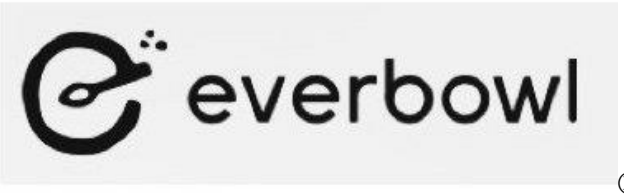
FRANCHISE DISCLOSURE DOCUMENT



®

Everbowl Franchise, LLC
a California limited liability company
1300 Specialty Drive, #100
Vista, California 92081
Phone: (760) 330-9001
franchise@everbowl.com
www.everbowl.com

The franchise is the right to develop, own and operate a single store that specializes in the retail sale of health food bowls, smoothies, toppings, beverages and other related products under the everbowl® brand. The total investment necessary to begin operation of an everbowl store ranges from $133,899 to $356,843. This includes $92,999 to $145,343 that must be paid to the franchisor and/or its affiliates.

On your request, the franchisor may allow you to sign an area development agreement under which you will agree to purchase multiple franchises. When you sign an area development agreement, you must pay the franchisor a development fee equal to $15,000 multiplied by the number of franchises you agree to acquire, less one. While the franchisor and you may agree to deviate from it, the franchisor's standard area development program requires that you commit to acquiring 3 franchises, in which case, the development fee would be $30,000, all of which must be paid to the franchisor. The development fee represents the total investment necessary to become an area developer under the area development agreement.

This Disclosure Document summarizes certain provisions of your franchise agreement, area development agreement, and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 Erik Hansen at 1300 Specialty Dr., #100, Vista, CA 92081 and (760) 330-9001.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an 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. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at *www.ftc.gov* for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: April 26, 2022; **as amended November 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 Exhibit D.
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 E 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 Everbowl 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 Everbowl franchisee?	Item 20 or Exhibit D lists 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 A.

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 and area development agreement require you to resolve disputes with us by arbitration or litigation in California. Out of state arbitration and litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate and litigate with us in California than in your own state.

2. **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 in a system with a longer operating history.

3. **Estimated Initial Investment.** The franchisee will be required to make an estimated initial investment ranging from $133,899 to $356,843. This amount exceeds the franchisor's stockholders' equity as of December 31, 2021 which is $776,019.

4. **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.

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

6. **Supplier Control**. You must purchase all or nearly all of the inventory & supplies necessary to operate your business from Franchisor, its affiliate, or from suppliers that Franchisor designates at prices that the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.

7. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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 APPLY TO TRANSACTIONS GOVERNED BY MICHIGAN FRANCHISE INVESTMENT LAW ONLY

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.

(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 the Michigan Franchise Investment Act. This shall 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 shall 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 shall 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 shall 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 shall, 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 ENDORSEMENT 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
Telephone Number: (517) 373-7117

Note: Despite subparagraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions. You acknowledge that we will seek to enforce this section as written.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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ITEM 1
FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this franchise disclosure document (this "Disclosure Document"), we use the terms "Franchisor" or "we" to refer to the franchisor, Everbowl Franchise, LLC. When we refer to our affiliates, we will refer to them using the names outlined below. "You" means the person or entity that buys the franchise. If you are a corporation, partnership, limited liability company or other entity, certain provisions of the Franchise Agreement (defined below) and related agreements will also apply to your owners.

Franchisor

We are a California limited liability company formed on September 20, 2018. Our principal place of business is 1300 Specialty Drive, #100, Vista, CA 92081. Our principal telephone number is (760) 330-9001. We do business under our corporate name and under the name "everbowl®." We were formed to serve as the franchisor of Everbowl®-branded superfood-based bowl and smoothie stores (each, an "Everbowl Store"). We have been selling franchises for Everbowl Stores since December 2019. In April 2021, we began offering franchises for the establishment of area representative businesses that solicit and screen prospective franchisees for the Everbowl Stores and provide certain services to Everbowl franchisees on our behalf. The area representative franchises are offered via a separate franchise disclosure document. As of December 31, 2021, we had 4 area representatives in the Everbowl system. Except as disclosed above, we have never conducted any other business or offered franchises in any other line of business. While our affiliates have owned and operated Everbowl Stores since 2016, we have never owned or operated Everbowl Stores.

Our agents for service of process in the states which require franchise registration are listed in Exhibit A.

Our Predecessor, Parents and Affiliates

We have no predecessors.

Our parent is Everbowl Holdings, LLC ("Parent"), a Delaware limited liability company, which shares our principal address.

Our affiliate, Everbowl IP, LLC ("Everbowl IP"), a California limited liability company that shares our principal address, owns the trademarks used by Everbowl Stores. It has granted us a license to use and sublicense the use of those items to our franchisees. It has not been involved in any other business, has never owