR	**DEVELOPER**
ESCAPE HUNT USA FRANCHISES LTD., a UK limited company	_____ [Name]
By:_____	By:_____
Name: _____	Name:_____
Title: _____	Title:_____

RIDER TO THE
ESCAPE HUNT USA FRANCHISES LTD.
AREA DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS

This Rider is entered into this ___ day of _____, 20__, by and between Escape Hunt USA Franchises Ltd., a UK limited company ("we," "us," or "our"), and _____ ("Developer," "you," or "your").

1. **BACKGROUND**. We and you are parties to that certain Area Development Agreement dated _____, 20__ (the "Area Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Area Developer Agreement occurred in Illinois and the Territory will be located in Illinois, and/or (b) you are a resident of Illinois.

2. **DEVELOPMENT FEE**. The following language is added at the end of Section 6(a) of the Area Development Agreement:

> The Illinois Attorney General's Office requires us to defer payment of the Development Fee and other initial payments owed by Developer to us until we have completed our pre-opening obligations under the Agreement and your first Adventure Center has commenced doing business. This deferral requirement has been imposed because of our financial condition.

3. **GOVERNING LAW**. Section 15(b) of the Area Development Agreement is deleted and replaced with the following:

> Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs this Agreement.

4. **CONSENT TO JURISDICTION**. Section 15(d) of the Area Development Agreement is deleted and replaced with the following:

> In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

5. **LIMITATIONS OF CLAIMS/WAIVER OF JURY TRIAL**. The following language is added at the end of Sections 15(e) and 15(i) of the Area Development Agreement:

> HOWEVER, THIS WAIVER SHALL NOT APPLY TO THE EXTENT PROHIBITED BY SECTION 705/41 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT OF 1987 OR ILLINOIS REGULATIONS AT SECTION 260.609.

6. **ILLINOIS FRANCHISE DISCLOSURE ACT**. The following language is added as a new Section 19 of the Area Development Agreement:

> 19. **ILLINOIS FRANCHISE DISCLOSURE ACT**. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting

to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void. However, that Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any provision of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

For info about obtaining a liquor license in Illinois, see: https://www.illinois.gov/ilcc/pages/forms-and-applications.aspx

For info about obtaining TIPS certification in Illinois, see: https://www.tipscertified.com/tips-strate-pages/Illinois/

See: the Liquor Control Act of 1934, 235 ILCS 5/ (West 2016) for Illinois Dram Shop laws

WITNESS WHEREOF, the parties have executed this Rider to the Area Development Agreement on the date stated on the first page.

FRANCHISOR	**DEVELOPER**
ESCAPE HUNT USA FRANCHISES LTD., a UK limited company	_____ [Name]
By:_____	By:_____
Name: _____	Name:_____
Title: _____	Title:_____

RIDER TO THE
ESCAPE HUNT USA FRANCHISES LTD.
AREA DEVELOPMENT AGREEMENT
FOR USE IN MARYLAND

This Rider is entered into this ___ day of _____, 20__, by and between Escape Hunt USA Franchises Ltd., a UK limited company ("we," "us," or "our"), and _____ ("Developer," "you," or "your").

1. **BACKGROUND**. We and you are parties to that certain Area Development Agreement dated _____, 20__ (the "Area Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is being signed because (a) you are a resident of Maryland, or (b) the Escape Hunt Adventure Centers you will develop under the Area Development Agreement will be located in Maryland.

2. **DEVELOPMENT FEE**. The following language is added at the end of Section 6(a) of the Area Development Agreement:

> Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, payment of the development fee due under this Agreement shall be deferred until such time as we have completed our pre-opening obligations under the Agreement and your first Adventure Center has commenced doing business.

3. **GOVERNING LAW**. The following language is added to the end of Section 15(b) of the Area Development Agreement:

> However, to the extent required by applicable law, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **CONSENT TO JURISDICTION**. The following language is added to the end of Section 15(d) of the Area Development Agreement:

> Notwithstanding the foregoing, and subject to your arbitration obligations, you may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **LIMITATIONS OF CLAIMS**. The following language is added at the end of Section 15(e) of the Area Development Agreement:

> , except that any and all claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

WITNESS WHEREOF, the parties have executed this Rider to the Area Development Agreement on the date stated on the first page.

FRANCHISOR	**DEVELOPER**
ESCAPE HUNT USA FRANCHISES LTD., a UK limited company	_____ [Name]
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE
ESCAPE HUNT USA FRANCHISES LTD.
AREA DEVELOPMENT AGREEMENT
FOR USE IN MINNESOTA

This Rider is entered into this ___ day of _____, 20__, by and between Escape Hunt USA Franchises Ltd., a UK limited company ("we," "us," or "our"), and _____ ("Developer," "you," or "your").

1. **BACKGROUND**. We and you are parties to that certain Area Development Agreement dated _____, 20__ (the "Area Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) the offer or sale of the franchise was made in the State of Minnesota, and/or (b) the Adventure Centers will be located or operated in Minnesota.

2. **DEVELOPMENT FEE**. The following language is added at the end of Section 6(a) of the Area Development Agreement:

> Despite the payment provisions above, we will defer the payment of the development fee due under this Agreement until such time as we have completed our pre-opening obligations under the Agreement and your first Adventure Center has commenced doing business.

3. **TRANSFER**. The following language is added to the end of Section 11(c)(7) of the Area Development Agreement:

> Any release as a condition of renewal and/or assignment or transfer will not apply to the extent prohibited by law with respect to claims arising under Minn. Rule 2860.4400 D.

4. **TERMINATION**. The following language is added to the end of Section 12 of the Area Development Agreement:

> Minnesota law provides you with certain termination and non-renewal rights. Minn. Stat. Section 80C.14, subds, 3, 4 and 5 require, except in certain specified cases, that you be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days' notice for non-renewal of this Agreement.

5. **GOVERNING LAW**. The following language is added to the end of Section 15(b) of the Area Development Agreement:

> Pursuant to Minn. Stat. § 80C.21 and Minn. Rule part 2860.4400(J), this section shall not in any way abrogate or reduce your rights as provided for in Minnesota Statutes 1984, chapter 80c, including the right to submit matters to the jurisdiction of the courts of Minnesota.

6. **CONSENT TO JURISDICTION**. The following language is added to the end of Section 15(d) of the Area Development Agreement:

> Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota or requiring waiver of a jury trial.

7. **WAIVER OF JURY TRIAL**. The last paragraph of Section 15(i) of the Area Development Agreement is deleted and replaced with the following language:

> Furthermore, except as otherwise required by the Minnesota Franchises Law, the parties agree that in the event any legal action is filed in connection with this Agreement, such action shall be tried to the court sitting without a jury, and all parties hereto waive any right to have any action tried by jury.

WITNESS WHEREOF, the parties have executed this Rider to the Area Development Agreement on the date stated on the first page.

FRANCHISOR	**DEVELOPER**
ESCAPE HUNT USA FRANCHISES LTD., a UK limited company	_____ [Name]
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE
ESCAPE HUNT USA FRANCHISES LTD.
AREA DEVELOPMENT AGREEMENT
FOR USE IN NEW YORK

This Rider is entered into this ___ day of _____, 20__, by and between Escape Hunt USA Franchises Ltd., a UK limited company ("we," "us," or "our"), and _____ ("Developer," "you," or "your").

1. **BACKGROUND**. We and you are parties to that certain Area Development Agreement dated _____, 20__ (the "Area Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is being signed because (a) you are a resident of New York and the Escape Hunt Adventure Centers you will develop under the Area Development Agreement will be located in New York, or (b) any of the franchise offer or sales activity occurred in New York.

2. **RELEASES.** The following language is added to the end of Section 3 of the Area Development Agreement:

> Notwithstanding the foregoing, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

3. **TRANSFER BY US**. The following language is added to the end of Section 11(c)(7) of the Area Development Agreement:

> However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **TERMINATION BY YOU**. The following language is added to the end of Section 12 of the Area Development Agreement:

> You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **GOVERNING LAW/CONSENT TO JURISDICTION**. The following language is added at the end of Section 15(b) and Section 15(d) of the Area Development Agreement:

> However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

6. **LIMITATION OF CLAIMS**. The following sentence is added to the end of Section 15(e) of the Area Development Agreement:

> To the extent required by Article 33 of the General Business Law of the State of New York, all rights and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued

thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

WITNESS WHEREOF, the parties have executed this Rider to the Area Development Agreement on the date stated on the first page.

FRANCHISOR	**DEVELOPER**
ESCAPE HUNT USA FRANCHISES LTD., a UK limited company	_____ [Name]
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE
ESCAPE HUNT USA FRANCHISES LTD.
AREA DEVELOPMENT AGREEMENT
FOR USE IN NORTH DAKOTA

This Rider is entered into this ___ day of _____, 20__, by and between Escape Hunt USA Franchises Ltd., a UK limited company ("we," "us," or "our"), and _____ ("Developer," "you," or "your").

1. **BACKGROUND**. We and you are parties to that certain Area Development Agreement dated _____, 20__ (the "Area Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is being signed because (a) you are a resident of North Dakota, and the Escape Hunt Adventure Centers you will develop under the Area Development Agreement will be located in North Dakota, or (b) any of the franchise offer or sales activity relating to the Area Development Agreement occurred in North Dakota.

2. **RELEASES**. The following language is added to the end of Section 3 of the Area Development Agreement:

> Any release executed will not apply to the extent otherwise prohibited by applicable law with respect to claims arising under the North Dakota Franchise Investment Law.

3. **DEVELOPMENT FEE**. The following is added to the end of Section 6(a) of the Area Development Agreement:

> Based on our financial condition, the North Dakota Securities Commissioner has required a financial assurance. Therefore, the Development Fee owed by Developer to us shall be deferred until we have met our pre-opening obligations to Developer and Developer's first Adventure Center opens for business under this Agreement.

4. **COVENANT NOT TO COMPETE**. Section 8(a) of the Area Development Agreement is amended by adding the following:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. However, Developer acknowledges and agrees that Franchisor intends to seek enforcement of these provisions to the extent allowed under the law.

5. **LIQUIDATED DAMAGES**. The following language is added to the end of Section 13(a) of the Area Development Agreement:

> The Commissioner has determined termination or liquidated damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. However, Franchisor and Developer agree to enforce these provisions to the extent the law allows.

6. **GOVERNING LAW**. The following language is added to the end of Section 15(b) of the Area Development Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will apply to this Agreement.

7. **ARBITRATION**. The following language is added to the end of Section 15(c)(4):

However, if required by the North Dakota Franchise Investment Law (unless preempted by the Federal Arbitration Act), Developer and Franchisee will arbitrate at a site to which the parties mutually agree.

8. **CONSENT TO JURISDICTION**. The following language is added to the end of Section 15(d) of the Area Development Agreement:

However, to the extent required by applicable law, but subject to Developer's arbitration obligations, Developer may bring an action in North Dakota.

9. **WAIVER OF PUNITIVE DAMAGES AND EXEMPLARY DAMAGES AND JURY TRIAL**. If and then only to the extent required by the North Dakota Franchise Investment Law, Sections 15(f) and 15(i) of the Area Development Agreement are deleted in their entirety.

WITNESS WHEREOF, the parties have executed this Rider to the Area Development Agreement on the date stated on the first page.

FRANCHISOR	**DEVELOPER**
ESCAPE HUNT USA FRANCHISES LTD., a UK limited company	_____ [Name]
By:_____	By:_____
Name: _____	Name:_____
Title: _____	Title:_____

RIDER TO THE
ESCAPE HUNT USA FRANCHISES LTD.
AREA DEVELOPMENT AGREEMENT
FOR USE IN RHODE ISLAND

This Rider is entered into this ___ day of _____, 20__, by and between Escape Hunt USA Franchises Ltd., a UK limited company ("we," "us," or "our"), and _____ ("Developer," "you," or "your").

1. **BACKGROUND**. We and you are parties to that certain Area Development Agreement dated _____, 20__ (the "Area Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is being signed (a) you are a resident of Rhode Island and the Escape Hunt Adventure Centers you will develop under the Area Development Agreement will be located in Rhode Island, or (b) any of the franchise offer or sales activity occurred in Rhode Island.

2. **GOVERNING LAW/CONSENT TO JURISDICTION**. The following language is added at the end of Sections 15(b) and 15(d) of the Area Development Agreement:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

WITNESS WHEREOF, the parties have executed this Rider to the Area Development Agreement on the date stated on the first page.

FRANCHISOR	**DEVELOPER**
ESCAPE HUNT USA FRANCHISES LTD., a UK limited company	_____ [Name]
By:_____	By:_____
Name: _____	Name:_____
Title: _____	Title:_____

RIDER TO THE
ESCAPE HUNT USA FRANCHISES LTD.
AREA DEVELOPMENT AGREEMENT
FOR USE IN SOUTH DAKOTA

This Rider is entered into this ___ day of _____, 20__, by and between Escape Hunt USA Franchises Ltd., a UK limited company ("we," "us," or "our"), and _____ ("Developer," "you," or "your").

3. **BACKGROUND**. We and you are parties to that certain Area Development Agreement dated _____, 20__ (the "Area Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is being signed because (a) the offer or sale of the franchise for the Escape Hunt Adventure Centers that you will develop under the Area Development Agreement was made in South Dakota, and/or (b) you are a resident of South Dakota and the Escape Hunt Adventure Centers will be located in South Dakota

4. **DEVELOPMENT FEE**. The following language is added at the end of Section 6(a) of the Area Development Agreement:

> Despite the payment provisions above, we will defer the payment of the development fee due under this Agreement until such time as we have completed our pre-opening obligations under the Agreement and your first Adventure Center has commenced doing business.

WITNESS WHEREOF, the parties have executed this Rider to the Area Development Agreement on the date stated on the first page.

FRANCHISOR	**DEVELOPER**
ESCAPE HUNT USA FRANCHISES LTD., a UK limited company	_____ [Name]
By:_____	By:_____
Name: _____	Name:_____
Title: _____	Title:_____

WASHINGTON ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT, FRANCHISEE DISCLOSURE QUESTIONNAIRE, AND RELATED AGREEMENTS

This Rider is entered into this ___ day of _____, 20__, by and between Escape Hunt USA Franchises Ltd., a UK limited company ("we," "us," or "our"), and _____ _____ ("Developer," "you," or "your").

1. **BACKGROUND**. We and you are parties to that certain Area Development Agreement dated _____, 20__ (the "Area Development Agreement") that has been signed concurrently with the signing of this Addendum. This Addendum is being signed because (a) the offer or sale of the franchise for the Escape Hunt Adventure Centers that Developer will develop and operate under the Area Development Agreement was made in Washington, and/or (b) the Developer is a resident of Washington, and/or (c) the Escape Hunt Adventure Centers that Developer will develop and operate under the Area Development Agreement will be located in Washington.

2. **FEES.** Section 2 of the Area Development Agreement is amended by adding the following:

> Despite the payment provisions above, we will defer the payment of the development fee due under this Agreement on a prorated basis (i.e., per Escape Hunt Adventure Center) until such time as each Escape Hunt Adventure Center opens for business.

3. **LIMITATION OF CLAIMS.** The following sentence is added to the end of Section 15(e) of the Area Development Agreement:

> We will not enforce this provision to the extent prohibited by the Washington Franchise Investment Protection Act.

4. **DISCLAIMER OF WARRANTIES.** Section 17(d) of the Area Development Agreement is amended to read as follows:

> Each Party represents to the other that it has independently reviewed and evaluated the business to be conducted by Developer under this Agreement, and the decision to enter into this Agreement was made solely in reliance upon such independent evaluation.

5. **ADDITION OF PARAGRAPHS.** The following is added to the end of the Area Development Agreement:

> In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
>
> RCW 19.100.180 may supersede the Area Development Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Area Development Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.
>
> In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Area Development Agreement, a developer may bring an action or proceeding

arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a developer may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a developer, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a developer under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Area Development Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a developer from (i) soliciting or hiring any employee of a developer of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Area Development Agreement or elsewhere are void and unenforceable in Washington.

WITNESS WHEREOF, the parties have executed this Addendum to the Area Development Agreement on the date stated on the first page.

FRANCHISOR	**DEVELOPER**
ESCAPE HUNT USA FRANCHISES LTD., a UK limited company	_____ [Name]
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT C

TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

ESCAPE HUNT USA FRANCHISES LTD.

Franchise Agreement

SUMMARY PAGES

These pages summarize certain provisions of the Franchise Agreement to which they are attached. The Franchise Agreement's provisions will control in the event of any conflict.

Effective Date:	_____
Opening Deadline:	_____
Operating Principal:	_____
Initial Franchise Fee:	$40,000
Royalty Fee:	The greater of 8% of Gross Sales and $2,000
Local Marketing Expenditure	2% of Gross Sales
Grand Opening Fee:	$5,000-$10,000
Successor Fee:	$15,000
Transfer Fee:	$15,000
Franchisee:	[_____], a [_____]
Address for Notices:	[_____]
Attention:	[_____]
Email:	[_____]
Franchisor:	Escape Hunt USA Franchises Ltd., a UK limited company
Address for Notices:	Belmont House, Station Way Crowley RH10 1JA, UK
Attention:	Head of Franchise
Email:	[_____]

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ESCAPE HUNT USA FRANCHISES LTD.

FRANCHISE AGREEMENT

This Agreement is made as of the Effective Date between Franchisor and Franchisee.

RECITALS:

WHEREAS, Franchisor has expended significant effort, money and time to develop the System, all of which may be periodically changed or modified, at Franchisor's sole option, for establishing and operating Escape Hunt Adventure Centers that offer the Products and utilize the System and Marks.

WHEREAS, Franchisor developed and will continue to develop valuable goodwill in the Marks and may periodically develop or acquire other trademarks and service marks for use under the System, all of which may be changed or modified at Franchisor's sole option.

WHEREAS, Franchisee desires to develop and operate an Escape Hunt Adventure Center (below defined as "Adventure Center") at the Premises pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of Franchisor granting to Franchisee the right to develop and operate an Adventure Center subject to and in accordance with the terms hereof, the mutual obligations provided for in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **DEFINITIONS.**

Certain initially capitalized terms used frequently in this Agreement are defined in this Section 1. Other terms are defined elsewhere in this Agreement in the context in which they arise.

a. "**ADA**" means the Americans with Disabilities Act.

b. "**Adventure Center**" means the Escape Hunt Adventure Center operating under the Marks and System pursuant to this Agreement.

c. "**Affiliate**" means, with respect to a named Person, any Person that is controlled by, controlling or under common control with the named Person.

d. "**Agreement**" means this Escape Hunt Franchise Agreement between Franchisor and Franchisee.

e. "**Applicable Law**" means any federal, state, and local laws, ordinances, and codes, together with all rules, regulations, policies, and guidelines related thereto, applicable to the subject matter of this Agreement, including the development, construction and/or operation of the Adventure Center pursuant to the terms hereof, including, without limitation, all laws and regulations related to health and safety, sale and service of liquor, beer and wine; labor, consumer privacy and data security and those governing public accommodations for persons with disabilities.

f. "**A/V System**" means the CCTV DVR and control system, CCTV cameras and monitors, microphones, headphones, speakers/music control system and output and input amplifiers required in the operations of an Escape Hunt Adventure Center, as set forth in the Manuals.

g. "**Basic Game**" means games developed and approved by Escape Hunt for use by Franchisees that may require problem and/or clue solving ingenuity as part of experiential and participative entertainment made available to Franchisee in the Escape Hunt Games Catalogue made part of the Manuals.

h. "**Booking Engine**" means the on-line system which processes reservations/bookings as specified by the Franchisor.

i. "**Brand**" means the Escape Hunt brand.

j. "**Brand Game**" means a game available to Franchisee in the Escape Hunt Games Catalogue made part of the Manuals and which is developed by Franchisor and a Third Party Brand Licensor for use in the Adventure Center.

k. "**Business Day**" means any calendar day other than Saturdays, Sundays, and national holidays in the United States.

l. "**Central Marketing Fund**" means the Escape Hunt marketing fund established and administered by Franchisor and its Affiliates for the promotion of the Brand in North America.

m. "**Competitive Business**" means any and all businesses substantially similar to Escape Hunt Adventure Centers that, as determined by Franchisor, principally offer a participative entertainment experience involving groups of individuals taking part

in games involving puzzle solving and ingenuity A Competitive Business does not include: (i) other businesses that are licensed by Franchisor or any of its Affiliates; or (ii) Franchisee's Existing Brands.

n. "**Confidential Information**" means any and all information, knowledge, know-how, trade secrets, Trade Dress, methodologies, techniques, procedures, applications and materials, in whatever form, used in or related to the System which Franchisor provides to Franchisee, or which Franchisee or its Affiliates or employees develop or have access to, in connection with this Agreement or the operation of an Adventure Center hereunder, including, without limitation, the Standards; the Manuals; the Games (including the knowledge and specification for the implementation and operation of the Games), and associated materials, supplies, equipment, fixtures, furnishing and services relating to the Games, including any Confidential Information relating to any Third Party Brand Licensors; Franchisor's or its Affiliate's product sourcing, pricing, manufacturing, inventory management and control, supply and distribution; technology, point of sale and related computer software; advertising, marketing and promotional programs including gift card, loyalty and customer reward programs; Customer Data; financial data and statements; training and operational methodology, content (including without limitation inventory and financial controls) and management programs; and any other information or data regarding the business of Franchisor or any of its Affiliates that would reasonably be considered the proprietary or confidential information of Franchisor or its Affiliates.

o. "**Consequential Damages**" means damages and injury that result from a Party's negligent performance of or other breach of this Agreement for: (a) lost profits; or (b) compensation for damages to reputation and goodwill including costs of or resulting from delays, financing, marketing materials and media time and space, and costs of changing, substituting or replacing the same.

p. "**Control**" or "**Controlling Interest**" means the power, directly or indirectly, to direct or cause the direction of the management and policies of an Entity, whether by contract or otherwise.

q. "**Crisis Management Event**" means an event that Franchisor determines may materially affect the Marks and goodwill associated therewith.

r. "**Customer Data**" means any information from, about, or relating to customers of the Adventure Center that identifies, or can be used to identify, contact, locate or be traced back to the specific Person to whom such information pertains, or from which identification or contact information of a Person can be derived. Customer Data includes any personally identifiable information, such as a Person's name, address, phone number, fax number, email address, loyalty program number (if applicable) or Social Media profile identification (e.g. Twitter name).

s. "**Cybersecurity Incident**" means any event or occurrence that results in unauthorized access to or adversely affects the availability or integrity of Confidential Information, which event or occurrence could not have been prevented by reasonable administrative, physical or technical security measures.

t. "**Designated Area**" means the geographic area referred to in Section 2(d) and described in Exhibit F.

u. "**Designated Supplier**" means those suppliers (including without limitation distributors, manufacturers, Third Party Licensors and other sources) who demonstrate, to the continuing satisfaction of Franchisor, the ability to meet Franchisor's Standards for the Products or services related to the development and operation of Escape Hunt Adventure Centers and who have been approved in writing by Franchisor.

v. "**Effective Date**" means the effective date of this Agreement as set forth in the Summary Page.

w. "**Entity**" means a business entity, including a corporation, limited liability company, general or limited partnership, limited liability partnership or any other type of legal entity.

x. "**Equity Interest**" means any direct or indirect stock, unit, membership, partnership or other legal, equitable or beneficial ownership interest, or other voting rights, in an Entity, but does not include direct or indirect ownership solely as an investment of securities of any Entity traded on any securities exchange if the owner is not a Controlling Person (or a member of an Entity that Controls such Entity) and does not, directly or indirectly, own 5% or more of any class of securities of such Entity.

y. "**Escape Hunt Brand Property**" means any interior and exterior signage, décor and art using the Marks or Third Party Brand Marks and any furniture, equipment, or materials designated by Franchisor as "Escape Hunt Brand Property," including without limitation the Games and any props used in the operation of Adventure Centers.

z. "**Escape Hunt Games Catalogue**" means the catalogue of Games that Escape Hunt makes available to Franchisees.

aa. "**Event of Default**" means any breach by Franchisee of, or any failure by Franchisee to comply with, any condition and obligation of this Agreement as described in Section 19(a).

bb. "**Existing Brands**" means the centers operated under a system and marks other than the System and Marks by Franchisee as of the Effective Date, as set forth in Exhibit F.

cc. "**FACTA**" means the Fair and Accurate Credit Transactions Act.

dd. "**Force Majeure Event**" means Acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe), strikes, lockouts or other industrial disturbances; war (declared or undeclared), riot, terrorist acts, Cybersecurity Incident, or other civil disturbances; epidemics; or other forces that materially and adversely affect the ability of a Party hereto to perform provided that with respect to any or all events they are not within the reasonable control of the Party affected thereby. Financial inability of a Party hereto will not constitute a Force Majeure Event.

ee. "**Franchisee**" means the Entity so described in the Summary Page.

ff. "**Franchisor**" means the Entity so described in the Summary Page.

gg. "**Franchisor Indemnitees**" means Franchisor, its Affiliates and their respective principals, employees, agents, successors and assignees.

hh. "**Games**" means collectively the Basic Games, Brand Games and Super Brand Games.

ii. "**General Manager**" means an individual who meets the qualifications for a General Manager whom Franchisee designates and Franchisor approves to supervise the day-to-day operation of the Adventure Center pursuant to this Agreement.

jj. "**Grand Opening**" means the advertising and promotional campaign and events that are designed to occur before and shortly after the Adventure Center opens to the public.

kk. **Grand Opening Amount**" means the minimum amount set forth in the Summary Page that Franchisee will spend in connection with the Grand Opening of the Adventure Center.

ll. "**Gross Sales**" means the total selling price of all services and Products and all income of every other kind and nature related to the Adventure Center, whether for cash, cash equivalents, or credit, and regardless of collection in the case of credit. Proceeds from the sale of coupons, gift cards, gift certificates or vouchers (to the extent Franchisor establishes any such programs for coupons, gift cards, gift certificates or vouchers, as set forth in the Manuals) will be included in Gross Sales when the coupons, gift cards, gift certificates or vouchers are sold. Gross Sales will expressly exclude the following: complimentary and discounted Products or services or refunds offered by Franchisee to resolve customer complaints and sums collected and actually paid by Franchisee for any sales, beverage, or other excise tax imposed by any duly constituted government authority. In the case of Franchisor-established promotional discounts implemented by Franchisee at the Adventure Center, the amount actually paid by the guest after the discount, rather than the original amount, will be considered for purposes of calculating Gross Sales.

mm. "**Ideas and Concepts**" means game themes, theme-books, storylines, designs and specifications relating to the Games, processes, ideas, concepts, methods, techniques, materials or customer information relating to the Games, the System and the Adventure Center(s) that Franchisee or its Affiliate creates or develops from time to time in connection with the development or operation of the Adventure Center(s).

nn. "**Indemnified Matter**" means any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to a judgment) or any settlement thereof, as described in Section 22.

oo. "**Initial Franchise Fee**" means the initial fee Franchisee must pay to Franchisor upon Franchisee's execution of this Agreement as set forth in Section 4(a) and in the amount set forth in the Summary Page.

pp. "**Initial Term**" means the initial term of this Agreement as set forth in Section 3(a).

qq. "**Initial Training**" means Franchisor's initial training program on the System and the operation of an Adventure Center as set forth in the Manuals.

rr. "**Intellectual Property**" means all intellectual property and other proprietary rights throughout the world, whether existing under contract, statutes, convention, civil law, common law or any law whatsoever, now or hereafter in force or recognized, including (1) patents and rights to inventions; (2) trademarks, service marks, logos, Trade Dress and design rights (including without limitation the Marks); (3) works of authorship, including, without limitation, copyrights, source codes, moral rights, and neighboring

rights; (4) trade secrets; (5) Ideas and Concepts; (6) publicity and privacy rights; (7) any rights analogous to those set forth herein and any other intellectual property and proprietary rights; (8) any application or right to apply for any of the rights referred to in subsections (1) through (7) above; and (9) any and all renewals, divisions, continuations, continuations-in-part, re-issuances, re-examinations, extensions and restorations of any of the foregoing (as applicable).

ss. "**Interest**" means the amount payable to Franchisor in connection with the late payment by Franchisee of any fee due to Franchisor or its Affiliate pursuant to this Agreement or any other agreement with Franchisor or its Affiliate, which will be 18% per annum or the maximum allowable rate under Applicable Law, whichever is less.

tt. "**Internet**" means all modes of communications between computers and between computers and television, telephone, facsimile and similar communications devices, including the World Wide Web, proprietary online services, e-mail, news groups, social media, mobile applications, electronic bulletin boards and related communications.

uu. "**Intranet**" means Franchisor's computer or electronic systems, including any third-party computer or electronic system to which Franchisee may be given access. For the sake of clarity, Intranet does not refer to access to any Games.

vv. "**Lease**" means the document executed by Franchisee or its Affiliate with an owner or lessor of real property in connection with the granting of the right to occupy the Premises and operate an Adventure Center at or from the Premises, including the Lease Addendum. Lease includes any sublease or renewal of any lease or sublease.

ww. "**Lease Addendum**" means the addendum to the Lease in the form attached to this Agreement as Exhibit E.

xx. "**Local Marketing Expenditure**" means the amount Franchisee must spend on local advertising as set forth on the Summary Page for the Adventure Center in the Designated Area in each calendar month as set forth in Section 10(d).

yy. "**Losses and Expenses**" means, without limitation, all losses, compensatory, exemplary or punitive damages, arbitration costs, mediation costs, settlement amounts, judgments, court costs, fines, charges, costs, and expenses, including, without limitation, reasonable legal fees and Consequential Damages.

zz. "**Manuals**" means Franchisor's operations and training manuals, and any other written directives related to the System, in whatever form and provided in whatever manner, as the same may be periodically amended and revised by Franchisor at its sole option, including the Standards, all bulletins, supplements and ancillary and additional manuals and directives established by Franchisor from time to time.

aaa. "**Marks**" means the Escape Hunt trademarks and service marks and such other registered and unregistered trademarks, trade names, service marks, logos, slogans, emblems and other indicia of origin as are now designated, and may hereafter be designated by Franchisor (including without limitation any Marks relating to the Games owned or controlled by, or under license to Franchisor) in writing for use in connection with the System.

bbb. "**Notice**" means any notice, demand, request, consent, approval, and other communication in writing required or permitted to be given or which are to be given with respect to the Agreement.

ccc. "**Offering Fee**" means a payment in the amount of $15,000 owed to Franchisor in connection with any offerings of debt or any Equity Interest of Franchisee or any Affiliate's or any of the Principals thereof as set forth in Section 17(g).

ddd. "**Opening Date**" means the date on which the Adventure Center opens for business to the public, as set forth in Exhibit F.

eee. "**Opening Deadline**" means the deadline by which the Adventure Center must be open for business to the public, which will be the earlier of the Opening Date identified in Exhibit F and the first anniversary of the Effective Date (or, if this Agreement is executed in connection with an area development agreement, the expiration of the development period for which this Agreement is executed.

fff. "**Operating Assets**" means Escape Hunt Brand Property, all other equipment (including without limitation computer hardware, software, game equipment and A/V System), signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Adventure Center, including without limitation any equipment, fixtures, furnishings, supplies and other products and materials that may be stored or used at another location in connection with the operation of the Adventure Center, whether or not such location is at the Premises, as periodically specified by Franchisor in the Manuals or otherwise in writing.

ggg.“**Operating Principal**” means a natural person who: (i) owns directly or indirectly an Equity Interest in Franchisee or is authorized in the formation documents of Franchisee to enter into binding agreements on behalf of Franchise related to the development and operation of the Adventure Center; (ii) has satisfactorily completed Franchisor’s Initial Training program at Franchisee’s expense; (iii) will thereafter devote full time and best efforts to the operation of the Adventure Center and have the authority and responsibility for the day-to-day management and operation of the Adventure Center and supervision of the Personnel; and (iv) serves as a primary point of contact on behalf the Franchisee in communications with the Franchisor. The initial Operating Principal is identified in the Summary Page.

hhh.“**Party**” or “**Parties**” means “either Franchisor or Franchisee individually or collectively.

iii. “**Person**” means any natural person or Entity.

jjj. “**Personnel**” means all Persons employed by Franchisee in connection with the management or operation of the Adventure Center.

kkk.“**Permanently Disabled**” means being subject to any physical, emotional or mental injury, illness or incapacity that prevents Franchisee or any Principal holding a Controlling Interest in Franchisee from performing his or her obligations under this Agreement or any other agreement related hereto for at least 90 consecutive days, and from which recovery is unlikely within 90 days from the date such individual is determined to be Permanently Disabled. If the Parties hereto disagree as to whether a Person is “Permanently Disabled”, the determination will be made by a licensed practicing physician, selected by Franchisor, upon examination of the Person, or, if the Person refuses to submit to an examination, then for purposes of Section 17(e), the Person will automatically be considered Permanently Disabled as of the date of refusal.

lll. “**PCI DSS**” means Payment Card Industry Data Security Standards.

mmm. “**Premises**” means the site approved by Franchisor for Franchisee’s Adventure Center as set forth in Exhibit F to this Agreement and referred to in Section 2(b).

nnn.“**Principal**” means, collectively or individually, the Persons holding a direct or indirect Equity Interest in Franchisee or in any Affiliate of Franchisee as designated by Franchisor and Franchisee’s officers and directors. If this Agreement is executed pursuant to an area development agreement with Franchisor, all references to Principal in this Agreement will apply to Developer under such area development agreement.

ooo.“**Products**” means the Games and all merchandise, food, beverage, and other products available for sale or offered on a promotional basis at or from Adventure Centers, as specified from time to time by Franchisor in the Manuals, or otherwise in writing. Products include the Proprietary Products.

ppp.“**Proprietary Products**” means all proprietary clothing and merchandise used or made available for sale or offered on a free promotional basis at or from the Adventure Centers bearing any of the Marks or designated as proprietary by Franchisor or any Affiliate, including without limitation those products bearing Third Party Brand Marks licensed to Franchisor by a Third Party Brand Licensor.

qqq.“**Proprietary Software**” means certain computer software that is owned or licensed by Franchisor used in the operation of the Technology System

rrr. “**Reporting Period**” means each calendar month of the Adventure Center’s operation, with the first Reporting Period being prorated from the Opening Date to the end of the same month.

sss. “**Royalty Fee**” means the continuing monthly royalty fee Franchisee must pay to Franchisor as set forth in Section 4(b). The amount of the Royalty Fee for the Initial Term is set forth in the Summary Page.

ttt. “**Site Application**” means the documents and information that Franchisee must submit to Franchisor prior to Franchisor’s evaluation of a proposed site, including without limitation, demographic data, photographs, maps, artists’ renderings, site plans, and/or a copy of the Lease and documentation indicating Franchisee’s prospects for acquiring a possessory interest in the Premises.

uuu.“**Social Media**” means personal blogs, common social networks like Facebook, Pinterest, FourSquare and Instagram, professional networks like LinkedIn, live blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites and other similar social networking or media sites or tools.

vvv.“**Standards**” means the standards, requirements, specifications, techniques, methods, policies and procedures of the System and Brand and for the development and operation of Escape Hunt Adventure Centers, as set forth in the Manuals or otherwise specified by Franchisor in writing and as may

be amended by Franchisor from time to time.

www. "**Successor Fee**" means the successor fee Franchisee must pay to Franchisor as set forth in Section 3(b)(5) in the amount set forth in the Summary Page.

xxx. "**Successor Term**" means the five year period commencing after the expiration of the Initial Term as set forth in Section 3(b).

yyy. "**Summary Page**" means the Summary Page of this Agreement that directly precedes the Table of Contents of this Agreement.

zzz. "**Super Brand Game**" a Brand Game derived from or relating to one of the world-leading entertainment brands or properties as recognized in the Designated Area, as determined by Franchisor in its sole discretion, based on aggregate sales of assets relating to such brand, including without limitation, films, television, print, publishing, games, music, consumer products and merchandising.

aaaa. "**System**" means the business system for establishing and operating the Adventure Centers, the distinguishing characteristics of which include, without limitation, distinctive exterior and interior design, decor, color scheme, furnishings and equipment; the Standards; the Games (including training, operational methods, marketing, promotion and Brand positioning for the Games and the terms and conditions of Franchisee's license to use the Third Party Brand Marks and Third Party Brand IP related to the Brand Games and Super Brand Games); quality and uniformity of products and services offered; procedures for product sourcing, inventory, management, logistics, pricing; training and assistance; and marketing, advertising and promotional programs; all of which may be changed, improved and further developed by Franchisor from time to time.

bbbb. "**Technology System**" means and includes, without limitation, (i) computer system, software (including Proprietary Software), data, telephone, voice messaging, retrieval and transmission system; (ii) customer relationship management systems; (iii) printers and other peripheral devices; (iv) archival back-up systems; (v) Internet access mode (e.g. form of telecommunications connection) and speed; (vi) A/V System; and (vii) front of the house WiFi and other Internet services for customers.

cccc. "**Term**" means the term of this Agreement, including the Initial Term and any Successor Term.

dddd. "**Third Party Brand Licensor**" means any third-party with whom Franchisor enters into an agreement to exploit their brand or their intellectual property as part of a Game.

eeee. "**Third Party Brand IP**" means all intellectual property and other proprietary rights in the Brand Games and Super Brand Games licensed to Franchisor for use in the operation of the Escape Hunt Adventure Centers system, whether existing under contract, statutes, convention, civil law, common law or any law whatsoever, now or hereafter in force or recognized, including (1) patents and rights to inventions; (2) trademarks, service marks, logos, Trade Dress and design rights (including without limitation the Third Party Brand Marks); (3) works of authorship, including, without limitation, copyrights, source codes, moral rights, and neighboring rights; (4) trade secrets; (5) publicity and privacy rights; (6) any rights analogous to those set forth herein and any other intellectual property and proprietary rights; (7) any application or right to apply for any of the rights referred to in subsections (1) through (6) above; and (8) any and all renewals, divisions, continuations, continuations-in-part, re-issuances, re-examinations, extensions and restorations of any of the foregoing (as applicable).

ffff. "**Third Party Brand Marks**" means the Third Party Brand Licensor's trademarks and service marks and such other registered and unregistered trademarks, trade names, service marks, logos, slogans, emblems and other indicia of origin of the Brand Games and Super Brand Games licensed to Franchisor for use in the operation of the Escape Hunt Adventure Center system.

gggg. "**Trade Dress**" means the unique, distinctive, and non-functional overall appearance and image of the Adventure Center in the marketplace, and includes the Standards.

hhhh. "**Transfer**" means and includes any voluntary, involuntary, direct or indirect assignment, transfer, sale, conveyance, disposition, gift, encumbrance, pledge, hypothecation, or mortgage by Franchisee or any of its Principals of all or any part of its rights, interests or obligations in this Agreement, Franchisee, the Adventure Center (including the Premises), the Operating Assets or any Equity Interest, directly or indirectly, in Franchisee to any Person or any other transaction that would, alone or together with other previous, simultaneous or proposed Transfer, have the effect of transferring Control, this Agreement, or substantially all of the assets of the business operated pursuant to this Agreement. Any transfer of an Equity Interest in Franchisee or the ownership, possession, or Control of the Adventure Center may be made only in

conjunction with a Transfer of this Agreement.

iiii. "**Transfer Fee**" means the fee Franchisee or the transferee must pay to Franchisor as set forth in Section 17 and in an amount set forth on the Summary Page.

2. **GRANT OF FRANCHISE.**

(a) **Grant**. Subject to the reserved rights described in Section 2(e), Franchisor grants to Franchisee, upon the terms and conditions in this Agreement, the right and license, and Franchisee hereby accepts the right and obligation, to operate an Adventure Center at the Premises within the Designated Area in accordance with this Agreement, the Standards and Manuals.

(b) **Premises**. This Agreement does not grant to Franchisee the right or license to operate the Adventure Center or to offer or sell any Products at or from any location other than the Premises.

(c) **Relocation**. Franchisee will not relocate the Adventure Center without the express prior written consent of Franchisor. If Franchisee is unable to continue the operation of the Adventure Center at the Premises because of the occurrence of a Force Majeure Event, then Franchisee may request approval of Franchisor to relocate the Adventure Center to another location in the Designated Area. Any other request to relocate the Adventure Center will be approved at Franchisor's sole option. If Franchisor elects to grant Franchisee the right to relocate the Adventure Center, then Franchisee will comply with Franchisor's then-current site selection and construction procedures.

(d) **Designated Area**. Franchisee must operate the Adventure Center at the Premises within the Designated Area. Upon Franchisor's approval of the Premises and the Parties' execution of an amended Exhibit F identifying the location of the Premises, Franchisee's Designated Area will be redefined as the geographic area described in Exhibit F and deemed incorporated herein. Except as otherwise provided in this Agreement, and subject to Franchisee's full compliance with this Agreement, neither Franchisor nor any Affiliate will operate, or authorize any Person other than Franchisee to operate an Escape Hunt Adventure Center in the Designated Area during the Term. Notwithstanding the foregoing, this Section 2(d) will not apply to any Escape Hunt Adventure Center operating or in development by any Person within the Designated Area as of the Effective Date.

(e) **Reserved Rights**. Franchisor retains all rights inside and outside the Designated Area except those that are expressly granted to Franchisee in this Agreement. Without limiting Franchisor's and its Affiliates' rights described in this Section 2(e), Franchisor and its Affiliates and any other authorized Person may, among other things:

(1) Advertise and promote the System within and outside the Designated Area;

(2) Operate, and license others to operate, Escape Hunt Adventure Centers at any location outside the Designated Area, including locations that are adjacent to the Designated Area;

(3) Except for the restriction against the establishment of another Adventure Center in the Designated Area, to offer and sell, and authorize others to offer and sell, approved collateral products and services, including those offered and sold at the Adventure Center (including the Games and related clothing, merchandise and other items (e.g. similar game activities)), under the Marks or other marks at or from any location or through any channel of distribution (including, but not limited to, the Internet, online streaming, software, video, (or any other existing or future form of electronic commerce), mail order, other retail locations and other multi-brand facilities providing a limited number or representative sample of the products and services normally offered by an Escape Hunt Adventure Center);

(4) Establish and operate, and license others to establish and operate, any business other than an Escape Hunt Adventure Center, including other adventure centers or escape room related businesses, under the Marks or under other marks; and

(5) Establish and operate and license others to establish and operate any adventure centers or other businesses that Franchisor or its Affiliates may operate as a result of any acquisition, consolidation or merger involving Franchisor or its Affiliate.

3. **TERM OF FRANCHISE.**

(a) **Initial Term**. The Initial Term will commence on the Effective Date of this Agreement and expire ten years thereafter, unless this Agreement is terminated as provided in Section 19.

(b) **Successor Term**. Franchisee may, at its option, continue to operate the Adventure Center under this Agreement for a two consecutive Successor Terms, subject to any or all of the following conditions which must, at Franchisor's sole option, be met prior to and at the time of such Successor Term.

(1) Franchisee's Notice. Franchisee must give Franchisor Notice of its election to continue to operate the Adventure Center for a Successor Term no later than six months before the expiration of the Initial Term or Successor Term, as applicable.

(2) Good Standing. Franchisee must not be in default, nor previously have been in default within the previous 12 months, of any provision of this Agreement, and Franchisee must have substantially and timely complied with all of the terms and conditions of this Agreement.

(3) Premises. Franchisee must present satisfactory evidence that Franchisee has the right to remain in possession of the Premises for the duration of the Successor Term (which may be satisfied through one or more renewal options).

(4) Maintenance. Franchisee must repair, replace, or procure, at Franchisee's sole cost and expense, the Operating Assets, supplies, and other products and materials required for the operation of the Adventure Center as Franchisor may require, including, without limitation, new or additional Products which may be reasonably required by Franchisor for Franchisee to offer and sell from the Adventure Center and to otherwise modernize the Adventure Center to reflect the then-current Standards and image of the System as contained in the Manuals.

(5) New Agreement and Successor Fee. Franchisee must execute Franchisor's then-current form of franchise agreement, which agreement will supersede this Franchise Agreement in all respects, and the terms of which may differ from the terms of this Franchise Agreement, including, without limitation, a higher Royalty Fee or Local Marketing Expenditure requirement, or a more restrictive Designated Area; provided that Franchisee must pay to Franchisor, in lieu of an Initial Franchise Fee, a Successor Fee.

(6) Training. Franchisee must comply with Franchisor's then-current qualification and training requirements.

(7) Release. Except as prohibited by Applicable Law, Franchisee and each Principal must execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates, successors and assigns, their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and federal, state and local laws, rules and regulations.

4. **FEES.**

Franchisee must pay the fees described below and comply with the following provisions:

(a) **Initial Franchise Fee**. Franchisee will pay to Franchisor a non-refundable Initial Franchise Fee in the amount set forth in the Summary Page, which will be due upon Franchisee's execution of this Agreement. The Initial Franchise Fee is non-refundable and fully earned by Franchisor upon the execution of this Agreement.

(b) **Royalty Fee**. Franchisee will pay to Franchisor a non-refundable Royalty Fee on a monthly basis. The Royalty Fee for the Initial Term is set forth in the Summary Page.

(c) **Other Fees**. Franchisee will pay such other fees or amounts described in this Agreement.

(d) **Remittances**. The Royalty Fee and any other periodic fees required by this Agreement will be due and payable each month based on the Gross Sales for the preceding month and must be paid so that they are received by Franchisor on or before the 10th of each month, provided that such day is a Business Day. If the date on which such payments would otherwise be due is not a Business Day, then payment will be due on the next Business Day.

(e) **Reports**. Franchisee must submit the Gross Sales monthly via Franchisor's electronic reporting system or through other electronic data interfaces that Franchisor may require from time to time. Franchisee must verify the accuracy of the Gross Sales figure for the preceding calendar month by midnight on the last day of each calendar month. In addition to the reports Franchisee is required to provide pursuant to Section 14(c), Franchisee must submit to Franchisor all reports with respect to the operation of the Adventure Center during the preceding Reporting Period by the 10th day of the following Reporting Period (or such other date specified by Franchisor) and in the form and content as Franchisor periodically prescribes. The reports Franchisor may require include, without limitation, the following information for the preceding Reporting Period:

(1) Amount of Gross Sales and gross receipts of the Adventure Center, amount of sales tax and the computation of the Royalty Fee;

(2) If requested by Franchisor, copies of Franchisee's most recent sales tax return, monthly cash register sales summaries or details, and monthly balance sheets and statements of profits and losses, including a

summary of Franchisee's costs for utilities, labor, rent, and other material cost items; and

(3) If requested by Franchisor to verify Franchisee's Gross Sales, all such books and records as Franchisor may require.

(f) **Electronic Transfer of Funds**. Upon execution of this Agreement and at any time thereafter as Franchisor may require, Franchisee must sign the electronic transfer of funds authorization attached to this Agreement as Exhibit D, and all other documents and instruments necessary to permit Franchisor to withdraw by electronic funds transfer from Franchisee's designated bank account the Royalty Fee and any other amounts owed to Franchisor or its Affiliates on the date or dates that such amounts are due. Franchisee must maintain a balance in such account sufficient to allow Franchisor and its Affiliates to collect the amounts owed when due. Franchisee is responsible for any penalties, fines, or other similar expenses associated with the transfer of funds described herein.

(g) **Interest and Fees on Late Payments**. Any payment not actually received by Franchisor on or before the date due will be deemed overdue. Time is of the essence with respect to all payments to be made by Franchisee to Franchisor. Any and all amounts that Franchisee owes to Franchisor or any of its Affiliates will bear Interest, from and after the date of accrual. Any failure to pay when due all or any fees or other amounts due to Franchisor or any of its Affiliates will constitute a material breach of this Agreement. In addition to Interest charges on late payments due pursuant to this Section 4, Franchisee must pay to Franchisor a late fee in the amount of $500 for each payment and report that Franchisee fails to timely submit to Franchisor pursuant to Section 4(g). This late fee is not Interest or a penalty; the late fee will compensate Franchisor for the administrative and management costs associated with collecting late payments and reports.

(h) **Application of Payments**. Franchisee will not be entitled to withhold payments due to Franchisor under this Agreement on grounds of alleged nonperformance by Franchisor hereunder. Franchisor may, at its sole option, apply Franchisee's payments or any portion thereof to any of Franchisee's past due indebtedness to Franchisor or its Affiliates. Franchisor has the right to set off any amounts Franchisee owes to Franchisor or its Affiliates against any amounts Franchisor may owe to Franchisee.

(i) **Currency**. All amounts payable by Franchisee to Franchisor under this Agreement will be in United States dollars.

(j) **Taxes**. Any and all amounts expressed as being payable pursuant to this Agreement are exclusive of any applicable taxes. Franchisee is obligated to pay all federal, state and local taxes, including without limitation sales, use and other taxes, fees, duties and similar charges assessed against Franchisee and comply with all filing requirements in accordance with Applicable Law. Franchisee is responsible for and must indemnify and hold Franchisor Indemnitees harmless against any penalties, interest and expenses incurred by or assessed against Franchisor as a result of Franchisee's failure to timely remit such taxes to the appropriate taxing authority. Franchisee agrees to fully and promptly cooperate with Franchisor to provide any information or records it requests in connection with any application by Franchisor to any taxing authority with respect to Franchisee.

5. ADVENTURE CENTER DEVELOPMENT PROCEDURES.

If Franchisee is developing an Adventure Center pursuant to an area development agreement between Franchisee or its Affiliate and Franchisor, then the site selection and site acceptance of such Adventure Center will be governed by Sections 5(a) and 5(b) of the area development agreement or such other sections of the area development agreement governing site selection and site acceptance. If Franchisee is developing the Adventure Center as a single Adventure Center, then Franchisee will obtain Franchisor's approval of Franchisee's proposed site pursuant to Section 5(a) and 5(b) of this Agreement.

(a) **Site Selection**. Franchisee must obtain Franchisor's acceptance of the Premises for the Adventure Center within the Designated Area within 90 days after the Effective Date. Franchisee assumes all cost, liability, expense and responsibility for locating, obtaining and developing the Premises for the Adventure Center within the Designated Area and for production and installation of the Game Rooms and all other finish-out or renovation and equipping the Adventure Center at the Premises. Franchisee will submit to Franchisor its complete Site Application for a proposed site. Franchisor will provide Franchisee with site selection assistance as Franchisor deems advisable, including without limitation Franchisor's site selection guidelines and design specifications and conducting an on-site evaluation of the proposed site; provided, Franchisor will not conduct an on-site evaluation for any proposed site prior to the receipt of the complete Site Application. Franchisee acknowledges and agrees that Franchisor providing its site selection guidelines and design specifications and any other site selection assistance to Franchisee prior to the proposed site being

accepted by Franchisor will not create any reliance or expectation damages or liability for Franchisor nor representations to Franchisee that any proposed site will be accepted by Franchisor.

(b) **Site Acceptance**. Franchisor will have 30 days after receipt of the complete Site Application to accept or not accept, at its sole option, Franchisee's proposed site. If Franchisor does not respond within the 30-day time period, Franchisor will be deemed to have rejected the proposed site. Upon Franchisor's acceptance of a proposed site, the Parties will agree upon the Opening Date and complete and sign Exhibit F memorializing the location of the Premises, Designated Area and the Opening Date, provided such Opening Date must be on or before the Opening Deadline. If Franchisee is entering into this Agreement pursuant to an area development agreement executed between Franchisee or its Affiliate and Franchisor, the Opening Date must be set so that upon the expiration of the applicable development period in the development schedule (as defined the area development agreement), there are open and operating the cumulative number of Adventure Centers required in the development schedule of such area development agreement. No site may be used for the location of the Adventure Center unless it is first accepted by Franchisor. Franchisor may revoke its acceptance of a proposed site if Franchisee commits a default of this Agreement and fails to cure such default within the applicable cure period, if any. FRANCHISOR'S APPROVAL OF THE PREMISES AND ITS RENDERING OF SITE SELECTION ASSISTANCE, IF ANY, IN THE SELECTION OF THE PREMISES DOES NOT CONSTITUTE A REPRESENTATION, PROMISE, WARRANTY OR GUARANTEE BY FRANCHISOR, EXPRESS OR IMPLIED, THAT THE ADVENTURE CENTER OPERATED AT THE PREMISES WILL BE PROFITABLE OR OTHERWISE SUCCESSFUL. Franchisee is solely responsible for obtaining satisfactory evidence and/or assurances that the proposed site and any structures thereon are free from environmental contamination and in complete compliance with all Applicable Law.

(c) **Occupancy of Premises**. Unless otherwise agreed by Franchisor in writing, Franchisee is required to lease the Premises for the Adventure Center. Franchisee will provide to Franchisor for its review and approval a copy of the proposed Lease pursuant to which Franchisee will occupy or acquire rights in the Premises within 30 days after Franchisor accepts the site for the Premises. The proposed Lease will include the Lease Addendum and will not contain any covenants or other obligations that would prevent, limit or adversely affect Franchisee from performing its obligations under this Agreement. The Lease Addendum allows Franchisor to take possession of the Premises upon expiration or termination of Franchisee's rights under the Agreement and Franchisor (or its designee) will have the right to operate the Adventure Center at the Premises for the remaining term of the Lease without payment of any assignment fee or similar charge or increase in any rentals payable to the lessor. Franchisee will furnish a complete copy of the Lease executed by all necessary parties within ten days after execution.

(d) **Failure to Acquire Premises**. Franchisee's failure to acquire the Premises pursuant to a Lease within 180 days following the Effective Date constitutes an Event of Default under this Agreement subject to termination upon notice from Franchisor pursuant to Section 19(a). In such event, Franchisor is not obligated to return the Initial Franchise Fee or any other fees paid by Franchisee under this Agreement.

(e) **Adventure Center Development**.

(1) Franchisee is responsible for obtaining all zoning and regulatory approvals which may be required by Applicable Law or which may be necessary as a result of any restrictive covenants related to the Premises. Prior to beginning the finish-out or renovation of the Premises, Franchisee will obtain all permits, licenses and certifications required for the lawful construction or remodeling and operation of the Adventure Center and submit to Franchisor a certificate of insurance evidencing that the coverage specified in Section 15 is in full force and effect and that all required approvals, clearances, permits and certifications have been obtained. Upon request, Franchisee will provide to Franchisor additional copies of Franchisee's insurance policies and certificates of insurance and copies of all such approvals, clearances, permits and certifications.\

(2) Franchisor will furnish to Franchisee prototypical plans and specifications for an Adventure Center, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront and color scheme. It will be Franchisee's responsibility to have prepared all required architectural, engineering and design plans to suit the shape and dimensions of the Premises, and Franchisee must ensure that these plans and specifications comply with applicable ordinances, building codes and permit requirements, and with Lease requirements and restrictions.

(3) Franchisee will obtain services as needed only from registered architects, registered engineers, and professional and licensed contractors approved by Franchisor for the development, construction and equipping of the Adventure Center. To

the extent Franchisee desires to obtain services from an architect, engineer or contractor not already approved by Franchisor, Franchisee will submit to Franchisor the information and documentation set forth in the Manuals regarding the training, experience and financial responsibility of the registered architects, registered engineers and professional and licensed contractors whom Franchisee desires to retain to prepare the plans and construct the Adventure Center, along with copies of all proposed contracts with such architects, engineers and contractors, and any other information requested by Franchisor. In connection with Franchisor's review of any such architect, engineer or contractor, Franchisee will pay Franchisor's then-current fee for such review as set forth in the Manuals. Franchisee will not commence construction of the Adventure Center until Franchisor has consented to Franchisee's use of the registered architects, registered engineers and professional and licensed contractors who will prepare the plans and construct the Adventure Center.

(4) Franchisee will submit its plans to Franchisor and upon Franchisor's request, will submit all revised or "as built" plans during the course of construction. Franchisor will review the plans to confirm they comply with Franchisor's prototypical plans and the Standards. Franchisor will notify Franchisee in writing whether it accepts or does not accept the plans. Franchisee may not begin site preparation or construction prior to receiving notification that Franchisor approves the plans. All construction must be in accordance with the plans approved by Franchisor and comply in all respects with Applicable Law and the Lease.

(5) Franchisee will use in the development and operation of the Adventure Center only the fixtures, furnishings (including décor), materials, equipment and signs, including without limitation the Escape Hunt Brand Property and Operating Assets, as set forth in the Manuals.

(6) During the course of construction of the Adventure Center, Franchisee will (and will cause its architect, engineer, contractors and subcontractors to) cooperate fully with Franchisor and its designees for the purpose of permitting Franchisor and its designees to inspect the Premises and the course of construction of the Adventure Center to determine whether construction is proceeding according to the plans approved by Franchisor in accordance with Section 5(e)(4) and the Standards. Without limiting the generality of the foregoing, Franchisee and Franchisee's architect, engineer, contractors and subcontractors will supply Franchisor and its designees with samples of construction materials, results and reports related to boring and coring tests, due diligence environmental studies, supplies, equipment and other materials and reports requested by Franchisor or its designees and allow Franchisor and its designees access to the Premises to conduct such inspections. If requested by Franchisor, Franchisee will submit to Franchisor reports with photographs showing progress made in connection with the construction and equipping of the Adventure Center at the frequency prescribed by Franchisor.

(7) Notwithstanding Franchisor's right to approve the plans and inspect the construction work at the Adventure Center, Franchisor and its designees will have no liability or obligation with respect to the Premises, the design or construction of the Adventure Center or the furnishings, fixtures, materials and equipment acquired for the finish-out of the Adventure Center. Franchisee acknowledges and agrees that Franchisor's rights under this Section 5 are exercised solely for the purpose of ensuring compliance with the Standards.

(8) Franchisee will complete construction no later than 60 days before the Opening Date.

(f) **Commence Business**. Franchisee acknowledges that time is of the essence. Subject to Franchisee's compliance with the conditions stated below, Franchisee is obligated to open the Adventure Center and commence business on the Opening Date. Prior to opening, Franchisee will complete all interior and exterior preparations for the Adventure Center set forth in this Section 5 and the Manuals and will comply with all other pre-opening obligations of Franchisee, including without limitation Sections 4(a) (Initial Franchise Fee), 5 (Adventure Center Development Procedures), 6 (Training), 7 (Adventure Center Operations), 8 (Technology System), 11 (Operational Standards), 12 (Representations, Warranties and Covenants), 13 (Management and Personnel) and 15 (Insurance). If Franchisee fails to comply with any of such obligations, Franchisor will have the right to prohibit Franchisee from commencing business. Franchisee's failure to open the Adventure Center and commence business in accordance with this Section 5(f) is an Event of Default.

6. TRAINING.

(a) **Initial Training Program**. Prior to the Opening Date, Franchisee, Operating Principal and General Manager must satisfy all requirements of Initial Training. Any replacement or substitute Operating Principal or General Manager must complete Initial Training for their respective positions to Franchisor's satisfaction prior to serving in such positions. Franchisor reserves the right to charge a reasonable fee

for any Initial Training provided to any replacement or successor General Manager and/or Operating Principal or other management Personnel as Franchisor requires. Franchisee will be solely responsible for all costs and expenses incurred by Franchisee, its Operating Principal, General Manager and any other Personnel in connection with any Initial Training program, including, without limitation, costs of obtaining any required certifications, compensation, travel, lodging, meals and other miscellaneous costs. Franchisee, Operating Principal, General Manager and any other Personnel that attend Initial Training or participate in any other training provided by Franchisor must sign a liability waiver and release in the form prescribed by Franchisor.

(b) **Opening Assistance**. In connection with the commencement of business of the Adventure Center, Franchisor will provide consulting support as it deems necessary before and/or after the Adventure Center's Opening Date. Franchisor will, at Franchisee's sole expense, provide on-site support in connection with the opening of the Adventure Center for such period of time determined by Franchisor.

(c) **Additional Training**. Franchisee's Operating Principal, General Manager and such other management Personnel as Franchisor may designate must attend such additional and remedial training programs and seminars as Franchisor may offer from time to time, if Franchisor requires such attendance. Franchisee must pay Franchisor's then-current training fee for any additional training designated by Franchisor or requested by Franchisee. Franchisee will be solely responsible for any and all costs and expenses incurred by Franchisee, Operating Principal, General Manager and other management Personnel in connection with such additional training, including, without limitation, compensation, travel, lodging and miscellaneous costs.

(d) **Meetings and Conferences**. Franchisor may from time to time hold periodic system-wide meetings and conferences at locations designated by Franchisor to address matters of general interest to the System. Franchisee, its Operating Principal and General Manager, if applicable, will attend any such meetings and conferences as required by Franchisor, subject to Franchisee's payment of a reasonable fee to Franchisor upon its request. Franchisee will be solely responsible for all costs and expenses incurred by Franchisee, its Operating Principal and General Manager in connection with attending such meetings and conferences, including, without limitation, costs of obtaining any required certifications, compensation, travel, lodging, meals and miscellaneous expenses.

7. ADVENTURE CENTER AND PROCUREMENT STANDARDS.

(a) **Standards**. Franchisee understands the importance of maintaining uniformity among all of the Escape Hunt Adventure Centers and the importance of complying with the Standards relating to the development and operation of the Adventure Center for the protection of the Brand and Franchisor's interest in the System and Marks and obligations with respect to its license of the Third Party Brand Marks. Franchisee acknowledges and agrees that the purpose of establishing and enforcing such Standards is not so that Franchisor may exercise any control over the day-to-day operations of the Adventure Center that are reserved to Franchisee. In addition, Franchisee may not engage in any co-branding in or with the Adventure Center or use the Premises for any purpose other than the operation of the Adventure Center unless Franchisor has previously approved such co-branding in writing.

(b) **Maintenance**. Franchisee must at all times maintain the interior and exterior of the Adventure Center Premises and the surrounding area in good condition and repair, and the highest degree of cleanliness, orderliness and sanitation. Franchisee is solely responsible for maintenance, repair and replacement where necessary to maintain the Adventure Center in accordance with the Standards and for any liabilities arising from Franchisee's failure to comply with the terms and conditions of this Section 7(b).

(c) **Improvements**. Franchisee will make such capital improvement or modifications necessary to modernize, redecorate and upgrade the Adventure Center, not more than once every five years with respect to the Operating Assets and once every two years with respect to upgrades and improvements of Games in accordance with Franchisor's then-current Standards, provided the aggregate amount of capital improvements, modifications and upgrades to the Adventure Center required by Franchisor will not exceed $250,000 during the Initial Term. Franchisee must complete to Franchisor's satisfaction and in accordance with a schedule approved by Franchisor, which typically will be from six to 12 months from the date Franchisee is notified of any required changes, unless otherwise agreed to in writing by Franchisor. Franchisee acknowledges and agrees that the requirements of this Section 7(c) are both reasonable and necessary to ensure continued public acceptance and patronage of Adventure Centers and to avoid deterioration or obsolescence in connection with the operation of Franchisee's Adventure Center. If Franchisee fails to make any improvement as required by this Section 7(c) or perform maintenance as

described in Section 7(b), Franchisor may, in addition to its other rights in this Agreement, effect such improvement or maintenance and Franchisee must reimburse Franchisor for the costs Franchisor incurs.

(d) **Games**. Franchisee acknowledges that the Games form a key part of the Escape Hunt Brand and image. Accordingly, Franchisee will strictly comply with the requirements of Franchisor relating to the Games as set forth in this Agreement, the Manuals or as otherwise specified from time to time by the Franchisor. Franchisor does not guarantee that Franchisee's Adventure Center will be eligible for all Games. In connection with developing the Adventure Center, Franchisee may select Basic Games from the Escape Hunt Games Catalogue included in the Manuals for use in the operation of the Adventure Center at no additional cost. Franchisee may not repeat more than one Game in two rooms of the Adventure Center without Franchisor's written permission, as follows:

(1) Franchisor may, at its sole option, develop and make available to Escape Hunt franchisees certain Brand Games and Super Brand Games in the Escape Hunt Games Catalogue. The Manuals includes the criteria for offering and implementing any such Brand Game or Super Brand Game in an Escape Hunt Adventure;

(2) In connection with the opening of the Adventure Center, Franchisee must offer at least one Brand Game or Super Brand Game at its sole cost and expense;

(3) Thereafter, within twelve (12) months after the fourth anniversary of the Adventure Center's opening and every four (4) years thereafter, Franchisee must implement and install at least one new Brand Game or one Super Brand Game in the Adventure Center, to the extent that Franchisor makes any such Brand Game and/or Super Brand Game available in the Escape Hunt Brand Catalogue that meets the criteria for implementation in the Designated Area. Franchisee will offer such Brand Games and Super Brand Games for a minimum period of 24 months unless otherwise specified by Franchisor in the Manuals;

(4) Franchisee may not make any modifications to any Game without Franchisor's prior written consent. If Franchisor approves, at its sole option, a change to a Game (e.g. to accommodate consumer demands in the Designated Area), then Franchisee may make such modifications as directed by Franchisor and at Franchisee's sole cost and expense, provided any such modification will constitute Franchisor's Intellectual Property;

(5) Franchisee will not offer and implement any Game at the Adventure Center for a period longer than 36 months without Franchisor's prior written approval;

(6) Franchisee will: (a) acquire Games and related props, décor and finish out for rooms only from a Designated Supplier; (b) only offer for sale from the Adventure Center Games made available to Escape Hunt franchisees in the Escape Hunt Games Catalogue; and (c) implement the Games in accordance with the Manuals and any other written communication from Franchisor. Franchisor must approve in advance the design and construction plans for any Game that will be offered at the Adventure Center and the cost of implementing each Game (including any design and construction costs associated with configuring a room in the Adventure Center for such game) is the sole responsibility of Franchisee.

(e) **Designated Supplier**. Franchisee must purchase Operating Assets, Technology System, and Products from Franchisor's Designated Suppliers (if any) as set forth in the Manuals. Franchisor or any of its Affiliates may be designated as the sole Designated Supplier for any Operating Assets, Technology System or Products. In addition, Franchisor or its Affiliates may receive payments or other consideration from suppliers who provide Operating Assets, Technology System or Products to franchisees operating under the System which Franchisor or its Affiliates may use in any manner Franchisor determines appropriate.

(f) **Operating Assets**. Franchisor makes no warranties, express or implied, with respect to the Products (including the Proprietary Products), Technology System or Operating Assets provided by any supplier (including any Designated Supplier), including by or as a result of any statements made by Franchisor's employees or agents, or statements contained in the Manuals, printed materials or general advertising materials. Except for any express limited warranty made by Franchisor or its Affiliates with respect to any Product, Technology System or Operating Assets sold by Franchisor or its Affiliate, Franchisor or its Affiliate, with respect to any Product, Proprietary Products or Operating Assets sold by Franchisor or its Affiliate, Franchisor or its Affiliate, as applicable, makes no warranty of merchantability or of the fitness of these items for any particular purpose. Any model or sample shown to Franchisee is provided solely to illustrate the general type, nature and quality of such items and not to represent or warrant that any such item would conform to such model or sample.

(g) **Alternate Suppliers**. If Franchisee seeks approval of any new supplier of Operating Assets, Technology System or Products not designated by Franchisor pursuant to Section 7(d) or approval to use new Operating Assets, Technology System or Products, Franchisee will provide Notice to Franchisor and such information required by Franchisor about any proposed new supplier, new Operating Assets, Technology System or Products (including samples of the proposed Operating Assets, Technology System or Products for examination by Franchisor) to enable Franchisor to approve or reject such supplier or items. Franchisor will have the right to require that its authorized representatives be permitted to inspect the proposed supplier's facilities at Franchisee's sole cost and expense. Franchisor will undertake reasonable efforts to respond to such Notice and information within 90 days from the date of its receipt of all of the information Franchisor requested and completion of any facility inspection. Franchisor may terminate or withhold its approval of any supplier, new Operating Assets, new Technology System or new Products that do not satisfy its Standards. Franchisee will not purchase from any unapproved supplier or use unapproved Operating Assets, Technology System or Products in the Adventure Center.

(h) **Group or Cooperative Buying**. If Franchisor or its Affiliate establish a group buying program or purchasing cooperative for the purpose of obtaining improved and sustainable pricing for any Operating Assets, Technology System or Products, including the retention of a third party purchasing agent to facilitate such buying program or cooperative, upon Franchisor's request, Franchisee will become a member of such group buying program or cooperative, make reasonable dues payments for the services of such group buying program or purchasing cooperative and execute all documentation reasonably required by Franchisor to facilitate the foregoing.

8. TECHNOLOGY SYSTEM AND POS SYSTEM.

(a) **Technology System**. Franchisee will purchase, use, and maintain the Technology System prescribed by Franchisor at the Adventure Center. Franchisor may periodically modify Standards for the Technology System, and, if so, Franchisee will acquire, at its cost, such modified Technology System and the computer hardware and software comprising part of the Technology System within 60 days from the date of Notice from Franchisor. Franchisor may, at its sole option, charge Franchisee for any computer usage costs that Franchisor incurs as a result of Franchisee's use of the Technology System, including but not limited to a systems fee for modifications of and enhancements made to Proprietary Software that Franchisor licenses to Franchisee and other maintenance and support services that Franchisor or its Affiliates furnish to Franchisee related to the Technology System. Franchisee will have sole and complete responsibility for the acquisition, operation, maintenance, and upgrading of the Technology System.

(b) **Booking System**. Franchisee must implement and use the on-line booking payment gateway and credit card payment services company of Franchisor's Designated Supplier as set forth in the Manual.

(c) **Proprietary Software**. If Franchisor designates Proprietary Software, Franchisee will, at Franchisor's written request, license or sublicense such software from Franchisor, its Affiliate or other designee and enter into a software (sub) license agreement on such licensor's then-current form. Franchisee will purchase any periodic upgrades, enhancements or replacements to the Proprietary Software at Franchisee's sole cost and expense. Franchisor may, at its option, provide to Franchisee support services relating to the Proprietary Software as Franchisor deems advisable at a reasonable charge. Franchisee must incorporate any or all required modifications or additions within 60 days after receiving Notice from Franchisor, unless a longer time period is stated in such Notice.

(d) **Intranet**. Franchisor may, at its option, establish and maintain an Intranet through which Franchisor and Franchisee may communicate with each other. Franchisor will have control over all aspects of the Intranet, including the content and functionality thereof. At Franchisor's option, Franchisor may post, update and disseminate the Manuals and other Confidential Information through the Intranet. Any passwords or other digital identifications necessary to access the Manuals on the Intranet will be deemed to be part of Confidential Information. If established, Franchisee will have the mere privilege to use the Intranet, subject to Franchisee's strict compliance with the Standards. Franchisee acknowledges that, as administrator of the Intranet, Franchisor can access and view any communication that any Person posts on the Intranet. Franchisee further acknowledges that the Intranet facility and all communications that are posted or to be posted to it will become Franchisor's sole property, free of any claims of privacy or privilege that Franchisee or any other Person may assert. If established, Franchisor will have no obligation to maintain the Intranet indefinitely, and may modify or dismantle it at any time without liability to Franchisee.

(e) **Systems Access**. Franchisee may be provided access to various computer or electronic systems (or any substitute thereof), including, but not limited to, third-party computer or electronic systems made part of the System. Franchisee will be responsible for its actions and the actions of its Personnel relating to such computer and electronic systems, including use of any logon IDs, passwords or other authentication methods provided to Franchisee. All Franchisee connectivity or attempted connectivity to Franchisor's computer and electronic systems will be only through Franchisor's security gateways or Franchisor's firewalls. Franchisee will not access, and will not permit unauthorized persons or entities within its control to access, Franchisor's computer and electronic systems without Franchisor's express written authorization, and any such actual or attempted access will be consistent with any such authorization. Franchisee will fully comply with Franchisor's systems access requirements and related Standards with respect to the computer and electronic systems.

9. GIFT CARDS AND LOYALTY PROGRAMS.

Franchisee must, at Franchisee's expense, participate in, and comply with the requirements of, any gift certificate, gift card, stored value card, customer loyalty, or customer retention program (e.g. customer e-mail program) that Franchisor or its Affiliates implement for all or part of the System and must sign the forms and take any other action that Franchisor or its Affiliates require in order for Franchisee to participate in such programs. Without limitation, Franchisee must honor coupons, stored value cards, gift certificates, gift cards, or vouchers sold or distributed by other Escape Hunt Adventure Center locations and include the related proceeds in Gross Sales strictly in accordance with the Standards. Franchisee will not issue or offer any gift certificate, gift card, stored value card, customer loyalty or retention program without Franchisor's prior written approval. Franchisee will utilize a vendor approved by Franchisor or its Affiliates for gift card processing. Any coupon offer proposed by Franchisee must be approved by Franchisor in writing prior to being offered.

10. MARKETING.

(a) **Central Marketing Fund**. Franchisor reserves the right to establish and administer a Central Marketing Fund for the creation and development of marketing, advertising, and related programs, campaigns and materials, including electronic, print, Internet and Social Media, as well as the planning and purchasing of global advertising and strategic brand positioning initiatives. If and when Franchisor establishes such Central Marketing Fund, Franchisee must contribute a continuing central marketing fee in the amount established by Franchisor to the Central Marketing Fund (such amount being based on a percentage of Franchisee's Gross Sales). Franchisor will direct all advertising and marketing programs, including but not limited to research methods, branding, creative concepts and materials, sponsorships, and endorsements used in connection therewith; selection of geographic and media markets; and media placement and the allocation thereof. For the avoidance of doubt, if a Central Marketing Fund is established, Franchisee will remain responsible for the costs associated with the placement of any marketing and media in the Designated Area for the Adventure Center. Franchisor reserves the right to terminate (and, if terminated, to reinstate) the Central Marketing Fund. If the Central Marketing Fund is terminated, all unspent monies on the date of termination accrued will be distributed to franchisees operating Escape Hunt Adventure Center in proportion to their respective contributions to the Central Marketing Fund accrued during the preceding three-month period.

(b) Accounting. The Central Marketing Fund, if established, will be accounted for separately from Franchisor's other funds and will not be used to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs, travel expenses, and overhead as Franchisor may incur in activities related to the administration of the Central Marketing Fund and its programs, including as described in Section 10(a) and with respect to collecting and accounting for contributions to the Central Marketing Fund. The Central Marketing Fund will be operated solely as a conduit for collecting and expending fees collected by Escape Hunt franchisees in North America. Franchisor will not act as trustee with respect to the Central Marketing Fund and will have no fiduciary duty to Franchisee or its Affiliates, Principals or any other franchisees with regard to the operation or administration of the Central Marketing Fund.

(c) **Proportionality**. Franchisor undertakes no obligation to ensure that expenditures by the Central Marketing Fund (if established) in or affecting any geographic area are proportionate or equivalent to the contributions to the Central Marketing Fund by Escape Hunt Adventure Centers operated in that geographic area or that Franchisee's Adventure Center or any other Escape Hunt Adventure Center will benefit directly or in proportion to its fees paid to the Central Marketing Fund, or, further, that all Escape Hunt Adventure Center operated by Franchisor or any of its Affiliates will pay the same contributions to the Central Marketing Fund. Except as expressly provided in this Section 10, Franchisor assumes no direct or indirect

liability or obligation to Franchisee with respect to maintaining, directing or administering the Central Marketing Fund.

(d) **Local Marketing Expenditures**. Franchisee must make the Local Marketing Expenditure set forth in the Summary Page each quarter during the Term. At Franchisor's request, Franchisee will furnish Franchisor with copies of invoices and other documentation reasonably satisfactory to Franchisor evidencing compliance with this Section 10(d). If Franchisor determines that Franchisee's Local Marketing Expenditures total less than the then-current percentage of Gross Sales required by Franchisor, Franchisor may notify Franchisee of any additional amounts that Franchisee must spend on local marketing, and if Franchisee has not spent such additional amounts (in addition to any ongoing marketing requirements) by the end of the quarter in which Franchisee receives such Notice, then such failure to make the required Local Marketing Expenditure will constitue an Event of Default. Franchisee will throughout the Term engage in local advertising, marketing and promotional activities and campaigns in accordance with Franchisor's Standards and the Manuals.

(e) **Special Promotions**. In addition to the national, regional and local advertising described in this Section 10, Franchisor may from time to time develop and administer advertising, marketing and sales promotional programs in which Franchisee will participate upon such terms and conditions established by Franchisor. Such programs are in addition to Franchisee's local marketing requirements pursuant to Section 10(d) and may include without limitation marketing promotions and similar programs. All phases of such advertising, marketing and promotion, including the type, quantity, timing, placement, choice of media, market areas, promotional programs and advertising agencies will be determined solely by Franchisor.

(f) **Grand Opening**. Franchisee will spend at least the Grand Opening Amount to advertise and promote the opening or Grand Opening of the Adventure Center, as applicable, in accordance with the Standards. At least 60 days before the date of the Grand Opening of the Adventure Center, the advertising plans and budget for such opening or Grand Opening must be submitted to and approved in writing by Franchisor. Franchisee will modify the advertising plan and budget as requested by Franchisor and thereafter no substantial changes may be made to the plan without advance written consent of Franchisor. Upon Franchisor's request, Franchisee will submit to Franchisor documentation evidencing its advertising expenditures. Franchisee's obligations under this Section 10(f) are in addition to Franchisee's obligations to contribute to the Central Marketing Fund and make Local Marketing Expenditures.

(g) **Public Announcements**. No public communication, press release or announcement regarding this Agreement, the transactions contemplated hereby, the operation of Franchisee's Adventure Center, or any Crisis Management Event will be made by Franchisee without Notice to Franchisor and Franchisor's prior approval of such communication, press release or announcement. Franchisee will not disclose the substance of this Agreement to any third party except as necessary to obtain a lease or renewal or obtain any permit, license or other approvals, or to the extent required by the lawful order of any court of competent jurisdiction having jurisdiction over Franchisee or for any public disclosure otherwise required by Applicable Law.

(h) **Positioning**. Franchisee must adhere to the Standards and other guidance on Brand positioning with respect to pricing, Product offerings, advertising and promotional activities and campaigns, and other key Brand presentation attributes.

(i) **Truthful Advertising, Marketing, and Promotion**. Any advertising, promotion, and marketing Franchisee conducts must be factually accurate and not misleading and conform to the highest standards of ethical marketing and the promotional policies which Franchisor prescribes from time to time, including, but limited to, the Standards. Samples of all advertising, promotional, and marketing materials which Franchisor has not prepared or previously approved in writing within the prior 12 months must be submitted to Franchisor for approval before Franchisee may use them. Franchisee may not use any advertising or promotional materials or engage in any advertising or promotional campaigns that Franchisor has not approved in writing or disapproved. Franchisor will own the copyrights to any materials so submitted, whether approved by Franchisor or not. In all cases, Franchisor has control over any profiles that use or relate to the Marks and Third Party Brand Marks, that display the Marks or Third Party Brand Marks, or that are maintained on Social Media websites and applications and all other similar websites and applications that may exist in the future. Franchisor may (but need not) establish guidelines pursuant to which Franchisee may establish profiles or otherwise establish a presence on such Social Media websites and platforms. In such event, Franchisee must comply with the Standards imposed from time to time on such use. Franchisee will sign over control of any Social Media accounts or profiles, with fan bases intact, and provide access to

reports and history of promotion performance, upon Franchisor's request.

(j) **Advertising Cooperatives**. Franchisor may, at its sole option, require Franchisee to participate in certain local or regional advertising cooperatives organized and/or approved by Franchisor and composed of certain other Escape Hunt Adventure Centers located in the geographic area in which the Adventure Center is located, as set forth in the applicable cooperative advertising agreement. If Franchisee is required to participate in a Franchisor-approved advertising cooperative, Franchisee will be required to execute Franchisor's then-current standard advertising cooperative agreement. Franchisor may terminate any advertising cooperative pursuant to the terms of the applicable cooperative advertising agreement. Franchisor may require advertising cooperatives to be formed, changed, dissolved or merged. All cooperative amounts which Franchisee contributes will count toward Franchisee's local marketing expenditures.

11. **ADVENTURE CENTER OPERATIONS.**

(a) **Manuals**. Franchisee will comply with the Standards as set forth in the Manuals in the operation of the Adventure Center and as may from time to time otherwise be prescribed in writing, including without limitation operating the Adventure Center during hours and days specified in the Manuals. Franchisor has provided to Franchisee one copy of each of its Manuals "on loan" for the Term. Franchisor may make the Manuals and related Standards available to Franchisee in the format it selects, including electronic and hard copy formats. Franchisor may periodically update and amend the Manuals and will notify Franchisee in writing of any such updates or amendments, which will thereupon become a part of the Manuals. Franchisee must comply with all written updates and amendments to the Manuals. In the event of a dispute relating to the contents of the Manuals, the master copy that Franchisor maintains at its principal office will prevail. Franchisee will use the digital version of the Manuals in their current form available to Franchisee as instructed by Franchisor. Franchisee will treat the Manuals as confidential and maintain the information in the Manuals as Confidential Information. Franchisee will return all hard copies of the Manuals to Franchisor immediately on expiration or termination of this Agreement.

(b) **Compliance with Applicable Law; Operating Permits**. Franchisee will develop and at all times operate the Adventure Center in full compliance with Applicable Law. Franchisee must notify Franchisor in writing immediately upon the commencement of any legal action, suit, or proceeding, any administrative action, or the issuance of an order of any court, agency, or other governmental instrumentality, which may adversely affect the development, occupancy, or operation of the Adventure Center or Franchisee's financial condition; or the delivery of any notice of violation or alleged violation of any Applicable Law, including those relating to health or sanitation at the Adventure Center. Franchisee will refrain from any business or advertising practice which may be injurious to Franchisor's business, to the business of other Escape Hunt Adventure Centers, or to the goodwill associated with the Marks. Franchisee will be solely responsible for procuring and continuously maintaining thereafter all approvals, permits, and/or licenses required for the development and operation of the Adventure Center.

(c) **Credit Card and Other Methods of Payment**. Franchisor may, at its option, designate in writing credit and debit card issuers or sponsors check or credit verification services, payment gateways, financial center services, and electronic funds transfer systems, and upon any such designation by Franchisor, Franchisee must maintain relationships with such credit and debit card issuers or sponsors check or credit verification services, payment gateways, financial center services, and/or electronic funds transfer systems in connection with the operation of the Adventure Center and refrain from using any services or providers that Franchisor has not approved in writing or for which Franchisor has revoked its approval. Franchisor may modify its requirements and designate additional approval or required methods of payment and vendors for processing such payment. Franchisee must comply with the PCI DSS as they may be revised and modified by the Payment Card Industry Security Standards Council, or any successor or replacement organization and/or in accordance with other standards Franchisor may specify, and FACTA. Franchisee also must upgrade periodically its Technology System, at Franchisee's expense, to maintain compliance with PCI DSS, FACTA and all Applicable Law. Franchisee must notify Franchisor immediately if it is notified of a credit card breach (as such constitutes a Crisis Management Event) related to the Adventure Center and Franchisee's business related thereto and must cooperate with applicable authorities fully with respect to the investigation. Further, Franchisee must cooperate with Franchisor fully with respect to media statements (if any) and other items related to managing the Crisis Management Event for the purpose of protecting the Marks and System.

(d) **Privacy Laws**. Franchisee will abide by all privacy laws and comply with Franchisor's policies pertaining to privacy laws at all times during the Term. If there is a conflict between Franchisor's policies pertaining to privacy laws and applicable statutory privacy laws, Franchisee will comply with the requirements of the applicable statutory privacy laws, immediately provide Franchisor with written notice of said conflict and promptly and fully cooperate with Franchisor and its counsel in determining the most effective way, if possible, to satisfy Franchisor's policies within the bounds of applicable statutory privacy laws.

(e) **Customer Data**. All information, mailing lists and data bases of Customer Data from whatever source derived will be Franchisee's property during the Term. Franchisee represents and warrants that it will at all times comply with Applicable Law in connection with the storage, handling and use of such Customer Data, including without limitation Sections 11(b), 11(c) and 11(d). Franchisee will not use such information, except in connection with the Adventure Center and as expressly authorized under this Agreement and the Manuals. Franchisee will not use, process, copy, display, publish, store or transfer the Customer Data without Franchisor's written approval. Franchisee grants to Franchisor an irrevocable, transferable, worldwide, royalty-free license to use the Customer Data during the Term. Following expiration or termination of this Agreement, all such Customer Data will become the sole property of Franchisor without further action from either Party.

(f) **Trade Accounts**. With respect to any supplier, Franchisee will maintain its trade accounts in a current status and will seek to resolve any disputes with such suppliers promptly. If Franchisee fails to maintain such trade accounts on a current status, to timely pay any amounts owing to any other third parties providing services, Franchisor may, but is not required to, pay any such amounts and/or perform such obligations on Franchisee's behalf. If Franchisor elects to pay any such amounts, then Franchisee must promptly reimburse Franchisor, upon receipt of Franchisor's invoice, for such amounts and its administrative services in doing so. Franchisor may also set off the amount of any such reimbursement against any payments due to Franchisee, at its sole option.

(g) **Proprietary Products**. Franchisor may develop or acquire for use in the System certain Products which are prepared from confidential information and considered trade secrets of Franchisor and/or its Affiliates. Because of the importance of quality and uniformity of production and the significance of such Products in the System, it is to the mutual benefit of the Parties that Franchisor closely controls the production and distribution of such Products. Accordingly, if such Products become a part of the System, Franchisee will purchase, at the prevailing price plus freight, taxes, and other costs of delivery, solely from Franchisor or from a source designated by Franchisor, all of Franchisee's requirements for such Products, including, without limitation, all Proprietary Products.

(h) **Uniforms and Employee Appearance**. Franchisee will cause all employees, while working in the Adventure Center, to wear uniforms meeting the Standards as Franchisor may periodically designate, and to present a neat and clean appearance in accordance with the Standards. If Franchisor changes the type of uniform utilized by Franchisee, Franchisee must discontinue use of its existing inventory of uniforms and implement the approved type of uniform in accordance with the Manuals.

(i) **Approved Products; Services**. Franchisee must comply with the Standards relating to the purchase of all Products, Operating Assets and Technology System, materials, supplies, and other Products used or offered for sale at the Adventure Center. Franchisee must acquire such items from Designated Suppliers or suppliers that otherwise satisfy the Standards, as set forth in the Manuals, and are approved in writing by Franchisor prior to any purchases by Franchisee from any such supplier. ALTHOUGH APPROVED OR DESIGNATED BY FRANCHISOR, FRANCHISOR AND ITS AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO SERVICES, PRODUCTS, EQUIPMENT (INCLUDING WITHOUT LIMITATION THE TECHNOLOGY SYSTEM AND OPERATING ASSETS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS. IN ADDITION, FRANCHISOR DISCLAIMS ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY DESIGNATED SUPPLIER OR SUPPLIER APPROVED BY FRANCHISOR. FRANCHISOR'S APPROVAL OR CONSENT TO ANY SERVICES, GOODS, SUPPLIERS OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM WILL NOT CREATE ANY LIABILITY TO FRANCHISOR.

Franchisee must maintain in sufficient supply and

use and sell at all times only such Products, materials, and supplies that conform to the Standards. Franchisee will refrain from deviating from Franchisor's Standards, including, without limitation, by the use or offer of non-conforming items or differing amounts of any items, without Franchisor's prior written consent.

Franchisee must sell or offer for sale all Products and services required by Franchisor and utilizing the method, manner and style prescribed by Franchisor, as expressly authorized by Franchisor in writing. Franchisee must sell and offer for sale only the Products and services that have been expressly approved for sale in writing by Franchisor. Franchisee must immediately discontinue selling and offering for sale any Products or services and any method, manner, or style of distribution which Franchisor may, at its sole option, disapprove in writing at any time. Franchisee will use and display only services that have been prescribed or approved in advance in writing by Franchisor. Any and all service changes submitted by Franchisee to Franchisor for inclusion will become the property of Franchisor, and Franchisee will execute all documents necessary to convey all rights and title, including all rights in such services, to Franchisor. Unless Franchisor consents, Franchisee will not sell, dispense, give away, or otherwise provide Products or other items, except by means of retail sales or complimentary meals to employees and/or customers at the Adventure Center, a program of charitable giving, or as otherwise approved in advance in writing by Franchisor.

(j) **System Changes**. Franchisee must, at its sole cost and expense, promptly and fully comply with any changes made to the System by Franchisor, including, but not limited to, changes in preparation, operations, and appearance of the Adventure Center (including any substitution and upgrades of the Games and related remodeling and renovation to the interior or exterior of the Adventure Center) or purchases of Operating Assets as are required by Franchisor in writing. Franchisee may be required to attend meetings, at its own cost and expense, to discuss any System changes. If Franchisor requests that changes be made to the Adventure Center, Franchisor will provide Franchisee with a sample layout for the interior and exterior changes to be made and a set of typical preliminary plans. Franchisee will, at its sole cost and expense, employ architects, designers, engineers, contractors and others as may be necessary to complete, adapt, modify or substitute the sample plans for the Adventure Center. Franchisee must obtain Franchisor's prior written approval of any and all changes in the plans before commencing construction or implementing such changes. Franchisor will have access to the Adventure Center while work is in progress and may require such reasonable alterations or modifications of the construction at the Adventure Center, at Franchisee's sole cost and expense, as Franchisor deems necessary to conform to its Standards.

(k) **Off-Site Sales**. Franchisee will not sell any Products away from the Adventure Center except as set forth in the Manuals or unless Franchisor has approved in writing Franchisee's program plan for providing such off-site sales. Any off-site sales must be included in Gross Sales for purposes of Franchisee's Royalty Fees and Franchisee may not deduct from such sales any fees paid to third party providers of delivery services.

(l) **Customer Satisfaction and Surveys**. Franchisee will participate in all customer surveys and satisfaction audits as Franchisor may require from time to time, which may require Franchisee to provide discounted or complimentary Products. Additionally, Franchisee will participate in any customer complaint resolution and other programs as Franchisor may reasonably establish for all or part of the System, which programs may include, without limitation, providing discounts or refunds to customers. For any such sales, the amount actually paid by the customer after the discount or refund is applied and not the advertised price will be considered for purposes of Gross Sales.

(m) **Alcoholic Beverages**. If at any time during the Term, Franchisor elects, at its sole option, to implement in the System an alcoholic beverage program, then Franchisee shall have the option to provide alcoholic beverages at the Adventure Center in accordance with the Standards and as set forth in the Manuals for the remainder of the Term. In such case, Franchisee will be solely responsible for compliance with Applicable Law in connection with providing such alcoholic beverages and will procure and continuously maintain any approval, permit and/or license that are required in connection with the sale of alcoholic beverages at the Adventure Center.

12. **REPRESENTATIONS, WARRANTIES, AND COVENANTS.**

(a) **Business Entity Franchisee**.

Franchisee warrants that it is duly organized or formed and validly existing in good standing under the laws of the jurisdiction of its incorporation or formation; it has the necessary consents, approvals, licenses and/or permits to carry out the business activities contemplated by this Agreement; it will furnish such other information about its organization or formation as Franchisor may reasonably request to confirm the same; and the execution and delivery of this Agreement has been duly

authorized by it. Franchisee's company agreements must provide that its purpose and activities are restricted to the operation of Escape Hunt Adventure Centers and further must impose the restrictions against Transfer set forth in Section 17 of this Agreement.

If Franchisee is not publicly traded (i.e., less than 20% of its equity shares that are entitled to participate in the election of its Board of Directors are traded on a national exchange in the United States), it will disclose to Franchisor all Principals holding in excess of 5% of all Equity Interests in Franchisee and will disclose to Franchisor all beneficial owners, directors, officers, employees or agents of Franchisee who are government officials. Franchisee will provide Franchisor with such financial information as Franchisor may periodically request for Franchisee and each Principal, including copies of unaudited financial statements to be delivered to Franchisor on a quarterly basis, within 20 days after the end of each calendar quarter, and copies of audited financial statements, to be delivered to Franchisor on an annual basis, no later than 60 days after the end of each calendar year.

If Franchisee is not publicly traded, each Principal will execute and deliver to Franchisor a Guaranty and Undertaking of Obligations in the form attached hereto as Exhibit B.

(b) **Insider Trading**. Franchisee will advise any Persons who are informed as to the matters that are the subject of this Agreement, including, without limitation, any of the Confidential Information, that Applicable Law prohibits any Person who has received from an issuer, material, non-public information concerning matters like those that are the subject of this Agreement from purchasing or selling securities of that issuer on the basis of the information or from communicating the information to any other Person under circumstances in which it is reasonably foreseeable that such Person is likely to purchase or sell securities on the basis of that information.

(c) **Ideas and Concepts**. From time to time in connection with the operation of the Adventure Center, Franchisee may create or develop Ideas and Concepts that Franchisee believes will improve the System or the Adventure Centers. Franchisee will promptly disclose such Ideas and Concepts to Franchisor and will not implement such Ideas and Concepts without the prior written approval of Franchisor. Franchisor may elect to use or adopt such Ideas and Concepts if Franchisor determines that such adoption or use will benefit the System. If Franchisor uses or adopts any of such Ideas and Concepts, they will be deemed to be part of the System without any compensation payable to Franchisee by Franchisor. All Ideas and Concepts, whether or not constituting protectable Intellectual Property, and whether created by or on behalf of Franchisee, any Principal or Personnel in connection with the Adventure Centers, will be deemed to be Franchisor's sole and exclusive Intellectual Property. Franchisee, on behalf of itself and its Principals and all Personnel, hereby assign all rights in any Ideas and Concepts to Franchisor or any of its Affiliates and will execute and deliver all such additional instruments and documents as Franchisor may request to evidence the assignment and Franchisor's or any of its Affiliate's ownership of such Ideas and Concepts.

13. MANAGEMENT AND PERSONNEL.

At all times throughout the Term, Franchisee will hire, train and supervise Personnel sufficient to meet its obligations under this Agreement in accordance with the Standards or otherwise in writing by Franchisor. Franchisee will maintain a competent, conscientious, trained staff and take such steps as are necessary to ensure that its Personnel preserve good customer relations and fully comply with Applicable Law.

(a) **Operating Principal**. Concurrently with the execution of this Agreement, Franchisee must designate and retain at all times an Operating Principal who will manage the Adventure Center in accordance with the Standards, including without limitation completion of Initial Training to Franchisor's satisfaction, as described in Section 6. The Operating Principal will execute the Operating Principal's Confidentiality and Non-Compete Agreement attached to this Agreement as Exhibit C. The Operating Principal will supervise the Adventure Center Managers and the operations of the Adventure Center. The Operating Principal may not be involved in or supervise any other business or participative entertainment experience concept outside the Adventure Center. If, during the Term, the Operating Principal is not able to continue to service in such capacity or no longer qualifies to act as such in accordance with this Section 13(a), Franchisee must promptly notify Franchisor in writing and designate a replacement within 30 days after the Operating Principal ceases to serve, such replacement being subject to the same qualifications described above. Franchisee must provide for interim management of the Adventure Center until such replacement is so designated and such interim management is to be conducted in accordance with the terms of this Agreement. Any failure to comply with the requirements of this Section 13(a) will be deemed an Event of Default.

(b) **General Manager**. Franchisee must retain at all times a sufficient number of managers who satisfy Franchisor's Standards for such position, as set forth in the Manuals or otherwise in writing by Franchisor. Unless otherwise provided in the Manuals, at least one General Manager must be present at the Adventure Center during all hours of operation to ensure that the Adventure Center is at all times under the direct supervision of a General Manager, who will report to the Operating Principal. Each General Manager will be bound by a confidentiality agreement containing terms at least as protective as the terms set forth in this Agreement and in a form approved by Franchisor.

(c) **Other Personnel**. Franchisee will be solely responsible for all employment and personnel decisions involving its Personnel, including but not limited to the hiring, firing, discipline, supervision, direction, scheduling, and compensation of such additional managers and support personnel for the Adventure Center. Franchisee will ensure that each such Personnel receive the Initial Training and any additional training that Franchisor requires. Franchisor will not be involved in, or responsible for, training, employment, compensation or any other personnel matters and decisions made by Franchisee, as further described in Section 18(d).

14. **RECORDS, AUDITS, AND INSPECTIONS.**

(a) **Accounting and Records**. Franchisee will obtain and be solely responsible for its own accounting services and any required hardware or software related thereto. Franchisee will at all times maintain accurate and complete records as specified in the Manuals, including, without limitation, sales, inventory and expense information, in order to generate the reports requested by Franchisor.

(b) **Inspections and Audits**. Franchisor and its designated agents or representatives will have the right at any time, provided Franchisor will use reasonable efforts to avoid any disruption of or interference with the operation of the Adventure Center during normal business hours, to:

i. enter the Premises, observe, photograph and videotape the operations of the Adventure Center for such consecutive or intermittent periods as Franchisor deems necessary and otherwise inspect the Adventure Center;

ii. consult with Personnel and customers of the Adventure Center; and

iii. inspect, examine, audit, and copy any books and records relating to the operation of the Adventure Center. Franchisee will fully cooperate with Franchisor in connection with any such activities; present to its customers such evaluation forms that Franchisor periodically prescribes; and participate and/or request its customers to participate in any surveys performed by Franchisor or on its behalf. Franchisor will notify Franchisee in writing of any unsatisfactory conditions discovered as it deems appropriate, and, if notified, Franchisee will promptly correct and repair, as applicable, any such conditions. Any audit, examination, or inspection will be at Franchisor's cost and expense unless Franchisor is conducting the audit, examination, or inspection due to Franchisee's failure to submit reports, or unless the reports submitted by Franchisee for the Reporting Period show an understatement of Gross Sales by 1.25% or more and/or a corresponding underpayment of Royalty Fees, in which cases all reasonable and necessary costs and expenses related to such examination will be paid by Franchisee (including, without limitation, reasonable accounting and attorneys' fees). Franchisee will immediately pay Franchisor upon demand any deficiency in any fees plus interest as specified in Section 4. These remedies will be in addition to any other remedies Franchisor may have at law or in equity.

(c) **Financial Reports**. Franchisee will deliver to Franchisor monthly unaudited profit and loss statements and balances sheets and annually unaudited financial statements in accordance with the requirements set forth in the Manuals. Franchisee will also deliver to Franchisor any other financial data, tax statements or other financial reports that Franchisor may reasonably periodically request, in the form, manner, and frequency requested. Each report will be signed or otherwise verified by Franchisee that such data, statement and reports are true, accurate and complete.

15. **INSURANCE.**

(a) **Minimum Requirements**. Franchisee must obtain and maintain in effect for the Adventure Center the insurance policies set forth in Exhibit H, as may be amended by Franchisor from time to time. The insurance policies and limits described in Exhibit H will not limit, and are independent of, the indemnification obligations under this Agreement.

(b) **Proof of Insurance**. Prior to commencement of construction of the Adventure Center

and, thereafter, at least 30 days prior to the expiration of each policy, Franchisee will deliver to Franchisor evidence of such insurance in the form of certificates evidencing such coverage as well as endorsements reflecting the requirements of this Section 15 and all language wherever found in the policies that related to the determination of who is an additional insured, and the scope of the additional insured's coverage. Franchisor has the right, but not the obligation to inspect any actual policies required under this Agreement for compliance with all specified coverage, terms, conditions, endorsements, and limits relative to this Agreement.

(c) **Franchisee Acknowledgment as to Minimum Insurance Requirements**. Franchisee acknowledges and agrees that the coverages required by Franchisor are the minimum amounts of coverage that Franchisee must procure under this Agreement. Franchisee is free to buy additional insurance coverage or increase the amounts of coverage as Franchisee deems appropriate based on Franchisee's investigation as to whether additional coverages or higher amounts are necessary. FRANCHISEE FURTHER ACKNOWLEDGES AND AGREES THAT FRANCHISEE IS NOT RELYING UPON FRANCHISOR TO DETERMINE THE AMOUNT OR TYPE OF INSURANCE COVERAGE NECESSARY FOR FRANCHISEE. FRANCHISEE RELEASES FRANCHISOR FROM ANY AND ALL CLAIMS RELATING TO THE PROCUREMENT OF INSURANCE INCLUDING CLAIMS THAT FRANCHISOR DID NOT REQUIRE FRANCHISEE TO PROCURE ADEQUATE INSURANCE.

16. **PROTECTION OF MARKS AND RELATED INTELLECTUAL PROPERTY.**

(a) **Goodwill in Marks and Intellectual Property**. Franchisor or its Affiliates are the exclusive owner of the Marks and all other Intellectual Property provided or to be provided to Franchisee. Franchisee's right to use the Marks and any other Intellectual Property is derived solely from this Agreement and limited to its operation of the Adventure Center pursuant to and in compliance with this Agreement. Franchisee's use of the Marks and any goodwill associated with such use and any other Intellectual Property will be exclusively for Franchisor's benefit, and this Agreement does not confer any goodwill or other interests in the Marks or other Intellectual Property upon Franchisee.

(b) **Sublicense of Third Party Brand Marks and Third Party Brand IP.** In connection with Franchisee's offer and implementation of Brand Games and Super Brand Games at the Adventure Center, Franchisor will sublicense to Franchisee the right to use the Third Party Brand Marks and Third Party Brand IP related to such Brand Games and Super Brand Games, subject to Franchisee's full compliance with the terms and conditions related to such Brand Games and Super Brand Games as set forth in the Manuals and in the terms and conditions imposed by the Third Party Brand Licensor of such Brand Games or Super Brand Games, as applicable. Franchisee's default of this Section 16(b) is an Event of Default subject to termination upon Notice without opportunity to cure pursuant to Section 19(a)(1).

(c) **Limitations on Franchisee's Use of Marks and Third Party Brand Marks**. Franchisee will use the Marks as the sole identification of the Adventure Center, except that Franchisee must identify itself as the independent owner thereof in the manner Franchisor prescribes. Franchisee may not use any Mark or Third Party Brand Mark as part of any Entity name or with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed to Franchisee hereunder), or in any modified form. Further, Franchisee ma not use any Mark or Third Party Brand Mark in connection with the performance of any unauthorized services or sale of any unauthorized products; as part of any domain name, electronic address, metatag, or otherwise on the Internet or in connection with any website (unless expressly authorized in writing by Franchisor); or in any other manner that Franchisor has not expressly authorized in writing. Franchisee will display the Marks and Third Party Brand Marks in the manner Franchisor prescribes at the Adventure Center, on supplies or materials Franchisor designates, and in connection with forms and advertising and marketing materials. Franchisee's unauthorized use of the Marks and Third Party Brand Marks will be an Event of Default and an infringement of Franchisor's rights in and to the Marks and Third Party Brand Marks. In addition, Franchisee will indemnify Franchisor Indemnitees for any third party claims related to Franchisee's unauthorized use of the Third Party Marks pursuant to Section 22.

(d) **Intellectual Property Rights**. Franchisee will use the Intellectual Property and Third Party Brand IP only as authorized by Franchisor as set forth in the Manuals, including complying with any requirements set forth in the Manuals for maintaining, preserving and protecting the Intellectual Property and Third Party Brand IP. Franchisor will be the sole owner of all right, title and interest in and to any Intellectual Property created as a result of or related to the operation of the Adventure Center and any improvements, modifications or derivative works of Franchisee's operation of the Adventure Center in compliance with

the Standards or other activities under this Agreement. Franchisor does not grant Franchisee any ownership interest or right with respect to any Intellectual Property created as a result of Franchisee's operation of the Adventure Center, and Franchisee will not assert any right, title or interest in or to any aspect of the Intellectual Property or Third Party Brand IP or in any registration or application to register the Intellectual Property or Third Party Brand IP. A default under or termination of this Agreement will not impact Franchisor's rights in the Intellectual Property.

Franchisee does hereby, on behalf of itself and on behalf of its Principals, Affiliates and its and their respective Personnel, without reservation, irrevocably sell, assign, transfer and convey, and will be deemed to have irrevocably sold, assigned, transferred, and conveyed to Franchisor, its successors, assigns and legal representatives, all right, title and interest (past, present, future, and throughout the world) in and to any rights to any Intellectual Property related to the operation of the Adventure Center; and any and all claims, of any nature whatsoever, for past, present or future infringement or violation of such Intellectual Property rights.

If Franchisee, its Principals or Affiliates or its and their respective Personnel has any rights to work product that cannot be assigned to Franchisor, Franchisee, its Principals and Affiliates and its and their respective Personnel, as applicable, unconditionally and irrevocably waives the enforcement of such rights, and if such rights cannot be waived, Franchisee, on behalf of itself, its Principals and Affiliates and its and their respective Personnel, hereby grants to Franchisor a fully paid-up, exclusive, irrevocable, perpetual, worldwide license to display, copy, distribute, perform or use in any manner and to make derivative works of the work product. Franchisee will assist Franchisor to register and record (as may be required by Applicable Law or requested by Franchisor), and from time to time enforce, all rights in the Intellectual Property, and other rights and protections relating to the work product created hereunder in any and all countries. Franchisee will execute (and cause its Principals, Affiliates and its and their respective Personnel) any documents and take any other actions reasonably necessary to effectuate the purposes of this Section 16(d). Franchisee will include the requirements of this Section 16(d) in all agreements with its Principals, Affiliates and Personnel.

(e) **Notification of Infringements and Claims**. Franchisee will notify Franchisor immediately of any actual, apparent or suspected infringement or challenge to its use of any Mark, Third Party Brand Mark, Third Party Brand IP or other Intellectual Property, or of any claim by any Person of any rights in any Mark, Third Party Brand Mark, Third Party Brand IP or other Intellectual Property, and will not communicate with any Person other than Franchisor and its attorneys, and Franchisee's attorneys, in connection with any such infringement, challenge or claim. Franchisor has the sole right and option to take such action as it deems appropriate and the right to control exclusively any litigation arising out of any such infringement, challenge or claim or otherwise relating to any Mark or other Intellectual Property (and, subject to the terms of Franchisor's license with respect to the Third Party Brand Marks and Third Party Brand IP, the right to control exclusively any litigation arising out of any infringement, challenge or claim related to the Third Party Brand Marks and Third Party Brand IP), including the taking of such legal steps as may be available to Franchisor under Applicable Law to prevent infringement of the rights granted under this Agreement. Franchisee will sign any and all instruments and documents, render such assistance and do such acts and things as, in the opinion of Franchisor's attorneys, may be necessary or advisable to protect and maintain Franchisor's interests in the Marks, Third Party Brand Marks, Third Party Brand IP or other Intellectual Property.

(f) **Discontinuance of Use of Marks or Intellectual Property**. Franchisor may, at any time, at its sole option, require Franchisee to use any additional or alternative Marks, Third Party Brand Marks, Third Party Brand IP or other Intellectual Property. If Franchisor deems it advisable to modify or discontinue the use of any Mark, Third Party Brand Marks, Third Party Brand IP or other Intellectual Property and/or use one or more additional, alternative or substitute trade or service marks, Franchisee will comply with Franchisor's directions within a reasonable time after receiving Notice from Franchisor. All costs and expenses relating to the modification or discontinuance of the use of any Mark, Third Party Brand Mark, Third Party Brand IP or other Intellectual Property and/or the use of one or more additional, alternative or substitute trade or service marks will be paid by Franchisee. All provisions of this Agreement applicable to Marks, Third Party Brand Marks, Third Party Brand IP and other Intellectual Property apply to any additional, alternative or substitute trade and service marks or other commercial symbols that Franchisor authorizes Franchisee to use pursuant to this Agreement.

17. TRANSFERABILITY OF INTEREST.

(a) **Transfer by Franchisor**. This Agreement is and any of Franchisor's rights, obligations and interests herein are fully assignable by Franchisor, in whole or in part, without the consent of Franchisee,

and inures to the benefit of any assignee or other legal successor to the interests of Franchisor; if any such assignee expressly agrees to assume Franchisor's obligations under this Agreement, then upon such assumption Franchisor and its Affiliates will be fully released of any and all liabilities hereunder. Franchisor may also assign any or all of its rights, obligations and interests under this Agreement to an Affiliate; sell or encumber its assets, its Marks or its System to any third party; merge, acquire other Entities or be acquired by another Entity; engage in a public offering of its securities; engage in a private placement of some or all of its securities; or undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; provided that the new owner of an Entity will assume all of Franchisor's obligations hereunder. Franchisor may take or perform any such actions without liability or obligation to Franchisee and Franchisee expressly waives any claims, demands or damages arising from or related to any or all of the above actions or variations thereof.

(b) **Transfer by Franchisee**. The rights and duties created by this Agreement are personal to Franchisee, and Franchisor has granted rights under this Agreement in reliance upon the business skill, financial capacity and personal character of Franchisee and its Principals. Accordingly, no Transfer is permitted or authorized without Franchisor's prior written approval, subject to the conditions below.

(c) **Conditions for Approval of Transfer**. If the proposed Transfer by Franchisee is of this Agreement, Control of Franchisee or substantially all of Franchisee's assets, or is one of a series of Transfers (regardless of the time period over which such Transfers occur) which in the aggregate constitute the Transfer of this Agreement or Control of Franchisee, and if Franchisor has not exercised its right of first refusal under Section 17(f), Franchisor will approve a Transfer only if the conditions set forth in Section 17(c), as may be amended by Franchisor from time to time, are met prior to or concurrently with the proposed effective date of the Transfer:

(1) Franchisee (and its Principals, if Franchisee is not publicly traded) has paid all Royalty Fees and all other amounts owed to Franchisor and its Affiliates, submitted all required Reports and other statements and data and otherwise are in full compliance with this Agreement as of the date of Franchisee request for approval of the Transfer and as of effective date of the Transfer.

(2) The proposed transferee (and its direct and indirect owners): (i) have sufficient business experience, aptitude , assets and financial resources to operate the Adventure Center; (ii) meet Franchisor's then-applicable Standards for Adventure Center franchisees; (iii) are not engaged and will not engage in the operation or ownership of a Competitive Business, and will engage only in the operation of the Adventure Center; and (iv) will cooperate with reasonable due diligence requests made by Franchisor promptly thereafter and if additional time is reasonably needed, then prior to the proposed effective date of the Transfer.

(3) The transferee and its owners as specified by Franchisor will complete the Initial Training program and provide Franchisor with a business plan for the Adventure Center acceptable to Franchisor.

(4) The transferee and each of its owners specified by Franchisor will agree to be bound by all of the terms and conditions of Franchisor's then-current form of franchise agreement and sign the ancillary agreements and documents Franchisor requires for Adventure Center franchisees and any principal.

(5) Franchisee and the transferee and its owners have agreed to the terms of a purchase and sale agreement for the Operating Assets and assumption of any lease of the Premises and any applicable equipment.

(6) Franchisee or the transferee pays to Franchisor a Transfer Fee in connection with the Transfer, including the costs and expense of Initial Training as required above.

(7) Franchisee (and its transferring Principals if Franchisee is not publicly traded) and Franchisor have executed a general release, in form satisfactory to Franchisor, releasing Franchisor Indemnitees from any and all claims arising out of the operation of the Adventure Center, excluding claims related to the operation of the Adventure Center by Franchisee or any Principal which have not been expressly assumed by the transferee and its owners and those claims which cannot be released under Applicable Law.

(d) **Effect of Franchisor's Consent**. Any Transfer without Franchisor's consent constitutes an Event of Default rendering such Transfer void and of no effect. Franchisor's consent to a Transfer does not constitute a representation as to the fairness of the terms of any contract between Franchisee and the transferee, a guarantee of the prospects of success of the Adventure Center or transferee, or a waiver or release of any claims Franchisor may have at any time against Franchisee (or its Principals) or of its right to demand the transferee's

exact compliance with any of the terms or conditions of this Agreement.

(e) **Transfer Upon Death or Permanent Disability**. If any Principal that holds a Controlling Interest in Franchisee dies or becomes Permanently Disabled and Franchisor determines that such death or disability adversely affects the operation of the Adventure Center under this Agreement, such Principal's executor, administrator, or other personal representative must Transfer such Principal's interest in this Agreement or his or her interest in Franchisee (including Transfer by bequest or inheritance) to a third party approved by Franchisor in accordance with Section 17(c) within a reasonable period of time, not to exceed 6 months from the date of death or Permanent Disability. A failure to Transfer the interest of any such Principal in this Agreement or Controlling Interest in Franchisee within this period of time in accordance with the foregoing constitutes an Event of Default.

(f) **Franchisor's Right of First Refusal**. If Franchisee or any of Franchisee's Principals desire to make a Transfer, Franchisee or such Principal must obtain a bona fide, executed written offer and earnest money deposit in the amount of at least 5% of the offering price from a responsible and fully disclosed purchaser and must deliver immediately to Franchisor a true, accurate and complete copy of such offer. If the offeror proposes to buy any other property or rights from Franchisee or any Principals or Franchisee's Affiliates (other than rights under development agreements or other franchise agreements for Adventure Centers) as part of the bona fide offer, the proposal for such property or rights must be set forth in a separate, contemporaneous offer that is disclosed to Franchisor, and the price and terms of purchase offered to Franchisee or the Principals for the Transfer must reflect the bona fide price offered therefor and may not reflect any value for any other property or rights.

Franchisor has the option, exercisable by notice delivered to Franchisee or the Principals, as applicable, within 30 days from the date of delivery of a complete and accurate copy of such offer to Franchisor, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that: (a) Franchisor may substitute cash for any form of payment proposed in such offer; (b) Franchisor's credit will be deemed equal to the credit of any proposed purchaser; and (c) Franchisor will have not less than 30 days from the option exercise date to consummate the transaction. Franchisor has the right to investigate and analyze the business, assets and liabilities and all other matters Franchisor deems necessary or desirable in order to make an informed investment decision with respect to the fairness of the terms of Franchisor's right of first refusal. Franchisor may conduct such investigation and analysis in any manner Franchisor deems reasonably appropriate and Franchisee and its Principals must cooperate fully with Franchisor in connection therewith.

If Franchisor exercises its option to purchase, Franchisor is entitled to purchase such interest subject to all representations and warranties, releases, non-competition covenants, closing documents and indemnities as Franchisor reasonably may require. If Franchisor does not exercise its option to purchase, Franchisee or its Principals may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to Franchisor's approval of the Transfer; provided if there is a material change in the terms of the offer, Franchisee must promptly notify Franchisor and Franchisor will have an additional option to purchase (on the terms of the revised offer) during the 30-calendar day period following Franchisee's notification of the material change to the terms of the offer.

(g) **Securities**. Franchisee will be permitted to engage in the public and/or private issuance of stock, notes, bonds and other securities during the term, provided that such issuance of securities are in compliance with all Applicable Law in effect at the time of such issuance; prior to offering for sale such stock, notes, bonds or other securities, Franchisee secures Franchisor's written approval, which consent will not be unreasonably withheld; and Franchisee pays the Offering Fee to Franchisor. Franchisee further must secure Franchisor's consent to any and all press releases, news releases and any and all other publicity, the primary purpose of which is to confirm the description of the relationship between Franchisor and Franchisee is true, accurate and complete in Franchisee's offering. Only after Franchisor has provided its written approval may Franchisee proceed to file, publish, issue and release and make public any said data, material and information regarding the securities offering. Franchisee will not imply that Franchisor is participating in the underwriting, issuance or offering of such securities. Franchisee acknowledges and agrees that any review by Franchisor is solely for its own information and its approval does not constitute any kind of authorization, acceptance, agreement, endorsement, approval or ratification of the same, either expressly or implied. Franchisee may make no oral or written notice of any kind whatsoever indicating or implying that Franchisor and/or its Affiliates have any interest in the relationship whatsoever to the proposed securities offering other than acting as Franchisor. Franchisee will indemnify, defend and hold the Franchisor Indemnitees harmless from all Losses and Expenses arising from

Franchisee's offering of information published or communicated in actions taken in that regard.

18. **RESTRICTIVE COVENANTS.**

Franchisee recognizes that Franchisor has developed and owns the goodwill in the Brand and must protect the Marks, Confidential Information, and System. Franchisee and its Principals each acknowledges and agrees that the access to and use of Confidential Information authorized by this Agreement are among the consideration for the restrictive covenants set forth in Section 18(a), and Franchisee and its Principals each further acknowledges and agrees that the restrictive covenants set forth in Section 18(a) are necessary to prevent Franchisor from suffering irreparable harm. THE FOREGOING ACKNOWLEDGMENTS AND AGREEMENTS ARE A MATERIAL INDUCEMENT FOR FRANCHISOR TO ALLOW FRANCHISEE AND ITS PRINCIPALS TO HAVE ACCESS TO AND USE CONFIDENTIAL INFORMATION.

(a) **Non-Compete**. Franchisee and its Principals covenant and agree that during the Term, and for a continuous uninterrupted period of two years following its expiration, termination, or an approved Transfer and with respect to a Principal, following the date the Principal ceases to be a Principal under this Agreement, Franchisee and each of its Principals, as applicable, will not, without Franchisor's prior written consent, either directly or indirectly, for itself or themselves, or through, on behalf of, or in conjunction with, any Person or Entity:

(1) Divert or attempt to divert any actual or prospective business or customer of the Adventure Center to any Competitive Business, by direct or indirect inducement or otherwise.

(2) Do or perform, directly or indirectly, any other act injurious to or prejudicial to the goodwill associated with the Marks and the System.

(3) Own, maintain, operate, be employed by, engage in, franchise, lease property to, advise, help, make loans to, or have any interest in, either directly or indirectly, any Competitive Business.

During the Term, this restriction applies to any Competitive Business located within the United States. Following the expiration of the Term, termination of this Agreement, or an approved Transfer of this Agreement and with respect to a Principal, following the date the Principal ceases to be a Principal under this Agreement, this restriction will apply to any Competitive Business located: (i) within the Designated Area; (ii) at or within five miles of the Adventure Center; or (iii) within ten miles of any Escape Hunt Adventure Centers then operating or under construction in the United States or outside the United States, except as otherwise approved in writing by Franchisor.

If any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable. If, at any time during the two-year period following the expiration, termination, or approved Transfer of this Agreement or the date any Principal ceases to be a Principal under this Agreement, Franchisee or any of its Principals fail to comply with its obligations under this Section 18(a), that period of non-compliance will not be credited toward satisfaction of the two-year period.

(b) **Non-Disclosure of Confidential Information**. Franchisee and its Principals each acknowledges that Franchisor may provide Franchisee and its Principals with Confidential Information that derive value from not being generally known in the industry that are reasonably necessary for the operation of the Adventure Center and that Franchisee has entered into this Agreement in order to use such Confidential Information to the economic benefit of Franchisee. Franchisee agrees that Confidential Information remains the sole property of Franchisor. Franchisor will take reasonable steps to mark as "confidential" or "proprietary" any Confidential Information that it deems as such, but the failure to mark such Confidential Information will not cause it to be public information. Franchisee and each of its Principals will not use, duplicate or disclose to others any Confidential Information except as expressly authorized by Franchisor in writing and will implement measures to maintain the confidentiality of such Confidential Information that is no less strict than the measures Franchisee uses with its own confidential information. To the extent that any Confidential Information is to be provided to Franchisee's advisors, representatives, agents or any Personnel, each of them must use such Confidential Information solely in connection with their respective roles with the Adventure Center and execute a confidentiality agreement in a form approved by Franchisor containing terms consistent with the confidentiality obligations set forth in this Agreement.

(c) **Ownership**. All Confidential Information furnished or disclosed by Franchisor to Franchisee or any of its Principal or otherwise obtained by Franchisee or it Principals is and will remain the property of Franchisor. Any reproductions, notes, summaries or similar documents relating to the

Confidential Information, and any files, memoranda, reports, price lists, proprietary information, and other documents relating to the System, will become and remain the Intellectual Property of Franchisor immediately upon their creation and Franchisor will own all rights, title and interest in such Intellectual Property in accordance with Section 16(c) (Intellectual Property Rights). Upon expiration or termination of this Agreement, Franchisee will immediately return all copies of such Confidential Information and Intellectual Property to Franchisor. Franchisee must promptly reveal to Franchisor any discoveries, inventions, innovations or improvements made by Franchisee, its Principal, Personnel or independent contractors relating to the System, or any Confidential Information. Further, all proprietary interests in any devices, information, know-how, materials, methods, processes and techniques utilizing those discoveries, inventions, innovations and improvements are Franchisor's Intellectual Property.

(d) **Interference with Employees**. Franchisee acknowledges that it is an independent business and responsible for the control and management of the day-to-day operations of the Adventure Center, its Personnel and the Personnel of its Affiliates (as Franchisee) in the development and operation of the Adventure Centers, including but not limited to the hiring and discharging of Franchisee's and its Affiliates' Personnel and setting and paying wages and benefits of Franchisee's and Franchisee's Affiliates' Personnel. Franchisee acknowledges that Franchisor has no power, responsibility or liability in any respect to the hiring, discharging, setting and paying of wages or related matters, as the sole power, responsibility and liability for such matters rest exclusively with Franchisee and its Affiliates. Franchisee further acknowledges that none of its Personnel will be deemed to be an employee of Franchisor or its Affiliates for any purpose whatsoever, and no act by Franchisor to protect the Brand including but not limited to the System or Marks shifts any employee or employment-related responsibility from Franchisee to Franchisor.

(e) **Severability and Enforceability of Covenants**. Each of the covenants contained in this Section 18 will be considered separate and independent from each other. If any covenant in this Agreement which restricts competitive activity is deemed unenforceable for any reason, but would be enforceable by reducing or substituting any part of it in accordance with Section 27(a), such covenant will be enforced to the fullest extent permissible under Applicable Law.

19. **DEFAULT AND TERMINATION.**

(a) **Events of Default**. The occurrence of any of the following will adversely and substantially affect the interests of Franchisor and will be deemed an Event of Default constituting just cause for exercising any of the remedies set forth herein.

(1) Franchisor may terminate this Agreement upon delivery to Franchisee of Notice as a result of the occurrence of any of the following Events of Default and Franchisee's failure to cure such Event of Default within the cure period described below, if any, and absent a cure period, immediately upon Franchisor's Notice to Franchisee:

(A) Franchisee (or any of its Principals or Affiliates) has made any material misrepresentation or omission in connection with this Agreement that negatively impacts Franchisor;

(B) Franchisee fails to acquire the Premises in accordance with Sections 5(a)-5(c);

(C) Franchisee fails to develop and finish out the Adventure Center in accordance with Section 5(e) (except where such failure to develop is due to a Force Majeure Event, which, with respect to construction, will include delays in obtaining required licenses, permits or certification from a Governmental Authority) and the Standards and fails to cure such default within 30 days after Notice of such Event of Default is delivered to Franchisee;

(D) Franchisee fails to begin operating the Adventure Center as of the Opening Date, or if no Opening Date has been agreed upon, the Opening Deadline and fails to cure such default within 30 days after Notice of such Event of Default is delivered to Franchisee;

(E) Franchisee fails to maintain at all times during the operation of the Adventure Center an Operating Principal and Manager who has completed Initial Training, and fails to cure such default within 30 days after Notice of such Event of Default is delivered to Franchisee;

(F) Franchisee abandons or fails actively to operate the Adventure Center for two or more consecutive calendar days or on any federally recognized United States holiday (except those holidays on which all Escape Hunt Adventure Centers will be closed to the public, as set forth in the Manuals), unless the Adventure Center has been closed for a purpose Franchisor has approved in writing or because of Force Majeure Event;

(G) Franchisee surrenders or transfers Control of the operation of the Adventure Center without Franchisor's prior written consent;

(H) Franchisee (or any of its Principals or Affiliates) is or has been held liable or convicted by a court of law, pleads or has pleaded no contest to, a felony, indictable offense or other unlawful act, engages in any dishonest or unethical conduct or otherwise engages in any act or conduct which Franchisor believes will materially and adversely affect the reputation of the Brand, the Adventure Center, any other Escape Hunt Adventure Center or the goodwill associated with Marks;

(I) Franchisee's misuse or unauthorized use of the Marks, Third Party Brand Marks, Third Party Brand IP or other Intellectual Property, including without limitation Franchisee's misuse or unauthorized use of the Marks or Third Party Brand Marks on its Social Media pages or other Internet site, or registration of a domain name incorporating the Marks or Third Party Brand Marks;

(J) Franchisee (or any of its Principals or Affiliates) makes an unauthorized Transfer pursuant to Section 17;

(K) Franchisee (or any of its Principals or Affiliates) makes any unauthorized use or disclosure of any Confidential Information or uses, duplicates or discloses any portion of the Manuals in violation of this Agreement;

(L) Franchisee, Franchisee's Principals or Operating Principal fails to comply with or perform its covenants, representations and warranties in this Agreement, including without limitation the representations, warranties and covenants set forth in Section 12, the restrictive covenants against competition set forth in Section 18 and the code of conduct set forth in the Manuals;

(M) Franchisee fails to pay any fees or other amounts due hereunder to Franchisor within five days after Notice of nonpayment is delivered to Franchisee;

(N) Franchisee understates Gross Sales or fails to accurately report Gross Sales, and does not correct such failure within three days after Notice of such failure is delivered to Franchisee;

(O) Franchisee violates or receives notice of violation of any order, regulation, Standard or Applicable Law relating to health, sanitation or safety and does not cure such default within 24 hours after Notice of default is delivered to Franchisee;

(P) Franchisee fails to maintain insurance in accordance with Section 15 and does not cure such default within 24 hours after Notice of default is delivered to Franchisee;

(Q) Franchisor has delivered a Notice of termination of another franchise agreement with Franchisee or its Affiliate or an area development agreement with Franchisee or any of its Affiliates (as developer under an area development agreement or franchisee under a franchise agreement) in accordance with its terms and conditions, or Franchisee has terminated a Franchise Agreement without cause;

(R) Franchisee suffers cancellation or termination of the Lease or fails to materially perform or observe any provision of any Lease and to cure such failure within the applicable cure period under such Lease, if any; and

(S) Franchisee fails to pay when due any income, withholding, service, sales or any other applicable taxes due on the Adventure Center's operations, unless it is in good faith contesting its liability for such taxes and has effectively stayed the enforcement of liability for such taxes.

Except as provided in Section 19, Franchisor may terminate this Agreement for failure by Franchisee (or any of its Principals) to comply with any other material provision of this Agreement, including, without limitation, the representations and warranties contained in this Agreement, or any Standard material to operation of the Adventure Center within 30 days after Notice of such Event of Default is delivered to Franchisee.

(2) Termination for Repeated Default. This Agreement will terminate immediately upon delivery of Notice to Franchisee if Franchisee (or any of its Principals) fails on three or more separate occasions within any period of 12 consecutive months materially comply with this Agreement, whether or not such failures are corrected after Notice of such failure is delivered to Franchisee.

(3) Termination for Insolvency. This Agreement will automatically terminate upon any of the following: if any bankruptcy proceeding is commenced by or against Franchisee (or any Affiliate or Principal), the Franchisee makes an assignment for the benefit of creditors or admits in writing its insolvency or inability to pay its debts generally as they become due; Franchisee consents to the appointment of a receiver, trustee or liquidator of all or the substantial part of its

property; the Adventure Center is attached, seized, subjected to a writ or distress warrant or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within 30 days after Notice from Franchisor; or any order appointing a receiver, trustee or liquidator of Franchisee or the Adventure Center is not vacated within 30 days following the entry of such order.

(4) Termination for Violation of Applicable Law. This Agreement will terminate immediately upon delivery of Notice to Franchisee if Franchisee (or any of its Principals or Affiliates) violates any Applicable Law or has any necessary license or certification (including without limitation Franchisee's liquor license) revoked or suspended in whole or in part.

20. **EFFECT OF TERMINATION, EXPIRATION, OR NONRENEWAL.**

Upon expiration or termination of this Agreement:

(a) **Payment of Amounts Owed**. Franchisee will pay to Franchisor within 15 days after the effective date of expiration or termination of this Agreement, or on such later date that the amounts due are determined, such fees, amounts owed for purchases from Franchisor or its Affiliates, Interest due on any of the foregoing and all other amounts owed to Franchisor or its Affiliates which are then unpaid. Any payments received will be in addition to and not in lieu of any other remedies available to Franchisor at law or in equity.

(b) **Marks**. Franchisee may not directly or indirectly at any time or in any manner use any Mark or Third Party Brand Mark, including any use of Marks or Third Party Brand Marks in a derogatory, negative, or other inappropriate manner in any media, including, but not limited to, print or electronic media; use any colorable imitation of a Mark or Third Party Brand Mark in any manner or for any purpose; utilize for any purpose any trade name, trade or service mark or other commercial symbol or other indicia that indicates or suggests a connection or association with Franchisor or the Adventure Center; identify any business as a former Adventure Center; or identify itself as one of Franchisor's licensees or franchisees (except with respect to other Escape Hunt Adventure Centers Franchisee owns and operates under continuing agreements with Franchisor). Franchisee will take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to its use of any Mark and any Third Party Brand Mark. All provisions of this Agreement applicable to the Marks and Third Party Brand Marks will apply to any other trademarks and commercial symbols (including any Third Party Brand IP and Intellectual Property) hereafter authorized for use by and licensed to Franchisee by Franchisor.

(c) **System and Manuals**. Franchisee will immediately cease to use the System (including without limitation the Games) and Confidential Information in any business or otherwise; discontinue all use of the Games, Confidential Information and other Intellectual Property, and return to Franchisor all Confidential Information, including without limitation, copies of the Manuals and any other proprietary or confidential materials that Franchisor has loaned to Franchisee and Franchisee will remove all Escape Hunt Brand Property and promptly return to the Franchisor or destroy all forms and materials containing any Mark or Third Party Brand Mark, in accordance with the Franchisor's instructions;

(d) **Disassociation in Communication Methods**. Franchisee will assign to Franchisor (or its designee) or cancel any electronic mail address, or social media account that associates Franchisee with Franchisor, the Adventure Center, System, or Marks. Franchisee will notify the telephone company and all telephone directory publishers of the expiration or termination of Franchisee's right to use any telephone, telecopy, or other numbers and any telephone directory listings associated with any Mark, authorize the transfer of such numbers and directory listings to Franchisor, or, at Franchisor's direction, instruct the telephone company to forward all calls made to Franchisee's telephone numbers to numbers Franchisor specifies.

(e) **Other De-Identification Obligations**. Franchisee will promptly and at its own cost and expense make such alterations as Franchisor specifies in the Manuals or otherwise to distinguish the Adventure Center clearly from its former appearance and from other Escape Hunt Adventure Centers so as to prevent confusion therewith to the public. Within 30 days from the effective date of expiration or termination of this Agreement, Franchisee will deliver to Franchisor all Escape Hunt Brand Property and all other signs, sign-faces, sign-cabinets, advertising and promotion materials, forms and other materials containing any Mark or Third Party Brand Mark or otherwise identifying or relating to the Adventure Center and allow Franchisor, without liability to Franchisee or third parties, to remove all such items from the Adventure Center. Franchisee will furnish to Franchisor, within 30 days from the effective date of expiration or termination of this Agreement, with evidence satisfactory to Franchisor of its compliance with the foregoing obligations.

(f) **Restrictive Covenants and Continuing Obligations**. Franchisee will comply with the restrictive covenants set forth in this Agreement. Franchisee's (and its Affiliates' and Principals') obligations which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until such obligations are satisfied in full or by their nature expire.

21. FRANCHISOR'S OPTION TO PURCHASE OPERATING ASSETS.

Upon expiration or termination of this Agreement, Franchisor has the option, exercisable by giving written Notice to Franchisee within 60 days from the effective date of expiration or termination, to purchase the Operating Assets according to the Purchase Terms and Conditions set forth in Exhibit G, as may be amended by Franchisor from time to time, including the fee simple or leasehold interest in the Premises (subject to landlord's consent). Franchisor has the unrestricted right to assign this option. If Franchisor does not exercise its option to purchase under this Section 21, Franchisee may sell or lease the Adventure Center Premises to a third-party purchaser, provided that Franchisee's agreement with the purchaser includes a covenant by the purchaser, which is expressly enforceable by Franchisor as a third-party beneficiary, pursuant to which the purchaser agrees, for a period of two years after the expiration or termination of this Agreement, not to use the Premises for the operation of a Competitive Business.

22. INDEMNIFICATION.

FRANCHISEE, ON ITS BEHALF AND ON BEHALF OF ITS AFFILIATES AND PRINCIPALS, WILL INDEMNIFY, DEFEND AND HOLD HARMLESS THE FRANCHISOR INDEMNITEES AGAINST AND REIMBURSE ANY ONE OR MORE OF THE FRANCHISOR INDEMNITEES FOR ANY AND ALL LOSSES and EXPENSES ARISING OUT OR FROM OR RELATED TO, ANY CLAIMS, DIRECTLY OR INDIRECTLY, ARISING OUT OR FROM OR RELATED TO: (A) THE DEVELOPMENT, OPERATION OR CLOSING OF THE ADVENTURE CENTER; (B) ANY BREACH BY FRANCHISEE OR ANY PRINCIPAL OF THIS AGREEMENT, OR FRANCHISEE'S, ANY OF ITS AFFILIATES' OR PRINCIPALS', OPERATING PRINCIPAL'S OR ANY GENERAL MANAGER'S BREACH OF ANY OTHER AGREEMENT WITH FRANCHISOR OR ITS AFFILIATES; (C) THE MARKETING, PROMOTION OR ADVERTISEMENT OF THE ADVENTURE CENTERS OR PRODUCTS OR THE SALE OF ANY PRODUCTS OFFERED BY THE ADVENTURE CENTERS, INCLUDING UNFAIR OR FRAUDULENT ADVERTISING CLAIMS (WHETHER IN PRINT ADVERTISING OR ELECTRONIC MEDIA), AND PRODUCT LIABILITY CLAIMS; AND (D) THE UNAUTHORIZED USE OF ANY THIRD PARTY BRAND MARKS OR THIRD PARTY BRAND IP. FRANCHISOR HAS THE RIGHT, AT ITS OPTION, TO DEFEND ANY SUCH CLAIM AGAINST IT AT FRANCHISEE'S SOLE COST AND EXPENSE. IF FRANCHISEE DEFENDS ANY CLAIM, IT MAY NOT ENTER INTO ANY SETTLEMENT AGREEMENT OR OTHERWISE RESOLVE OR CONCLUDE THE MATTER WITHOUT FRANCHISOR'S PRIOR WRITTEN CONSENT. THIS INDEMNITY WILL CONTINUE IN FULL FORCE AND EFFECT SUBSEQUENT TO, AND NOTWITHSTANDING, THE EXPIRATION OR TERMINATION OF THIS AGREEMENT. UNDER NO CIRCUMSTANCES WILL FRANCHISOR OR ANY OTHER FRANCHISOR INDEMNITEES BE REQUIRED TO SEEK RECOVERY FROM ANY INSURER OR OTHER THIRD PARTY, OR OTHERWISE TO MITIGATE ITS OR FRANCHISEE'S LOSSES AND EXPENSES, IN ORDER TO MAINTAIN AND RECOVER FULLY A CLAIM AGAINST FRANCHISEE. ANY FAILURE TO PURSUE SUCH RECOVERY OR MITIGATE A LOSS WILL IN NO WAY REDUCE OR ALTER THE AMOUNTS RECOVERABLE BY FRANCHISOR OR ANOTHER FRANCHISOR INDEMNITEE FROM FRANCHISEE.

23. INDEPENDENT CONTRACTORS.

(a) **Independent Contractors**. It is understood and agreed by the Parties that this Agreement does not create a fiduciary relationship between them; that Franchisor and Franchisee are and will be independent contractors and that nothing in this Agreement is intended to make either Party a general or special agent, joint venturer, partner or employee of the other for any purpose. Franchisee will conspicuously identify itself in all dealings as the owner of the Adventure Center and the rights granted under the Agreement with Franchisor and will place such notices of independent ownership on such forms, business cards, employment related documents (e.g. employment applications and agreements, paychecks and benefits notice) stationery and advertising and other materials as Franchisor may periodically require. Franchisee must post a prominent sign in the Adventure Center identifying Franchisee as an Escape Hunt franchisee in

a format prescribed by Franchisor, including without limitation an acknowledgment that Franchisee independently owns and operates the Adventure Center, the Marks are owned by Franchisor and that Franchisee's use of such Marks is pursuant to a license issued by Franchisor.

This Agreement (and the relationship of the parties which arises from this Agreement) grants Franchisor the right to make decisions, take actions and/or refrain from taking actions which are not inconsistent with Franchisee's explicit rights and obligations hereunder or under Applicable Law and that may affect favorably or adversely Franchisee's interest. Franchisee acknowledges and agrees that Franchisor may operate and change the System and Franchisor's business in any manner that is not expressly and specifically prohibited by this Agreement or Applicable Law. Whenever Franchisor has reserved in this Agreement a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement or prohibited by Applicable Law, Franchisor may make its decision or exercise its right and/or discretion on the basis of its judgment of what is in its best interests, including its judgment of what is in the best interests of the Escape Hunt franchise network, at the time Franchisor's decision is made, without regard to: (1) whether other reasonable or even arguably preferable alternative decisions or actions could have been made by Franchisor; (2) whether Franchisor's decision or the action it takes promotes its financial or other individual interest; (3) whether Franchisor's decision or the action it takes applies differently to Franchisee and one or more other franchisees; or (4) whether Franchisor's decision or the exercise of its rights is adverse to Franchisee's individual interest or the individual interests of any other particular franchisees. Franchisor will have no liability to Franchisee for any such decision or exercise of its rights.

(b) **No Liability for Acts of Other Party**. Franchisee must not employ any of the Marks in signing any contract or applying for any license or permit, or in a manner (other than the use contemplated hereby) that may result in Franchisor's liability for any of Franchisee's indebtedness or obligations. Except as expressly authorized in writing, neither Franchisor nor Franchisee will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other Party or be obligated by or have any liability under any agreements or representations made by the other Party. Franchisor will not be obligated for any damages to any Person directly or indirectly arising out of the operation of the Adventure Center.

24. FORCE MAJEURE AND CRISIS MANAGEMENT EVENTS.

(a) **Force Majeure**. Neither Franchisor nor Franchisee will be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform obligations results from a Force Majeure Event. Any delay resulting from any Force Majeure Event will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable in the judgment of the Party to whom performance is owed. Franchisee or Franchisor will, within five days of the occurrence of the Force Majeure Event, give a written Notice to the other Party stating the nature of the Force Majeure Event, its anticipated duration and any action being taken to avoid or minimize its effect. Any suspension of performance will be of no greater scope and of no longer duration than is reasonably required; provided, however, if the suspension of performance continues for 90 days from the date of the occurrence and such failure to perform would constitute an Event of Default of this Agreement in the absence of such Force Majeure Event, the Parties will meet and discuss in good faith any amendments to this Agreement to permit Franchisor to exercise its rights under this Agreement. If the Parties are not able to agree on such amendments within 30 days and if suspension of performance continues, Franchisor may terminate this Agreement immediately by giving written Notice to Franchisee or exercise any of the remedies described in Section 20 or otherwise available at law or in equity. In no event will Franchisee's inability to pay amounts due under this Agreement constitute a Force Majeure Event and no Force Majeure Event will operate to excuse Franchisee from the prompt payment of Royalty Fees or any other fee or payment due to Franchisor pursuant to this Agreement.

(b) **Crisis Management Events**. Franchisee must notify Franchisor within 24 hours of the occurrence of any Crisis Management Event by the method periodically specified in the Manuals or otherwise in writing, comply with Franchisor's instructions and fully cooperate with Franchisor's instructions in response to the Crisis Management Event. Failure to notify Franchisor within the required time period is a material breach of this Agreement.

25. GOVERNING LAW; DISPUTE RESOLUTION.

(a) **Non-Binding Mediation**. Non-Binding Mediation. Before any Party may bring an action or commence a proceeding against the other

Party, the Parties must first meet to mediate the dispute (except for controversies, disputes or claims related to or based on improper or unauthorized use of the Marks or breach of the covenants and obligations set forth in Section 18(a) or Section 18(b)) in New York, New York or such other location agreed upon by the Parties. Any such mediation will be non-binding and will be conducted by the International Institute for Conflict Prevention & Resolution in accordance with its then-current rules for mediation of commercial disputes.

Notwithstanding anything to the contrary, this Section 25 will not bar either Party from obtaining injunctive relief pursuant to Section 25(d)(5) against threatened conduct that will cause it to incur Losses and Expenses, under the usual equity rules, including the applicable rules for obtaining restraining orders and injunctions, without having to engage in mediation. In addition, this Section 25(a) will not apply to any claim or dispute relating to Franchisee's failure to make payments for Royalty Fees or other amounts owed to Franchisor under this Agreement. Franchisor and Franchisee will each bear their own costs of mediation, and each will bear one-half the cost of the mediator or mediation service

(b) **Governing Law**. This Agreement will be governed by and interpreted according to the laws (exclusive of the conflicts of laws rules) of the State of New York applicable to contracts entered into in New York, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act), the Copyright Act, and the Patent Act. By agreeing to the application of New York law, the Parties do not intend to make this Agreement or their relationship subject to any franchise, dealership, distributorship, business opportunity, or similar statute, rule, or regulation of the State of New York to which this Agreement or the Parties' relationship otherwise would not be subject. To the extent that this Agreement or the Parties' relationship otherwise would not, but for this New York choice-of-law provision, be subject to such statutes, this Section 25 does not constitute a waiver of any statutory rights or remedies. Franchisee, its Principals and Franchisor acknowledge and agree that the choice of applicable state law set forth in this Section 25(b) provides each of the Parties with the mutual benefit of uniform interpretation of this Agreement and the Parties' relationship created by this Agreement. Franchisee, its Principals and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit, and that each Party's agreement regarding applicable state law has been negotiated in good faith and is part of the benefit of the bargain reflected in this Agreement.

(c) **Arbitration**.

(1) Claims Subject to Arbitration. Subject to Paragraph 25(c)(2), the Parties agree that all controversies, claims, or disputes between Franchisor and Franchisee arising out of or relating to the following (each, an "Arbitrable Claim") will be finally resolved by binding arbitration in accordance with Section 25(c)(4):

(A) this Agreement or any other agreement between Franchisor and Franchisee or any of its Affiliates or Principals;

(B) the relationship between Franchisee and Franchisor;

(C) the scope and validity of this Agreement or any other agreement between Franchisor or its Affiliates and Franchisee or any of its Affiliates or Principals, specifically including all disputes regarding the scope, validity or existence of this arbitration agreement, except that Franchisor and Franchisee intend for the court to address the applicability and scope of the exceptions found in Section 25(c)(2)(a); and/or

(D) the offer or sale of the franchise opportunity.

(2) Exception of Claims Subject to Arbitration. Franchisor and Franchisee recognize and agree that certain claims of Franchisor may not be best suited to determination through arbitration and agree that Franchisor, at its sole option, may bring the following types of claims, cases, disputes and causes of action either in court or in arbitration:

(A) Claims seeking injunctive or other equitable relief to enforce provisions of this Agreement, including, without limitation, claims for infringement of Franchisor's intellectual property, violation of the confidentiality provisions of Section 18(b), or breach of the non-competition provisions of Section 18(a), provided however that non-equitable claims joined with any injunctive claims must be heard separately in arbitration, and that regardless of the forum, any injunctive relief may be given without the necessity of Franchisor posting bond or other security and any such bond or other security is hereby waived; further, Franchisee acknowledges that the termination of any litigation for injunctive or other equitable relief will not bar Franchisor from asserting non-equitable claims in an arbitration involving the same parties or causes of action;

(B) Claims seeking relief of any kind with respect to Franchisee's violation of any health or safety law; and/or

(C) Claims, including claims by an affiliate of Franchisor, seeking recovery or any other remedy based on Franchisee's failure to pay any moneys due under this Agreement, any agreement with an affiliate of Franchisor, or any unpaid invoices owed to an affiliate of Franchisor when due.

(D) For resolution of any claim that is not subject to mandatory arbitration under Section 25(c)(1), such claim will be resolved in the Chosen Forum in accordance with Section 25(d).

(3) No Class Action. No party except Franchisor (including its employees, agents, officers or directors and its parent, subsidiary or affiliated companies) and Franchisee (including where applicable the immediate family members, owners, heirs, executor, successors, assigns, shareholders, partners, and guarantors (as applicable) may join in or become a party to any arbitration proceeding arising under or related to this Agreement or any other agreement between Franchisor and Franchisee, the relationship between Franchisor and Franchisee, the scope and validity of this Agreement or any other agreement between Franchisor and Franchisee, specifically including whether any specific claim is subject to arbitration at all (i.e. arbitrability questions) and/or the offer or sale of the franchise opportunity; and further, the arbitrator will not be authorized to permit any person or entity that is not a Party to this Agreement or identified in this paragraph to be involved in or to participate in any arbitration conducted pursuant to this Agreement. No matter how styled by the party bringing the claim, any claim or dispute is to be arbitrated on an individual basis and not as a class action or representative action and further, no claim may be consolidated or joined. **FRANCHISEE EXPRESSLY WAIVES ANY RIGHT TO ARBITRATE OR LITIGATE AS A CLASS ACTION OR IN A PRIVATE ATTORNEY GENERAL CAPACITY**. Any question regarding the interpretation or enforceability of this prohibition on class-wide or representative arbitration will be resolved by a court of competent jurisdiction, and not the arbitrator

(4) Binding Arbitration in New York, New York. Subject to the provision for temporary injunctive relief pending arbitration contained in Section 25(c)(5), all Arbitrable Claims will be finally resolved by binding arbitration in accordance with the CPR Rules for Non-Administered Arbitration (the "CPR Rules") then currently in effect. All Arbitrable Claims will be decided by one arbitrator chosen from the Panels of Distinguished Neutrals maintained by the International Institute for Conflict Prevention & Resolution ("CPR") in accordance with Rules 5.3 and 6 of the CPR Rules. Unless otherwise agreed in writing, any arbitrator chosen to decide an Arbitrable Claim will be a current or former practicing attorney or judge; have at least ten years of experience in litigation, arbitration, and/or mediation of commercial disputes; and have prior experience as an arbitrator of at least three manufacturer/dealer or franchisor/franchisee disputes. Each Party will be responsible for its own attorneys' fees associated with the arbitration and for such costs as it is liable pursuant to the CPR Rules. The place of arbitration will be New York, New York unless otherwise agreed in writing. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq. (the "FAA"). It is expressly understood and agreed that arbitration proceedings under this Agreement are subject to the confidentiality provisions of Section 18(b) of this Agreement.

(5) Temporary Injunction Relief Pending Arbitration. The Parties to this Agreement understand, acknowledge, and agree that the CPR Rules specifically contemplate the availability of interim measures to preserve the status quo and/or prevent irreparable injury pending arbitration. The Parties expressly understand and agree that the advance notice requirements provided for in this Agreement, with respect to termination or amendment provide sufficient opportunity for a Party challenging any termination or amendment of this Agreement to seek interim measures (including the arbitral equivalent of a temporary restraining order, preliminary injunction, or other equitable relief) in arbitration pursuant to the binding arbitration provisions of Section 25(c)(4). By seeking or obtaining a temporary restraining order, preliminary injunction, or other equitable relief pending arbitration pursuant to the provisions of this Section 25(c)(5), a Party is not relieved of its obligation to have the merits of an Arbitrable Claim decided in accordance with the binding arbitration provisions of Section 25(c)(4).

(6) Enforcement of Arbitration Awards. Judgment upon the award rendered by the arbitrator(s) in any arbitration between the Parties may be entered by any court of competent jurisdiction.

(7) Contingency. If for any reason the binding arbitration provisions of this Agreement are not enforceable, the exclusive forum for resolution of any otherwise Arbitrable Claims will be the United States District Court for the Southern District of New York except that, if the federal court lacks subject matter jurisdiction, the forum will be the State Courts of New

York County, Manhattan Borough. The provisions of this Section 25(c)(7) will not apply to any claim for temporary injunctive relief pending arbitration filed pursuant to Section 25(c)(5) above.

(d) **Consent to Jurisdiction and Venue**. To the extent that this Agreement permits or requires litigation, the Parties hereby irrevocably submit to the exclusive jurisdiction provision of Section 25(c)(7) (the "Chosen Forum"). By execution and delivery of this Agreement, each Party hereby irrevocably waives, to the fullest extent it may effectively do so, any claim that it is not personally subject to the jurisdiction of the Chosen Forum or that the Chosen Forum is not a convenient forum. By execution and delivery of this Agreement, each Party hereby agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action, or proceeding, any claim that it is not personally subject to the jurisdiction of the Chosen Forum or that the Chosen Forum is not a convenient forum. Franchisor and Franchisee agree that a final judgment (as to which all appeals have been exhausted or the time within which such appeals may be made has expired) in any such action or proceeding will be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

(e) **Limitations of Claims**. Any and all claims arising out of or relating to this Agreement or the relationship among the Parties will be barred unless a judicial or arbitration proceeding is commenced within two years from the date on which the Party asserting such claim knew or should have known of the facts giving rise to such claims.

(f) **Limitation on Damages**. Except with respect to: (1) Franchisee's obligation to indemnify Franchisor and its Affiliates pursuant to Section 22; and (2) claims for Franchisee's unauthorized use of the Marks or Third Party Brand Marks or unauthorized use or disclosure of any Confidential Information in Sections 16 and 18, FRANCHISOR AND FRANCHISEE WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, SPECIAL AND CONSEQUENTIAL DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND FRANCHISEE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY DIRECT OR GENERAL DAMAGES THE PARTY SUSTAINS.

(g) **Rights of Parties are Cumulative**. Franchisor's and Franchisee's rights under this Agreement are cumulative, and their exercise or enforcement of any right or remedy under this Agreement will not preclude their exercise or enforcement of any other right or remedy under this Agreement which they are entitled by Applicable Law to enforce.

(h) **Costs and Legal Fees**. If Franchisor incurs expenses in connection with the Franchisee's failure to pay when due any monies owed, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, Franchisee will reimburse Franchisor for any of the costs and expenses which it reasonably incurs, including, without limitation, reasonable accounting, attorneys', arbitrators', and related fees to enforce such provisions of the Agreement.

(i) **WAIVER OF JURY TRIAL**. THE PARTIES HERETO IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM IN CONNECTION WITH ANY MATTER OR DISPUTE OF ANY KIND ARISING UNDER OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY RIGHT OR REMEDY HEREUNDER, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF FRANCHISOR OR FRANCHISEE.

_____
Initials

(j) **Material Inducement for Franchisor**. FRANCHISEE AND ITS PRINCIPALS EACH EXPRESSLY ACKNOWLEDGES AND AGREES THAT THIS SECTION 25 IS ENTERED INTO VOLUNTARILY AND IS NOT THE PRODUCT OF COERCION ON THE PART OF FRANCHISOR. THE BINDING ARBITRATION, CHOICE OF LAW AND FORUM, WAIVER OF PUNITIVE DAMAGES, LIMITATION ON ACTIONS, WAIVER OF CLASS ACTION, AND OTHER PROVISIONS OF THIS SECTION 25 ARE A MATERIAL INDUCEMENT FOR FRANCHISOR TO ENTER INTO THIS AGREEMENT.

26. **NOTICES.**

All Notices required or permitted under this Agreement will be deemed given: (a) when delivered by hand; (b) two days after electronically confirmed transmission by facsimile or electronically confirmed delivery receipt by electronic mail; (c) three days after confirmed delivery if by certified or registered mail, postage prepaid; or (d) upon delivery by a nationally-recognized courier or delivery service. Either Party may specify a different address by notifying the other Party in writing of the different address. The notice address

for each Party is set forth in the Summary Page.

27. **MISCELLANEOUS.**

(a) **Severability; Substitution of Valid Provisions**. Except as expressly provided to the contrary in this Agreement, each section, paragraph, term and provision of this Agreement, and any portion thereof, will be considered severable. If for any reason any part of this Agreement is held to be invalid, that determination will not impair the other parts of this Agreement. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of geographical area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, Franchisee and Franchisor agree that it will be enforced to the fullest extent permissible under Applicable Law and public policy. If any Applicable Law requires a greater prior notice of the termination of or refusal to enter into a successor franchise than is required hereunder, a different standard of "good cause," or the taking of some other action not required hereunder, the prior notice, "good cause" standard and/or other action required by such law will be substituted for the comparable provisions hereof. If any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable under Applicable Law, Franchisor has the right, at Franchisor's sole option, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to make it valid and enforceable.

(b) **Effect of Delay, Waiver, Omission or Forbearance**. No delay, waiver, omission or forbearance by Franchisor to exercise any right, option, duty or power arising out of any breach or default by Franchisee or its Principals under this Agreement will constitute a waiver by Franchisor to enforce any such right, option, duty or power against Franchisee or its Principals, or as to subsequent breach or default by Franchisee or its Principals. Subsequent acceptance by Franchisor of any payments due to it hereunder will not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee or its Principals of any terms, provisions, covenants or conditions of this Agreement.

(c) **Binding Effect**. This Agreement is binding upon the Parties and their respective executors, administrators, heirs, assigns and successors-in-interest and will not be modified except by a written agreement signed by both Franchisee and Franchisor.

(d) **Disclaimer of Warranties**. Each Party hereby acknowledges that neither the other Party nor its agents or representatives have made any promises, representations, guarantees, nor warranties of any nature concerning actual or potential sales or profits of an Adventure Center or that the licensed Adventure Centers to be established and operated by Franchisee hereunder will be successful or profitable. Franchisee and its Principals represent and acknowledge that they are not relying upon any information, promise, representation, guaranty, or warranty by Franchisor in entering into this Agreement other than those set forth in this Agreement (including its exhibits, addenda, and attachments). Franchisee and its Principals expressly waive any claim of negligent misrepresentation or omission. Each Party further represents to the other that it has independently reviewed and evaluated the business to be conducted by Franchisee under this Agreement, and the decision to enter into this Agreement was made solely in reliance upon such independent evaluation.

(e) **Receipt of Disclosure**. The following applies only in the event this Agreement will have effect within a province or territory requiring compliance with pre-sale franchise disclosure law: Franchisee acknowledges that it has received as one document at one time, either personally or by registered mail, a copy of the form of this Agreement, the exhibits hereto, and the applicable complete franchise disclosure document not less than 14 days prior to the earlier of: (i) the date on which this Agreement or any other agreement relating thereto was executed; and (ii) the payment of any consideration by or on behalf of Franchisee relating to this Agreement, and the franchise associated therewith (except, where applicable, any deposit permitted under Applicable Law).

(f) **Entire Agreement**. This Agreement (including its exhibits, addenda, and attachments) constitutes the entire agreement between the Parties, and supersedes any and all prior or contemporaneous negotiations, discussions, understandings, or agreements. There are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in the Franchise Disclosure Document furnished to Franchisee.

(g) **Construction**. The preambles and exhibits are a part of this Agreement. Nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any Person not a party to this Agreement. The singular usage includes the plural and the masculine and neuter usages include the other and the feminine.

(h) **Headings**. The headings of the several sections and paragraphs are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

(i) **Multiple Copies**. This Agreement may be executed in multiple copies, each of which will be deemed an original.

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Franchise Agreement as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
ESCAPE HUNT USA FRANCHISES LTD.	**[_____]**
By:_____	By:_____
Printed Name:_____	Printed Name:_____
Title:_____	Title:_____

EXHIBIT A

ORGANIZATIONAL AND OWNERSHIP INFORMATION

Franchisee is a _____, organized on _____, ___ under the laws of the State of _____. Its Federal Identification Number is _____. It has not conducted business under another name. The following is a list of Franchisee directors and officers as of the Effective Date. Capitalized terms not defined in this Exhibit A have the meanings given in the Franchise Agreement dated _____ between Franchisee and Franchisor.

Name	Position(s) Held

Franchisee represents and warrants to Franchisor that all Equity Interests in Franchisee are disclosed in the Guaranty. Franchisee will disclose to Franchisor such additional information as Franchisor may periodically request concerning all Persons having an Equity Interest in Franchisee. As of the Effective Date:

Name	Mailing Address	% of Equity Interest

EXHIBIT B

GUARANTY AND UNDERTAKING OF OBLIGATIONS

This GUARANTY AND UNDERTAKING OF OBLIGATIONS ("Guaranty") dated _____, 20__ (the "Effective Date") is given to Franchisor, by each of the undersigned as a Principal of Franchisee, in consideration of and as an inducement to the execution of the attached Franchise Agreement, including any exhibits and amendments thereto ("Agreement") by and between Franchisor and Franchisee. Capitalized terms not defined in this Guaranty and Undertaking of Obligations have the meanings given in the Agreement.

Principal hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the Term and afterward as provided in the Agreement, that Franchisee will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement.

Principal represents that each and every representation of Franchisee made in connection with the Agreement is true, correct and complete in all respects as of the time given and as of the time of the undersigned Principal(s)' execution of this Guaranty.

Principal acknowledges that it is included in the term "Principal" as described in Section 1 of the Agreement and without limiting any guarantee of Franchisee's obligations under the Agreement, makes all covenants, representations, warranties and agreements of Principals set forth in the Agreement and is obligated to individually perform thereunder for so long as he or she qualifies as a Principal and thereafter to the extent expressly provided by the terms of the Agreement, including without limitation the representations, warranties and covenants described in the following sections of the Agreement: Section 12 (Representations, Warranties and Covenants), Section 17 (Transferability of Interest), Section 18 (Restrictive Covenants) and Section 22 (Indemnification).

Principal hereby unconditionally agrees to be personally bound by, and personally liable for, the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions, or to engage or refrain from engaging in specific activities.

Principal consents and agrees that it will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so.

Principal consents and agrees that such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other Person and waives any right it may have to require that an action be brought against Franchisee or any other Person as a condition of his or her liability. Principal further waives protest and notice of default, demand for payment or nonperformance or any obligations guaranteed, and any and all other notices and legal or equitable defenses to which Principal may be entitled in its capacity as guarantor.

Principal consents and agrees that such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that Franchisor may periodically grant to Franchisee or to any other Person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the Term.

Principal waives all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty.

This Guaranty and all claims arising from, under or with respect to the relationship between Franchisor and Principal(s) will be interpreted, enforced and governed by the laws of New York (without regard to conflicts of law rules).

Principal further acknowledges and agrees as follows:

(a) he/she has read the terms and conditions of the Agreement and acknowledges that the execution of

this Guaranty is in partial consideration for, and a condition to Franchisor's execution of the Agreement, and Franchisor would not have granted such rights without the execution of this Guaranty by each of the undersigned;

(b) this Guaranty will remain in force notwithstanding the death of the undersigned, and will be binding on the undersigned's personal representatives; and

(c) this Guaranty will continue and will be enforceable notwithstanding any change in the name or the constitution of Franchisor or Franchisee.

Principal represents and warrants that the following is a complete and accurate list of all Principals of Franchisee and a full description of the nature and extent of each Principal's Equity Interest in Franchisee. Franchisee, and Principal as to his or her Equity Interest, represents and warrants that Principal is the sole and exclusive legal and beneficial owner of his or her Equity Interest in Franchisee, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Guaranty.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature as of the Effective Date.

PRINCIPAL:	**EQUITY INTEREST**
By:_____ Printed Name:_____ Title:_____	___%
By:_____ Printed Name:_____ Title:_____	___%
By:_____ Printed Name:_____ Title:_____	___%

EXHIBIT C

OPERATING PRINCIPAL'S CONFIDENTIALITY AND NON-COMPETE AGREEMENT

_____, a _____ ("**Franchisee**"), and on behalf of Franchisor, and _____, an individual having an address at _____ ("**Operating Principal**"), hereby enter into this Agreement, effective as of _____, 20___, the ("**Effective Date**") and agree as follows:

All defined terms used in this Agreement and not otherwise defined will have the meanings set forth below:

1. **DEFINITIONS.**

(a) "**Affiliate**" means, with respect to a named Person, any Person that is controlled by, controlling or under common control with the named Person.

(b) "**Agreement**" means this Operating Principal's Confidentiality and Non-Compete between Agreement between Franchisee and Operating Principal.

(c) "**Authorized Recipients**" means employees of Franchisee or Franchisor with authorization to have the Confidential Information.

(d) "**Competitive Business**" means any and all businesses substantially similar to Escape Hunt Adventure Centers that, as determined by Franchisor, principally offer a participative entertainment experience involving groups of individuals taking part in games involving puzzle solving and ingenuity A Competitive Business does not include: (i) other businesses that are licensed by Franchisor or any of its Affiliates; or (ii) Franchisee's Existing Brands.

(e) "**Confidential Information**" means any and all information, knowledge, know-how, trade secrets, trade dress, methodologies, techniques, procedures, applications and materials, in whatever form, used in or related to the System which Franchisor provides to Franchisee, or which Franchisee or its Affiliates or employees develop or have access to, in connection with this Agreement or the operation of an Adventure Center hereunder, including, without limitation, the Standards; the Manuals; the Games (including the knowledge and specification for the implementation and operation of the Games), and associated materials, supplies, equipment, fixtures, furnishing and services relating to the Games, including any Confidential Information relating to any Third Party Brand Licensors; Franchisor's or its Affiliate's product sourcing, pricing, manufacturing, inventory management and control, supply and distribution; technology, point of sale and related computer software; advertising, marketing and promotional programs including gift card, loyalty and customer reward programs; Customer Data; financial data and statements; training and operational methodology, content (including without limitation inventory and financial controls) and management programs; and any other information or data regarding the business of Franchisor or any of its Affiliates that would reasonably be considered the proprietary or confidential information of Franchisor or its Affiliates.

(f) "**Franchisee**" means _____.

(g) "**Franchisor**" means Escape Hunt USA Franchises Ltd.

(h) "**Operating Principal**" means _____.

(i) "**Franchise Agreement**" means the Escape Hunt Franchise Agreement between Franchisor and Franchisee.

(j) "**Manuals**" means Franchisor's operations and training manuals, and any other written directives related to the System, in whatever form and provided in whatever manner, as the same may be periodically amended and revised by Franchisor at its sole option, including the Standards, all bulletins, supplements and ancillary and additional manuals and directives established by Franchisor from time to time.

(k) "**Person**" means any natural person or entity.

(l) "**Purpose**" means the Employee serving as a management employee for Franchisee's Adventure Center.

(m) "**Adventure Center**" means an Escape Hunt Adventure Center.

(n) "**Standards**" means the standards, requirements, specifications, techniques, methods, policies and procedures of the System and Brand and for the development and operation of the Adventure Centers, as set forth in the Manuals or otherwise specified by Franchisor in writing and as may be amended by Franchisor from time to time.

(o) "**System**" means the business system for establishing and operating the Adventure Centers, the distinguishing characteristics of which include, without limitation, distinctive exterior and interior design, decor, color scheme, furnishings and equipment; the Standards; the Games (including training, operational methods, marketing, promotion and Brand positioning for the Games and the terms and conditions of Franchisee's license to use the Third Party Brand Marks and Third Party Brand IP related to the Brand Games and Super Brand Games); quality and uniformity of products and services offered; procedures for product sourcing, inventory, management, logistics, pricing; training and assistance; and marketing, advertising and promotional programs; all of which may be changed, improved and further developed by Franchisor from time to time.

2. **CONFIDENTIAL INFORMATION.**

In connection with your employment with Franchisee, a franchisee of Franchisor, and your position as Operating Principal of the Adventure Center under the Franchise Agreement, you may be provided with or have access to various confidential, proprietary, and/or non-public information of Franchisor, including but not limited to the Confidential Information. It is important to Franchisee and Franchisor that you maintain all Confidential Information in confidence and that you do not disclose, or allow any others to disclose, any Confidential Information to any persons who, at the time of disclosure, are not Authorized Recipients. By signing this Agreement you agree to use the Confidential Information solely for purposes of your employment with Franchisee and agree not to directly or indirectly disclose any Confidential Information, during or following your employment with Franchisee, to anyone except Authorized Recipients or as required to be disclosed by applicable law.

During your employment with Franchisee you may have access to, or be provided with, documents or other materials that constitute Confidential Information, and you acknowledge that information included as Confidential Information may be in the form of hard copy documents, electronic documents or files or information stored in or on any other media. By signing this Agreement you agree that Franchisor is the sole and exclusive owner of all such Confidential Information regardless of its form and, upon termination or cessation of your employment with Franchisee for any reason, you will immediately return to Franchisee all of the Confidential Information you may have, and you will retain no copies (whether in hard copy, electronic or other form) of any Confidential Information.

3. **COMPETITION.**

(a) For so long as you are Franchisee's Operating Principal under the Franchise Agreement and for a period of two years from the date you cease to be Franchisee's Operating Principal, you will not, either directly or indirectly, individually or through, on behalf of, or in conjunction with any other person:

i. Own, maintain, operate, be employed by, engage in, franchise, lease property to, advise, help, make loans to, or have any interest in, either directly or indirectly, any Competitive Business;

ii. Divert or attempt to divert any actual or prospective business or customer of the Adventure Center to any Competitive Business, by direct or indirect inducement or otherwise; or

iii. Perform, directly, any or indirectly, any other act injurious to or prejudicial to the goodwill associated with the Marks and the System.

The above covenants apply exclusively in the United States of America during the time that you serve as Operating Principal for the Adventure Center and within ten miles of any then-existing Escape Hunt Adventure Center during the 2-year period following the date you cease to be Operating Principal of the Adventure Center.

If all or any portion of this Agreement is held unreasonable or unenforceable by a tribunal, court or agency having valid jurisdiction in an unappealed final decision to which Franchisee is a party, you agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by applicable law. If any portion of the restrictions contained in this Agreement are held to be unreasonable, arbitrary or against public policy by any tribunal, court or agency having valid jurisdiction, then the restrictions will be considered divisible, both as to time and to the geographical area, with each month or the specified period being deemed a separate period of time and each radius mile of the restricted territory being deemed a separate geographical area, so that the lesser period of time or geographical area will remain effective and may be enforced against you so long as the same is not unreasonable, arbitrary, or against public policy. If you violate any of the covenants contained herein, and if any court, tribunal or agency action is instituted by Franchisee to prevent or enjoin such violation, then the period of time during which the covenants of this Agreement apply will be lengthened by a period of time equal to the period between the date of the breach of the terms or covenants contained in this Agreement and the date on which the decree of the disposition of the tribunal, court or agency having valid jurisdiction of the issues upon the merits will become final and not subject to further appeal.

You acknowledge that the geographical and time limitations contained in this Agreement are reasonable and properly required for the adequate protection of the Confidential Information, including Franchisor's trade secrets. You acknowledge that Franchisee will provide to you training and Confidential Information in reliance upon the covenants contained in this Agreement.

Without limiting any provision of this Agreement, you and Franchisee recognize and agree that Franchisor is a third party beneficiary of this Agreement, and at all times during and after your employment with Franchisee Franchisor will have the independent right to enforce the terms of this Agreement.

You also recognize and agree that your employment by Franchisee is "at will", which means that it may be terminated by Franchisee or you at any time and with or without cause.

This Agreement and all claims arising from, under or with respect to the relationship between Franchisee and you will be interpreted, enforced and governed by the laws of New York (without regard to conflicts of law rules). Any dispute arising out of or under this Agreement not settled by agreement will be submitted to arbitration in accordance with the terms of the Franchise Agreement.

As evidenced by your signature below, you hereby acknowledge that you have carefully read this Agreement completely and understand and agree to all of the terms set forth above, and that Franchisee has provided you with a copy for your records.

FRANCHISEE:

[_____]
a [_____]

By:_____

Name:_____

Title:_____

OPERATING PRINCIPAL:

By:_____

Name:_____

EXHIBIT D

ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

Franchisee: _____

Principal Name: _____ Phone: _____

Contact Person: _____ Title: _____

Address: _____

Franchisee hereby authorizes Escape Hunt USA Franchises Ltd. ("Franchisor") to initiate entries to the checking or savings account identified below for payment of Royalty Fees and any other amounts owed by Franchisee to Franchisor or its Affiliates under the Escape Hunt Franchise Agreement between Franchisor and Franchisee and, if necessary, to initiate any adjustments for transactions credited in error. These disbursements are related to the operation of a franchised business and the amount of each disbursement will vary month to month.

This authorization will remain in full force and effect until Franchisor has received signed written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor a reasonable opportunity to act on it. Termination of this authorization may result in your Franchise Agreement being terminated unless an alternate means of disbursement acceptable to Franchisor is provided.

Name and Address on Account:	_____
	_____
	_____
Pay to the order of:	_____
Franchisee's Financial Institution:	_____
(Name, Address & Phone #)	_____
	_____
Transit/ABA Routing Number:	_____
Account Number:	_____
PLEASE ATTACH A VOIDED CHECK	

Signature: _____ Date: _____

Printed Name: _____

EXHIBIT E

ADDENDUM TO LEASE

SUMMARY PAGE
ADDENDUM TO LEASE

Addendum Date: _____
Landlord: _____
Tenant: _____
Premises: _____
Lease Execution Date: _____
Tenant Notice Address: _____
_____
_____
_____

ADDENDUM TO LEASE

This Addendum to Lease (this "Addendum") is executed as of the date indicated on the Summary Page, by and between Tenant and Landlord as an addendum to the lease (as amended, renewed, and/or extended from time to time, "the Lease") for the Premises as of the Lease Execution Date.

RECITALS

WHEREAS, Tenant has executed or intends to execute a Franchise Agreement (the "Franchise Agreement") with Escape Hunt USA Franchises Ltd. ("Franchisor") for the operation of a Escape Hunt Adventure Center (the "Adventure Center") at the Premises, and as a requirement thereof, the Lease for the Premises must include the provisions contained in this Addendum.

NOW THEREFORE, in consideration of mutual covenants set forth herein, the execution and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. The Lease authorizes Tenant to use the Premises only for the operation of the Adventure Center unless and until the Franchise Agreement terminates or expires without renewal or replacement with a successor agreement between Franchisor and Tenant.

2. Landlord consents to Tenant's use and display of such proprietary marks (the "Marks") and signs, décor items, color schemes, plans, specifications and related components of the Escape Hunt Adventure Center chain (the "System") as Franchisor has prescribed in the common identity standards/décor plan furnished to Landlord, and may in the future prescribe, for the Adventure Center. Landlord agrees not to unreasonably withhold, delay or condition consent or approval of any future changes to the Premises required by Franchisor to conform to changes in the System and the Marks. Landlord will maintain the structural portions of any monument or pylon signage in good condition and will illuminate them daily from dusk to the time Tenant closes it Adventure Center for the day. Tenant will have a first priority right to install its sign panels on the Premises pylon sign.

3. Tenant will receive up to ten parking spaces in the immediate vicinity of the Adventure Center for the exclusive use of its customers.

4. Landlord agrees to send Franchisor conformed, legible copies of any and all letters and notices sent to Tenant pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant at the address on the Summary Page.

5. In the event of Tenant's default under the Lease, Franchisor may, but has no obligation to, cure the default. Franchisor will make this determination within 30 days after Franchisor receives notice of the Lease default from Landlord. If Franchisor elects to cure the default, Franchisor will cure the default within 30 days of such election or, if the default cannot be reasonably cured within such 30-day period, then Franchisor will commence and diligently act to cure the default within such time as is reasonably necessary to cure the default.

6. Franchisor will have the right, and Landlord consents to allow Franchisor, its personnel and/or agents to enter the Premises to make any reasonable modification or alternation necessary to protect the Adventure Center, the System and the Marks (including without limitation to de-identify the Premises as an Escape Hunt Adventure Center following the expiration or termination of the Franchise Agreement) or to cure any default under the Franchise Agreement, or under the Lease, without civil or criminal liability for such entry and action that would otherwise be a tort or subject Franchisor or its personnel or agents to criminal prosecution.

7. If Franchisor notifies Landlord of the termination of the Franchise Agreement, Franchisor has the option, but not the obligation, upon written notice to Landlord to:

   (a) Operate the Escape Hunt Adventure Center at the Premises (notwithstanding any removal or eviction of Tenant) on a month-to-month basis for a period not to exceed six months following the

date of termination of the Franchise Agreement is effective (the "Interim Operating Period"), and during such Interim Operating Period, Franchisor will pay to Landlord the amounts due to Landlord pursuant to the terms and conditions of the Lease; or

(b) At any time within or at the conclusion of the Interim Operating Period, enter into a new lease agreement containing terms, conditions, covenants and obligations at least as favorable as the terms, conditions, covenants and obligations set forth in the Lease. Franchisor will not be a party to the Lease and until such time as Franchisor and Landlord enter into a new lease agreement as set forth in this Section 7(b), Franchisor will have no liability under the Lease except with respect to payments of amounts owed to Landlord during the Interim Operating Period as set forth in Section 7(a) above.

Landlord acknowledges and agrees that Franchisor may assign its rights under this Section 7 to its Affiliate upon prior written notice to Landlord.

8. Landlord consents to such assignment to Franchisor or is Affiliate ("Interim Tenant") in advance and agrees not to impose or assess any assignment fee or similar charge, increase or accelerate rent, cease any rent abatement, reduction or rebate granted to Tenant, or demand repayment of improvement costs or advances, under the Lease or any other agreement if and when such assignment occurs, or require Interim Tenant to pay any rent or other financial obligation of Tenant to Landlord arising prior to the assignment. Landlord agrees to look solely to the Tenant and its guarantors for any rents or other financial obligations owed to Landlord arising prior to such assignment. Landlord and Tenant acknowledge that neither Franchisor nor Interim Tenant is a party to the Lease and neither will have any liability under the Lease, unless and until the Lease is assigned to, and assumed by Franchisor or Interim Tenant, as applicable.

9. Notwithstanding anything contained in this Addendum to Lease and in the Lease, Interim Tenant is expressly authorized, without the consent of the Landlord, to sublet the Leased Premises to an authorized System franchisee, provided such subletting is specifically subject to the terms of the Lease and further provided the franchisee expressly assumes in writing all obligations of the Lease. Franchisor agrees to notify Landlord as to the name of the franchisee within 10 days after such subletting.

10. Tenant will not assign or sublet the Lease or renew or extend the Lease's term without the prior written consent of Franchisor.

11. Landlord and Tenant will not amend or otherwise modify the Lease in any manner that could materially affect any of the above requirements without the prior written consent of Franchisor.

12. This Addendum will supersede any conflicting terms of the Lease.

13. Landlord acknowledges that any landlord's lien or security interest arising under or from the Lease will not apply to any operations manuals, software, scripts, videos or other tangible or intangible personal property of Tenant furnished by Franchisor or any supplier to Tenant under a use restriction, obligation of confidentiality or under license, and to any signage, printed materials, merchandise or other tangible media, goods, inventory and supplies bearing the Marks. At termination of the Lease, Franchisor will arrange for recovery and removal of such items as provided in the Franchise Agreement.

14. Under the Franchise Agreement, any lease for the Premises of an Escape Hunt Adventure Center is subject to Franchisor's approval. Accordingly, the Lease is contingent upon such approval.

[*Remainder of page intentionally left blank.*]

WITNESS the execution hereof as of the date stated above.

LANDLORD:

By: _____
Name (printed): _____
Title: _____

TENANT:

By: _____
Name (printed): _____
Title: _____

EXHIBIT F

DESIGNATED AREA AND PREMISES

1. As stated in Sections 2(a) and 2(d) of the Agreement, subject to the terms and conditions of the Agreement, the initial Designated Area in which Franchisee will locate and operate the Adventure Center is defined as follows:

_____
_____
_____

The Designated Area is considered fixed as of the Effective Date.

2. The Premises for the Adventure Center as set forth in Sections 2(a)-(b) of the Agreement is as follows: _____. Upon the Parties' execution of this Exhibit F, Franchisee's Designated Area will be modified for the remainder of the Term in accordance with Section 2(d) of the Agreement. *See* Map of Premises attached to this Exhibit F, as Attachment G-1.

3. The Opening Date for the Adventure Center as set forth in Section 5(b) is as follows: _____.

4. In accordance with the restrictive covenants in Section 18(a) and the definition of Competitive Business in Section 1 the following Existing Brands operated by Franchisee are deemed excluded from Competitive Business: _____
_____

Franchisor hereby approves the continued operation of the above-named brands existing as of the Effective Date and acknowledges that Franchisee may continue to develop additional units of the above-named existing brands within the Designated Area during the Term of the Agreement without any obligation to Franchisor.

FRANCHISOR:	**FRANCHISEE:**
ESCAPE HUNT USA FRANCHISES LTD.	**[_____]**
By:_____	By:_____
Printed Name:_____	Printed Name:_____
Title:_____	Title:_____

ATTACHMENT F-1
TO DESIGNATED AREA AND PREMISES

MAP OF PREMISES

EXHIBIT G

PURCHASE TERMS AND CONDITIONS

If Franchisor exercises its option to purchase under Section 21 of the Agreement following expiration or termination of the Agreement or in the event of the sale of a Controlling Interest in or substantially all of the assets of Franchisee or its parent company pursuant to Section 17(a), Franchisor will purchase the Operating Assets only (in the case of termination of the Agreement) or the Adventure Center (in the case of expiration of the Agreement or a sale pursuant to Section 17(a)) for a mutually agreed purchase price, and if not agreed, for fair market value (as determined below). Franchisor will assume no liabilities, unless otherwise agreed in writing by the Parties. Franchisor has the unrestricted right to assign this option. Capitalized terms not defined in this Exhibit G have the meanings given in the Agreement.

I. Valuation by Independent Appraisal.

Valuation of the Operating Assets or Adventure Center, as applicable, will be determined by three independent appraisers (each of whom must, at a minimum, satisfy Franchisor's criteria for appraisal and valuation firms as set forth in the Standards) in accordance with the valuation procedures above. Each of the Franchisor and Franchisee may select an appraiser, and the two appraisers will appoint the third appraiser within 15 days from the date on which the last of the two Party-appointed appraisers was appointed. Franchisor and Franchisee will bear the fee, cost and expense of their own appraisers and share equally the fees, cost and expenses of the third appraiser. The appraisers must agree to complete their appraisal within 30 days from the date of the third appraiser's appointment. If the two appraisers are unable to agree on a third appraiser, the fair market value will be determined by the two appraisers and the average of their determinations will be binding.

II. Offset of Purchase Price.

Franchisor may offset against the purchase price any amounts owed by Franchisee to Franchisor pursuant to the Agreement and any other amounts owed by Franchisee or its Affiliate pursuant to any other agreement with Franchisor or its Affiliate. In addition, to the extent the Operating Assets or Adventure Center, as applicable, have not been upgraded, modified or improved in accordance with Franchisor's Standards as set forth in Sections 7(c), 8(b), 8(c) and 11(c), Franchisor may offset against the purchase price amounts incurred by Franchisor in completing such upgrades, modifications and improvements to the Operating Assets or Adventure Center.

III. Occupancy of Premises.

Leasehold Rights. If Franchisee occupies the Premises pursuant to a Lease, Franchisee will and will cause any Principal or Affiliate to assign the Lease to Franchisor or its designee (subject to landlord's consent). If the Premises is leased from a landlord other than a Principal or Affiliate, on Franchisor's request, Franchisee will assign the Lease to Franchisor or its designee or enter into a sublease with Franchisor or its designee for the remainder of the Lease term on the same terms (including renewal options) as the Lease (subject to landlord's consent). Franchisor acknowledges that this obligation may be subject to approval or consent by any third-party landlord. Franchisee will exert its best efforts to secure any required consent from any third-party landlord to cause the Lease to be assigned or a sublease granted to Franchisor.

If Franchisee owns the Premises, Franchisor, at its option, will upon purchase of the Operating Assets or the Adventure Center as described in Section I and Section II above, enter into a standard lease with Franchisee on terms comparable to those for which similar commercial properties in the Designated Area are then being leased. The initial term of the lease with Franchisee will be at least ten years with two options to renew of five years each, and the rent will be the fair market rental value of the Premises. If Franchisee and Franchisor cannot agree on the fair market rental value of the Premises, then appraisers (selected in the manner described in Section III above) will determine such rental value, as applicable.

IV. Closing.

Franchisor will be entitled to all customary warranties and representations in connection with the purchase of the Operating Assets or Adventure Center, as applicable, including, without limitation, representations and warranties as to ownership and condition of and title to assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise. The purchase price will be paid in cash and is due at closing; provided, that Franchisor will have the right to set off from the purchase price (i) all fees due from Franchisee for any appraisal conducted hereunder, (ii) all amounts due from Franchisee to Franchisor or any of its Affiliates, and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees). The closing will take place not later than 45 days from the date of determination of the purchase price in writing by the appraisers unless the Parties otherwise agree in writing. At the closing, Franchisee will deliver to Franchisor:

A. instruments transferring good and merchantable title to the Operating Assets or Adventure Center purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor), with all sales and other transfer taxes paid by Franchisee (provided, if Franchisee cannot deliver clear title to all of the purchased assets, the closing of the sale will be accomplished through an escrow);

B. instruments transferring all approvals, licenses (including without limitation liquor licenses) and/or permits of the Adventure Center which may be assigned or transferred, with appropriate consents, if required;

C. instruments transferring fee simple or leasehold interest in the Premises and improvements thereon, subject to any necessary approvals from third-party landlords or financial institutions or banks; and

D. general releases, in form satisfactory to Franchisor, from Franchisee and its Principals, of any and all claims against Franchisor, its Affiliates, and its officers, directors, employees, agents, successors and assigns.

EXHIBIT H

INSURANCE REQUIREMENTS

The insurance requirements described below are for a single Adventure Center. If Franchisee owns multiple Adventure Centers, Franchisee must meet the insurance requirements below for each Adventure Center and "per Adventure Center location" aggregate limits when multiple Adventure Centers are insured under single comprehensive general liability policy. Franchisor recommends that Franchisee maintain workplace safety and risk management programs at Franchisee's Adventure Center. All insurance policies must be issued by a responsible carrier or carriers that has received and maintains an A.M. Best Rating of A+" or better and an A.M. Best Class Rating of VII (or comparable ratings from a reputable insurance rating service, in the event such A.M. Best ratings are discontinued or materially altered), and otherwise approved by Franchisor; include a waiver of subrogation provision or endorsement in favor of Franchisor Indemnitees; be primary and non-contributory to any other insurance that any of Franchisor Indemnitees for as procured for themselves; provide for 30 days' prior written Notice to Franchisor of any material modification, cancellation, or expiration of such policy. Such endorsements must not contain language that limits the liability afforded to Franchisor and its Affiliates to any amount less than stated on the declarations page of each policy. No insurance policy will contain a provision that in any way limits or reduces coverage for Franchisee in the event of a claim by Franchisor Indemnitees. Such insurance coverage will not include an insured versus insured exclusion or any exclusion that prevents coverage of a claim by one insured against another. All insurance coverage will include a separation of insureds provision. Capitalized terms not defined in this Exhibit H have the meanings set forth in the Agreement.

A. Commercial General Liability. The commercial general liability policy will be written on an occurrence basis and will include coverage for products/completed operations on the Adventure Center premises through ISO form CG 24 07 or equivalent coverage and must not include an exclusion or sublimit for assault and battery. The commercial general liability policy will have a minimum per occurrence liability limit of $1,000,000 and a general aggregate liability limit of $2,000,000. The commercial general liability policy will also have the following endorsements: the additional insured coverage for us and our affiliates and their respective principals, directors, officers, employees, agents, successors and assignees (collectively, the "Franchisor Indemnitees") will include premises-operations, contractual liability, independent contractors, and products and completed operations. The additional insured coverage will not be limited to our vicarious liability, and will include coverage for liability arising out of or occurring upon or in connection with the condition, operation, use or occupancy of the Adventure Center.

B. Crime (inside/outside) and Employee Dishonesty Insurance: Crime (moneys and securities) inside/outside coverage will have a minimum per occurrence liability limit of $100,000 for inside crime and a minimum per occurrence liability limit of $100,000 for outside crime. Employee dishonesty coverage will have a minimum per occurrence liability limit of $100,000.

C. Worker's Compensation Insurance. Worker's compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation for injured workers satisfactory to us, provided that you (i) maintain insurance coverage that provides at least $1,000,000 in excess indemnity limits covering employer's liability, indemnity and medical expenses for on the job accidents acceptable to us; and (ii) conducts and maintains a risk management and safety program for your employees as you deem appropriate.

D. Building and personal property insurance coverage: Property coverage for physical loss or damage to personal property and real property including leasehold improvements, at each Adventure Center location. The policy will include all risk replacement cost property insurance for your Adventure Center and its contents, including without limitation awnings, equipment, signs, glass, additions under construction, outdoor fixtures, personal property, as well as business interruption insurance for income loss for at least 12 months and Royalty Fees due under your Franchise Agreement for the applicable Adventure Center, equipment breakdown, business ordinance, debris removal, preservation of property, fire department service charges, pollutant clean up and removal, newly acquired or constructed property, property of others, property off premises, and stock. This policy will include us as a loss payee for equipment and supplies financed by us either by a loan, line of credit, or an open account.

E. Umbrella liability insurance. Umbrella coverage over the above described general commercial liability, automobile liability and employer's liability insurance policies listed above and provide coverage at least as

broad as these underlying policies. Such coverage will be written on a per occurrence basis. If you operate five or less Adventure Centers, the policy must provide coverage of at least a $5,000,000 per occurrence limit and $5,000,000 aggregate limit. If you operate six to ten Adventure Centers, the policy must provide coverage of at least $10,000,000 per occurrence limit and $10,000,000 aggregate limit. The umbrella liability insurance will also have the following endorsements: the additional insured coverage for Franchisor Indemnitees will not be limited to our vicarious liability, and will include coverage for liability arising out of or occurring upon or in connection with the condition, operation, use or occupancy of the franchised business.

F. Employment Practices Liability Insurance. Employment practices liability insurance ("EPLI") coverage with coverage limits of at least $2,000,000. The policy must include coverage for third party claims. In addition, the policy must have a sublimit for defense costs relating to wage and hour claims. In the event that an additional insured endorsement is not available, you will have a vicarious liability endorsement protecting Franchisor Indemnitees.

G. Data Privacy/Cyber Liability Insurance. Data privacy/cyber liability insurance coverage will have coverage limits of at least $2,000,000 and include first party loss (forensics investigation, notification, credit monitoring, loss of business income, crisis management) and third party coverage. The additional insured coverage for Franchisor Indemnitees will not be limited to our vicarious liability, and will include coverage for liability arising out of the operations of the Adventure Center.

H. Insurance Required Under Applicable Law. Any insurance which may be required by statute or rule of the state or locality in which your Adventure Center will be operated.

I. Deductibles. The insurance coverages described above may not have any deductible, self-insured retention, self-funded retention, or any similar provision unless prior written consent is given by Franchisor. Should consent be given by Franchisor for a deductible or similar provision to be included for any required insurance coverage, the deductible or other similar provision amount may not exceed $25,000. The coinsurance percentage will not be less than 80%.

J. Within 30 days after the execution of the lease for the Adventure Center and, thereafter, at least 30 days prior to the expiration of any such policy, you will deliver to us certificates of insurance indicating the contracted for insurance coverages as well as the description of special provisions (e.g. additional named insured status). All policies must name Franchisor Indemnitees as additional insureds, include a waiver of subrogation provision or endorsement in favor of Franchisor Indemnitees; be primary and non-contributory to any other insurance that any of Franchisor Indemnitees has procured itself; provide for 30 days' prior written notice to us of any material modification, cancellation, or expiration of such policy; and include such other provisions as we may require from time to time. You will also provide a binder, declarations page, or confirmation of insurance, describing and confirming the coverages afforded by the required policies described above upon request.

Additional Insureds: Franchisor and its Affiliates and each of their officers, directors, shareholders, partners and members.

EXHIBIT I

STATE RIDERS

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN CALIFORNIA

THIS RIDER is made and entered into by and between ESCAPE HUNT USA FRANCHISES LTD. ("we," "us," or "our"), and _____, a _____ ("you" or "your").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the franchise offer or sales activity relating to the Franchise Agreement occurred, and the Escape Hunt Adventure Center you will operate under the Franchise Agreement will be located, in California, or (b) you are a resident of, and will operate your Escape Hunt Adventure Center in, California.

2. **INITIAL FRANCHISE FEE**. The following language is added at the end of Section 4(a) of the Franchise Agreement:

> Despite the payment provisions above, we will defer your payment of the initial franchise fee until we have fulfilled all our initial obligations to you under this Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the Adventure Center for business.

3. **ENFORCEMENT.** The following language is added as new Section 28 of the Franchise Agreement:

> No disclaimer, questionnaire, clause, or statement signed by a franchisee or prospective franchisee in connection with the commencement of the franchise relationship shall alone be construed or interpreted as a waiver of any claim of fraud in the inducement, whether common law (unless allowed by existing common law) or statutory, or as alone disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting at the direction of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:	**FRANCHISEE:**
ESCAPE HUNT USA FRANCHISES LTD.	[_____]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN HAWAII

THIS RIDER is made and entered into by and between ESCAPE HUNT USA FRANCHISES LTD. ("we," "us," or "our"), and _____, a _____ ("you" or "your").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the franchise offer or sales activity relating to the Franchise Agreement occurred in Hawaii, or (b) you are a resident of Hawaii.

2. **INITIAL FRANCHISE FEE**. The following language is added at the end of Section 4(a) of the Franchise Agreement:

> Despite the payment provisions above, we will defer your payment of the initial franchise fee until we have fulfilled all our initial obligations to you under this Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the Adventure Center for business.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:	**FRANCHISEE:**
ESCAPE HUNT USA FRANCHISES LTD.	[_____]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER is made and entered into by and between ESCAPE HUNT USA FRANCHISES LTD. ("we," "us," or "our"), and _____, a _____ ("you" or "your").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the franchise offer or sales activity relating to the Franchise Agreement occurred, and the Escape Hunt Adventure Center you will operate under the Franchise Agreement will be located, in Illinois, or (b) you are a resident of Illinois.

2. **INITIAL FRANCHISE FEE**. The following language is added at the end of Section 4(a) of the Franchise Agreement:

> The Illinois Attorney General's Office requires us to defer payment of the Initial Franchise Fee and other initial payments owed by you to us until we have completed our pre-opening obligations under this Agreement and the Adventure Center has commenced doing business. This deferral requirement has been imposed because of our financial condition.

3. **GOVERNING LAW**. Section 25(b) of the Franchise Agreement is deleted and replaced with the following:

> Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs this Agreement.

4. **CONSENT TO JURISDICTION**. Section 25(d) of the Franchise Agreement is deleted and replaced with the following:

> In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

5. **LIMITATIONS OF CLAIMS/WAIVER OF JURY TRIAL**. The following language is added at the end of Sections 25(f) and 25(i) of the Franchise Agreement:

> HOWEVER, THIS WAIVER SHALL NOT APPLY TO THE EXTENT PROHIBITED BY SECTION 705/41 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT OF 1987 OR ILLINOIS REGULATIONS AT SECTION 260.609.

6. **ILLINOIS FRANCHISE DISCLOSURE ACT**. The following language is added as a new Section 28 of the Franchise Agreement:

> 28. **ILLINOIS FRANCHISE DISCLOSURE ACT**. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void. However, that Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any provision of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

For info about obtaining a liquor license in Illinois, see: https://www.illinois.gov/ilcc/pages/forms-and-applications.aspx

For info about obtaining TIPS certification in Illinois, see: https://www.tipscertified.com/tips-strate-pages/Illinois/

See: the Liquor Control Act of 1934, 235 ILCS 5/ (West 2016) for Illinois Dram Shop laws

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:	**FRANCHISEE:**
ESCAPE HUNT USA FRANCHISES LTD.	[_____]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MARYLAND

THIS RIDER is made and entered into by and between ESCAPE HUNT USA FRANCHISES LTD. ("we," "us," or "our"), and _____, a _____ ("you" or "your").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of Maryland, or (b) the Escape Hunt Adventure Center you will operate under the Franchise Agreement will be located in Maryland.

2. **RELEASES**. The following language is added at the end of Sections 3(b)(7) and 18(c)(3) of the Franchise Agreement:

> ; provided, however, that such general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. **INITIAL FRANCHISE FEE**. The following language is added at the end of Section 4(a) of the Franchise Agreement:

> Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all fees and payments owed by you shall be deferred until we complete our pre-opening obligations under this Agreement and the Adventure Center is opened.

4. **GOVERNING LAW** The following language is added to the end of Section 25(b) of the Franchise Agreement:

> However, to the extent required by applicable law, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **CONSENT TO JURISDICTION**. The following language is added at the end of Section 25(d) of the Franchise Agreement:

> Notwithstanding the foregoing, and subject to your arbitration obligations, you may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **LIMITATION OF CLAIMS**. The following sentence is added to the end of Section 25€ of the Franchise Agreement:

> , except that any and all claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:	**FRANCHISEE:**
ESCAPE HUNT USA FRANCHISES LTD.	[_____]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA

THIS RIDER is made and entered into by and between ESCAPE HUNT USA FRANCHISES LTD. ("we," "us," or "our"), and _____, a _____ ("you" or "your").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Escape Hunt Adventure Center you will operate under the Franchise Agreement will be located in Minnesota, or (b) any of the franchise offer or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **RELEASES**. The following language is added at the end of Sections 3(b)(7) and 18(c)(7) of the Franchise Agreement:

> However, any release required as a condition of renewal, sale, and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law with respect to claims arising under Minn. Rule 2860.4400D.

3. **INITIAL FRANCHISE FEE**. The following language is added at the end of Section 4(a) of the Franchise Agreement:

> Despite the payment provisions above, we will defer your payment of the initial franchise fee until we have fulfilled all our initial obligations to you under this Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the Adventure Center for business.

4. **PROTECTION OF MARKS.** The following language is added to the end of Section 16 of the Franchise Agreement:

> We will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

5. **TERMINATION**. The following language is added at the end of Section 20(a) of the Franchise Agreement:

> However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

6. **GOVERNING LAW**. The following language is added at the end of Section 25(b) of the Franchise Agreement:

> Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum, or remedies that the laws of the jurisdiction provide.

7. **CONSENT TO JURISDICTION**. The following language is added at the end of Section 25(d) of the Franchise Agreement:

> Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes

Chapter 80C or your rights to any procedure, forum, or remedies that the laws of the jurisdiction provide.

8. **LIMITATIONS OF CLAIMS/WAIVER OF JURY TRIAL**. If and then only to the extent required by the Minnesota Franchises Law, Sections 25(f) and 25(i) of the Franchise Agreement are deleted in their entirety.

9. **LIMITATION OF CLAIMS**. The following sentence is added to the end of Section 25.E of the Franchise Agreement:

Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than three (3) years after the cause of action accrues.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:	**FRANCHISEE:**
ESCAPE HUNT USA FRANCHISES LTD.	[_____]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN NEW YORK

THIS RIDER is made and entered into by and between ESCAPE HUNT USA FRANCHISES LTD. ("we," "us," or "our"), and _____, a _____ ("you" or "your").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of the State of New York and the Escape Hunt Adventure Center you will operate under the Franchise Agreement will be located in New York, or (b) any of the franchise offer or sales activity occurred in New York.

2. **RELEASES**. The following language is added to the end of Sections 3(b)(7) and 18(c)(7) of the Franchise Agreement:

> Notwithstanding the foregoing, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

3. **TRANSFER BY US**. The following language is added to the end of Section 18(a) the Franchise Agreement:

> However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **TERMINATION BY YOU**. The following language is added to the end of Section 20 of the Franchise Agreement:

> You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **GOVERNING LAW/CONSENT TO JURISDICTION**. The following language is added at the end of Sections 25(b) and 25(d) of the Franchise Agreement:

> However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

6. **LIMITATION OF CLAIMS**. The following sentence is added to the end of Section 25(e) of the Franchise Agreement:

> To the extent required by Article 33 of the General Business Law of the State of New York, all rights and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:	**FRANCHISEE:**
ESCAPE HUNT USA FRANCHISES LTD.	[_____]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA

THIS RIDER is made and entered into by and between ESCAPE HUNT USA FRANCHISES LTD. ("we," "us," or "our"), and _____, a _____ ("you" or "your").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of North Dakota, and the Escape Hunt Adventure Center you will operate under the Franchise Agreement will be located in North Dakota, or (b) any of the franchise offer or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **RELEASES**. The following language is added at the end of Sections 3(b)(7) and 18(c)(7) of the Franchise Agreement:

> Any release executed will not apply to the extent otherwise prohibited by applicable law with respect to claims arising under the North Dakota Franchise Investment Law.

3. **INITIAL FRANCHISE FEE**. The following language is added to the end of Section 4(a) of the Franchise Agreement:

> Based on our financial condition, the North Dakota Securities Commissioner has required a financial assurance. Therefore, the Initial Franchise Fee owed by you to us shall be deferred until we have met our pre-opening obligations to you and your Adventure Center opens for business under this Agreement.

4. **COVENANT NOT TO COMPETE**. Section 19(a) of the Franchise Agreement is amended by adding the following:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. However, you acknowledge and agree that we intend to seek enforcement of these provisions to the extent allowed under the law.

5. **ARBITRATION**. The following is added to the end of Section 25(c)(4) of the Franchise Agreement:

> However, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration proceedings will be held at a site to which we and you agree.

6. **GOVERNING LAW**. The following language is added at the end of Section 25(b) of the Franchise Agreement:

> Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will apply to this Agreement.

7. **CONSENT TO JURISDICTION**. The following language is added at the end of Section 25(d) of the Franchise Agreement:

> However, to the extent required by applicable law, but subject to your arbitration obligations, you may bring an action in North Dakota.

8. **WAIVER OF PUNITIVE AND EXEMPLARY DAMAGES AND JURY TRIAL**. If and then only to the extent required by the North Dakota Franchise Investment Law, Sections 25(f) and 25(i) of the Franchise

Agreement are deleted in their entirety.

9. **LIMITATION OF CLAIMS**. The following sentence is added to the end of Section 25(e) of the Franchise Agreement:

> The statutes of limitations under North Dakota law apply with respect to claims arising under the North Dakota Franchise Investment Law.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:	**FRANCHISEE:**
ESCAPE HUNT USA FRANCHISES LTD.	[_____]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND

THIS RIDER is made and entered into by and between ESCAPE HUNT USA FRANCHISES LTD. ("we," "us," or "our"), and _____, a _____ ("you" or "your").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of Rhode Island and the Escape Hunt Adventure Center you will operate under the Franchise Agreement will be located in Rhode Island, or (b) any of the franchise offer or sales activity occurred in Rhode Island.

2. **GOVERNING LAW/CONSENT TO JURISDICTION**. The following language is added at the end of Sections 25(b) and 25(d) of the Franchise Agreement:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider, to be effective as of the date set forth next to our signature below.

FRANCHISOR:	**FRANCHISEE:**
ESCAPE HUNT USA FRANCHISES LTD.	[_____]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN SOUTH DAKOTA

THIS RIDER is made and entered into by and between ESCAPE HUNT USA FRANCHISES LTD. ("we," "us," or "our"), and _____, a _____ ("you" or "your").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Escape Hunt Adventure Center that you will operate under the Franchise Agreement was made in South Dakota, and/or (b) you are a resident of South Dakota and the Escape Hunt Adventure Center will be located in South Dakota.

2. **INITIAL FRANCHISE FEE**. The following language is added at the end of Section 4(a) of the Franchise Agreement:

> Despite the payment provisions above, we will defer your payment of the initial franchise fee until we have fulfilled all our initial obligations to you under this Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the Adventure Center for business.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:	**FRANCHISEE:**
ESCAPE HUNT USA FRANCHISES LTD.	[_____]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT, FRANCHISEE DISCLOSURE QUESTIONNAIRE, AND RELATED AGREEMENTS

THIS ADDENDUM is made and entered into by and between ESCAPE HUNT USA FRANCHISES LTD. ("we," "us," or "our"), and _____, a _____ ("you" or "your").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) you are domiciled in Washington, or (b) the Escape Hunt Adventure Center you will operate under the Franchise Agreement will be located or operated in Washington, or (c) any of the franchise offer or sales activity occurred in Washington.

2. **INITIAL FRANCHISE FEE**. The following language is added to the end of Section 4(a) of the Franchise Agreement:

> Despite the payment provisions above, we will defer your payment of the initial franchise fee due under this Agreement until we have fulfilled all of our initial obligations to you under this Agreement and you have commenced doing business. You must pay us the full initial franchise fee on the day you open your Escape Hunt Adventure Center for business.

3. **TERMINATION**. The following language is added to the end of Section 19 of the Franchise Agreement:

> The grounds for termination are subject to state law.

4. **LIMITATION OF CLAIMS**. The following sentence is added to the end of Section 25(e) of the Franchise Agreement:

> We will not enforce this provision to the extent prohibited by the Washington Franchise Investment Protection Act.

5. **DISCLAIMER OF WARRANTIES.** Section 27(d) of the Franchise Agreement is amended to read as follows:

> Each Party represents to the other that it has independently reviewed and evaluated the business to be conducted by Franchisee under this Agreement, and the decision to enter into this Agreement was made solely in reliance upon such independent evaluation.

6. **WASHINGTON LAW**. The following paragraphs are added to the end of the Franchise Agreement:

> In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
>
> RCW 19.100.180 may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise.
>
> In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, you may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum, to be effective as of the date set forth next to our signature below.

FRANCHISOR:	**FRANCHISEE:**
ESCAPE HUNT USA FRANCHISES LTD.	[_____]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT D

TO THE FRANCHISE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISEES

Florida

Coral Pines Entertainment, LLC
Escape Hunt Miami
226 E. Flagler Street
Miami, FL 33131
(786) 577-0990

Texas

GOX Houston, LLC
Escape Hunt Houston
125 W. Gray St., #100
Houston, TX 77019
(346) 240-9111

EXHIBIT E

TO THE FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

None.

EXHIBIT F

TO THE FRANCHISE DISCLOSURE DOCUMENT

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NEED TO CONTACT US?

☞ support@escapehunt.com ✆ +44 207 846 3322

Escape Hunt Plc © 2020

EXHIBIT G

TO THE FRANCHISE DISCLOSURE DOCUMENT

ADDITIONAL STATE-SPECIFIC DISCLOSURES TO FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM TO
ESCAPE HUNT USA FRANCHISES LTD
FRANCHISE DISCLOSURE DOCUMENT

The following are additional disclosures for the Escape Hunt USA Franchises Ltd. Franchise Disclosure Document required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

CALIFORNIA

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of California.

1. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

   THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT 14 DAYS PRIOR TO THE EXECUTION OF ANY AGREEMENT.

   OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

   THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA, SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

2. Item 1, Additional Disclosure. The following statement is added to Item 1:

   You must comply with the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations, Title 4 for the sale of alcoholic beverages.

3. Item 3, Additional Disclosure. The following statement is added to Item 3:

   Neither we nor any person listed in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the

Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq*., suspending or expelling such parties from membership in such association or exchange.

4. Item 5 and Item 7, Additional Disclosures. The following language is added as the last paragraph of Items 5 and 7:

   Despite the payment provisions above, we will defer your payment of the initial franchise fee due under the Franchise Agreement and, when applicable, the development fee due to us under an Area Development Agreement until we have fulfilled all of our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the full initial franchise fee on the day you open the Adventure Center for business. When applicable, we will defer the payment of the development fee due under the Area Development Agreement on a prorated basis (i.e., per Escape Hunt Adventure Center) until such time as each Escape Hunt Adventure Center opens for business.

5. Item 16, Additional Disclosure. The following statement is added to Item 16:

   The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. As long as this represents the law of the State of California, we will not interpret the Franchise Agreement as permitting or requiring maximum price limits.

6. Item 17, Additional Disclosures. The following statements are added to Item 17:

   California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of the franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

   The Franchise Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.).*

   The Franchise Agreement provides for application of the laws of New York. This provision may not be enforceable under California law.

   The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

   The Franchise Agreement contains liquidated damages clauses. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

   Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

   Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act)

to any provisions of the Franchise Agreement and Area Development Agreement restricting venue to a forum outside the State of California.

You must sign a general release when you execute the Franchise Agreement and the Area Development Agreement (if applicable) and if you transfer your franchise or development rights (if applicable) or execute a successor Franchise Agreement or Area Development Agreement. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

HAWAII

1. Item 5 is amended to include the following language:

Despite the payment provisions above, we will defer your payment of the initial franchise fee due under the Franchise Agreement and, when applicable, the development fee due to us under an Area Development Agreement until we have completed our pre-opening obligations under the Franchise Agreement and your Adventure Center opens for business. You must pay us the full initial franchise fee on the day you open the Adventure Center for business. When applicable, we will defer the payment of the development fee due under the Area Development Agreement until such time as your first Escape Hunt Adventure Center opens for business.

ILLINOIS

1. The following paragraph is added at the end of Item 5 of the Franchise Disclosure Document:

The Illinois Attorney General's Office requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor (including the development fee) until the franchisor has completed its pre-opening obligations under the franchise agreement and the Business has commenced doing business. This deferral requirement has been imposed because of our financial condition.

2. Item 17, Additional Disclosures. The following statements are added to Item 17:

Illinois law governs the franchise agreements.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction and venue in a forum outside of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois**.**

Franchisees rights upon termination and non-renewal are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

For info about obtaining a liquor license in Illinois, see: https://www.illinois.gov/ilcc/pages/forms-and-applications.aspx

For info about obtaining TIPS certification in Illinois, see: https://www.tipscertified.com/tips-strate-pages/Illinois/

See: the Liquor Control Act of 1934, 235 ILCS 5/ (West 2016) for Illinois Dram Shop laws

MARYLAND

1. Item 5 and Item 7, Additional Disclosures. The following language is added to Items 5 and 7:

Despite the payment provisions above, we will defer your payment of the initial franchise fee due under the Franchise Agreement and, when applicable, the development fee due to us under an Area Development Agreement until we have completed our pre-opening obligations under the Franchise Agreement and your Adventure Center opens for business. You must pay us the full initial franchise fee on the day you open the Adventure Center for business. When applicable, we will defer the payment of the development fee due under the Area Development Agreement until such time as your first Escape Hunt Adventure Center opens for business.

2. Item 17, Additional Disclosures. The following statements are added to Item 17:

The franchise agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law.

Any provisions requiring you to sign a general release of claims against us, including upon execution of the Franchise Agreement, Area Development Agreement or a successor franchise agreement or transfer, does not release any claim you may have under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Each provision of these Additional Disclosures will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently and without reference to these Additional Disclosures.

MINNESOTA

2. Item 5 is amended to include the following language:

Despite the payment provisions above, we will defer your payment of the initial franchise fee due under the Franchise Agreement and, when applicable, the development fee due to us under an Area Development Agreement until we have completed our pre-opening obligations under the Franchise Agreement and your Adventure Center opens for business. You must pay us the full initial franchise fee on the day you open the Adventure Center for business. When applicable, we will defer the payment of the development fee due under the Area Development Agreement until such time as your first Escape Hunt Adventure Center opens for business.

3. The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Minnesota:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, injunctive relief, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, Subdivisions 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement.

No release language set forth in the Franchise Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the state of Minnesota.

Pursuant to Minnesota Statutes, Section 80C.12, Subdivision 1(g), the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that the franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of franchisor's name.

We will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Investment Law are met independently without reference to these Additional Disclosures.

NEW YORK

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of New York:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT

1. Item 3 of the Franchise Disclosure Document is amended by adding the following language to such Item:

   Neither we, our parent, predecessor, affiliate, nor any person identified in Item 2, or an affiliate offering franchises of this Disclosure Document:

   a. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

   b. Has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

   c. Has been convicted of felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement,

fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

d. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting license of as a real estate broker or sales agent.

2. Item 4 of the Franchise Disclosure Document is amended by adding the following language to such Item.

   Other than as disclosed in Item 4 of the Franchise Disclosure Document, neither we, our Parent, our Predecessors, Affiliates or officers, nor any of the people identified in Item 2 of this Franchise Disclosure Document during the 10-year period immediately before the date of the franchise disclosure document: (i) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (ii) obtained discharge of its debts under the bankruptcy code; or (iii) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.

3. Item 5 of the Franchise Disclosure Document is amended by adding the following paragraph at the end of the Item:

   The initial franchise fee and the development fee paid are not used for any specific purpose.

4. Item 17(c) and 17(m) of the Franchise Disclosure Document are amended by adding the following language:

   However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

   Item 17(d) of the Franchise Disclosure Document is amended by adding the following language:

The franchisee may terminate the agreement on any grounds available by law.

5. Item 17(j) of the Franchise Disclosure Document is amended by adding the following language:

   However, an assignment will not be made except to an assignee who in good faith and judgment of Escape Hunt is willing and financially able to assume Escape Hunts' obligations under the Franchise Agreement.

6. Items 17(v) and 17(w) of the Franchise Disclosure Document are amended by adding the following language:

   The foregoing Choice of Law should not be considered a waiver of any right conferred upon the franchisee or Escape Hunt by Article 33 of the General Business Law of the State of New York.

THE FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT.

NORTH DAKOTA

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of North Dakota:

1. Item 5 is amended to include the following language:

   Based on our financial condition, the North Dakota Securities Commissioner has required a financial assurance. Therefore, all initial fees owed by you to us will be deferred until we have completed our pre-opening obligations under the Franchise Agreement and your Adventure Center opens for business. In addition, all development fees will be deferred until your first Adventure Center opens for business under the Development Agreement.

2. The "Summary" sections of Items 17(c) and 17(m) are amended by adding the following:

   However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. The "Summary" section of Item 17(i) is amended by adding the following:

   The Commissioner has determined termination or liquidated damages to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. However, we and you agree to enforce these provisions to the extent the law allows.

4. The "Summary" section of Item 17(r) is amended by adding the following:

Covenants not to compete such as those mentioned above generally are considered unenforceable in North Dakota. However, we will seek to enforce them to the extent enforceable.

5. The "Summary" section of Item 17(u) is amended by adding the following:

However, if required by the North Dakota Franchise Investment Law (unless preempted by the Federal Arbitration Act), we and you will arbitrate at a site to which the parties mutually agree.

6. The "Summary" section of Item 17(v) is amended by adding the following:

To the extent required by the North Dakota Franchise Investment Law, but subject to your arbitration obligations, you may bring an action in North Dakota.

7. The "Summary" section of Item 17(w) is amended by adding the following:

Except for federal law, North Dakota law applies.

To the extent these Additional Disclosures are inconsistent with any terms or conditions of the Franchise Agreement or Area Development Agreement or any exhibits attached thereto, or the Disclosure Document, the terms of these Additional Disclosures will control.

SOUTH DAKOTA

Item 5 is amended to include the following language:

Despite the payment provisions above, we will defer your payment of the initial franchise fee due under the Franchise Agreement and, when applicable, the development fee due to us under an Area Development Agreement until we have completed our pre-opening obligations under the Franchise Agreement and your Adventure Center opens for business. You must pay us the full initial franchise fee on the day you open the Adventure Center for business. When applicable, we will defer the payment of the development fee due under the Area Development Agreement until such time as your first Escape Hunt Adventure Center opens for business.

RHODE ISLAND

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Rhode Island:

1. Item 17 of the Franchise Disclosure Document shall be amended in the State of Rhode Island by adding the following statement applicable to Franchisees in Rhode Island:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: "A provision in a franchise agreement restricting jurisdiction or venue to a forum

outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

VIRGINIA

1. The "Summary" section of Item 17(h) in the Franchise Agreement chart in the Franchise Disclosure Document is amended by adding the following:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any rights given to him under the franchise. If any provision of the franchise agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

1. The following language is added as the last paragraph of Items 5 and 7:

Despite the payment provisions above, we will defer your payment of the initial franchise fee due under the Franchise Agreement and, when applicable, the development fee due to us under an Area Development Agreement until we have fulfilled all of our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the full initial franchise fee on the day you open the Adventure Center for business. When applicable, we will defer the payment of the development fee due under the Area Development Agreement on a prorated basis (i.e., per Escape Hunt Adventure Center) until such time as each Escape Hunt Adventure Center opens for business.

2. The following paragraphs are added to the end of Item 17:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

EXHIBIT H

TO THE FRANCHISE DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

FORM OF GENERAL RELEASE

THIS GENERAL RELEASE ("Release") is executed on _____ by _____ ("**[Developer/Franchisee]**") and _____ ("Guarantors") as a condition of (1) transfer or renewal of the Area Development Agreement dated _____ ("Development Agreement") between Developer and Escape Hunt Franchises, Ltd. ("Franchisor"); and/or (2) transfer or renewal of the Franchise Agreement dated _____ ("Franchise Agreement") between Franchisee and Franchisor.

1. Release by Developer/Franchisee and Guarantors. [Developer/Franchisee] and Guarantors, on behalf of themselves and their successors, heirs, personal representatives, executors, administrators, personal representatives, agents, contractors, assigns, partners, shareholders, members, directors, officers, members, principals, employees, parents, subsidiaries, and affiliated entities,(collectively "Releasors") freely and without any influence forever release Franchisor, its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively, the "Released Parties"), from any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively "Claims"), that Releasors ever owned or held, now own or hold or may in the future own or hold, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, claims for contribution, indemnity and/or subrogation, and claims arising out of, or relating to the [**Development/Franchise**] Agreement and all other agreements between Franchisee and/or any Guarantor and any Released Parties, arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law.

2. Risk of Changed Facts. [Developer/Franchisee] and Guarantors understand that the facts in respect of which the Release in Section 1 above is given may turn out to be different from the facts now known or believed by them to be true. **[Developer/Franchisee**] and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that the Release shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. No Prior Assignment. [Developer/Franchisee] and Guarantors represent and warrant that the Releasors are the sole owners of all Claims and rights released hereunder and that Releasors have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1 above.

4. Convenant Not to Sue. [Developer/Franchisee] and Guarantors, on behalf of themselves and Releasors, covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 above with respect to any Claim released under Section 1 above.

5. Complete Defense. [Developer/Franchisee] and Guarantors: (i) acknowledge that this Release shall be a complete defense to any Claim released under Section 1 above; and (ii) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. Successors and Assigns. This Release will inure to the benefit of and bind the successor, assigns, heirs and personal representatives of Franchisor and each Releasor.

ATTEST:	**DEVELOPER/FRANCHISEE:**
_____	_____
Print Name: _____	Print Name: _____
	Title: _____
	Date: _____
WITNESS:	**GUARANTOR:**
_____	_____
Print Name: _____	Print Name: _____
	Date: _____
WITNESS:	**GUARANTOR:**
_____	_____
Print Name: _____	Print Name: _____
	Date: _____

[This Release will be modified as necessary for consistency with any state law regulating franchising.]

*****

If the Escape Hunt Adventure Center that you will operate is located in Washington or if you are a resident of Washington, the following shall apply:

Claims arising from the Franchise Investment Protection Act of Washington, Chapter 19.100 RCW, and the rules adopted thereunder, are not waived in accordance with RCW 19.100.220.

EXHIBIT I

TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

ESCAPE HUNT FRANCHISES LTD. SUMMARY OF ACKNOWLEDGMENTS AND FRANCHISEE QUESTIONNAIRE

Franchisee:_____

State of Formation:_____

Address of Principal Place of Business:_____

Franchisee's Representative:_____

Residence Address of Representative:_____

As you know, Escape Hunt Franchises, Ltd. ("Franchisor") and the Franchisee ("You") are preparing to enter into a Franchise Agreement for the operation of an Escape Hunt Adventure Center (the "Franchise"). The purpose of this Summary of Acknowledgments and Franchise Questionnaire is to determine whether any statements or promises were made to you that Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question.

Indicate your acknowledgment and agreement with each of the following statements by initialing each and signing below:

_____ The Franchisee is a domiciliary of the State of _____ and is not a domiciliary of any other state.

_____ The location of the franchised business is:
_____

_____ You received and reviewed Franchisor's Franchise Disclosure Document ("FDD") dated _____ (issuance date)

_____ You received the FDD at least 14 calendar days before execution of the Franchise Agreement and any other agreement with Franchisor or its Affiliate at least 14 calendar days before making any payment for the franchise.

Date of Receipt:_____

_____ You signed a Receipt for the FDD indicating the date You received it.

_____ You understand the information contained in the FDD.

_____ You received and personally reviewed the Franchise Agreement and each exhibit attached to it.

_____ You received a copy of the Franchise Agreement with all material blanks fully completed.

Date of Receipt:_____

_____ You understand your financial and other obligations under the Franchise Agreement.

_____ You have discussed the economic and business risks of owning and operating the Franchise with an attorney, accountant or other professional advisor.

_____ You understand the economic and business risks associated with operating the Franchise.

_____ You understand that You must satisfactorily complete the initial training before Franchisor will allow your Franchise to open, or otherwise before Franchisor will consent to a transfer of your Franchise.

_____ You understand that the success or failure of the Franchise will depend in large part upon your skills and abilities, business acumen, the location, the local market for products under our trademarks, the local competition, interest rates, the economy, inflation, the number of employees You hire and their compensation and other economic and business factors. You further acknowledge that the economic and business factors that exist at the time of opening of the Franchise may change.

_____ No employee or other person speaking on behalf of Franchisor made any statement or promise to You or anyone else regarding the amount of money You may earn in operating the Franchise that is contrary to, or different from, the information contained in the FDD.

_____ No employee or other person speaking on behalf of Franchisor made any statement or promise to You or anyone else concerning the total revenues the Franchise may generate that is contrary to, or different from, the information contained in the FDD.

_____ No employee or other person speaking on behalf of Franchisor made any statement or promise to You or anyone else regarding the costs involved in operating the Franchise that are contrary to, or different from, the information contained in the FDD.

_____ No employee or other person speaking on behalf of Franchisor made any statement or promise to You or anyone else concerning the actual, average or projected profits or earnings or the likelihood of success that You should or might expect to achieve from operating the Franchise that is contrary to, or different from, the information contained in the FDD.

_____ No employee or other person speaking on behalf of Franchisor made any statement or promise to You or anyone else, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance relating to the Franchise that is contrary to, or different from, the information contained in the FDD.

_____ You understand that You have not been granted any territorial rights other than as specifically set forth in the Franchise Agreement.

_____ You understand Franchisor or other Franchisee operated Adventure Centers may operate near your Adventure Center so long as they are outside of any geographically defined radius restriction or protected territory specifically defined in your Agreement.

_____ You understand that Franchisor and its affiliates retain the right to engage, directly or through others, in the production, distribution or sale of products and services under the Franchisor's name, under systems other than the system pursuant to which your Adventure Center is operated, and that these other methods of distribution may compete with your Adventure Center.

_____ You acknowledge that the license granted in the Franchise Agreement is for the right to operate a franchise at the Designated Area only and, other than expressly set forth in writing in the Franchise Agreement, includes no exclusive area or protected area and the Franchisor and its affiliates have the right to issue franchises or operate company operated Adventure Centers at locations near the Designated Area.

If you did not acknowledge or agree to any question please provide a full explanation in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have acknowledged and agreed to each of the foregoing questions, please leave the following lines blank.

_____

_____

_____

_____

Which of our representatives/employees have You worked with during the franchise sales process? _____

Have all of your questions been answered? _____ Yes _____ No

You understand that your answers are important to us and we will rely on them.

By signing this Summary of Acknowledgments and Franchisee Questionnaire, you are representing that you have responded truthfully to the above questions. This Questionnaire cannot be signed and dated the same day as the Receipt but must be signed and dated the same date you sign your Franchise Agreement and remit your Franchise Fee.

_____

Name of Franchise Applicant

Dated: _____

[**NAME OF FRANCHISEE]**

By: _____

Name: _____

Title: _____

Dated: _____

EXHIBIT J

TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS
FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There also may be additional agents appointed in some of the states listed.

CALIFORNIA

Commissioner of Department of Financial Protection & Innovation
Department of Financial Protection & Innovation
Toll Free: 1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013-2344
(213) 576-7500

Sacramento

2101 Arena Boulevard
Sacramento, California 95834
(866) 275-2677

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 525-4233

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104-4428
(415) 972-8559

HAWAII

(for service of process)

Commissioner of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

(for other matters)

Commissioner of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

(state agency)

Indiana Secretary of State
Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

(for service of process)

Maryland Securities Commissioner
at the Office of Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(state agency)

Office of the Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
(517) 335-7567

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

NEW YORK

(for service of process)

Attention: New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

(Administrator)

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8236

NORTH DAKOTA

(for service of process)

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue, Suite 414
Bismarck, North Dakota 58505
(701) 328-4712

(state agency)

North Dakota Securities Department
600 East Boulevard Avenue, Suite 414
Bismarck, North Dakota 58505
(701) 328-2910

OREGON

Oregon Division of Financial Regulation
350 Winter Street NE, Suite 410
Salem, Oregon 97301
(503) 378-4140

RHODE ISLAND

Securities Division
Department of Business Regulations
1511 Pontiac Avenue
John O. Pastore Complex-Building 69-1
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(for service of process)

Clerk, State Corporation Commission
1300 East Main Street
First Floor
Richmond, Virginia 23219
(804) 371-9733

(for other matters)

State Corporation Commission
Division of Securities and Retail Franchising
Tyler Building, 9th Floor
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

(for service of process)

Director Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501
(360) 902-8760

(for other matters)

Department of Financial Institutions
Securities Division
P. O. Box 9033
Olympia, Washington 98501-9033
(360) 902-8760

WISCONSIN

(for service of process)

Administrator, Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-2139

(state administrator)

Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-9555

NEW YORK REPRESENTATIONS PAGE

FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

STATE EFFECTIVE DATES

The following states have franchise laws that 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	September 6, 2022
Indiana	September 2, 2022
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	September 2, 2022
Virginia	Pending
Washington	Pending
Wisconsin	September 2, 2022

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

ITEM 23
RECEIPTS

This disclosure document summarizes certain provisions of the franchise agreement, area development agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Escape Hunt USA Franchises, Ltd. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

Applicable state laws in (a) Michigan requires that we provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale and (b) New York and Rhode Island require us to provide you the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Escape Hunt USA Franchises, Ltd. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in Attachment A to this disclosure document).

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Richard Harpham	Belmont House, Station Way, Crawley RH10 1JA., United Kingdom	+44 (0) 20 7846 3322
Andrew Jacobs	Belmont House, Station Way, Crawley RH10 1JA., United Kingdom	+44 (0) 20 7846 3322
Todd Treml	3212 Rice Street, St. Paul, Minnesota 55126	(612) 306-6775
Jake Halbert	3212 Rice Street, St. Paul, Minnesota 55126	(612) 306-6775
Julian Wagner	3212 Rice Street, St. Paul, Minnesota 55126	(612) 306-6775

Issuance Date: August 1, 2022

I received a disclosure document dated August 1, 2022. The disclosure document included the following Exhibits and Attachments:

Exhibit A Financial Statements
Exhibit B Area Development Agreement, including Exhibits and Appendices
Exhibit C Franchise Agreement, including Exhibits and Appendices
Exhibit D List of Current Franchisees
Exhibit E Franchisees Who Have Left the System
Exhibit F Manual Table of Contents
Exhibit G Additional State-Specific Disclosures to Franchise Disclosure Document
Exhibit H Form of General Release
Exhibit I Franchisee Disclosure Questionnaire
Exhibit J List of State Administrators and Agents for Service of Process

Dated:_____

_____
Individually and as an Officer

_____
Printed Name

of_____
(a_____Corporation)
(a_____Partnership)
(a_____Limited Liability Company)

[Keep this page for your records]

Receipt

RECEIPT

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Dated:_____

_____
Individually and as an Officer

_____
Printed Name

of_____
(a_____Corporation)
(a_____Partnership)
(a_____Limited Liability Company)

[Sign and return this page]

Receipt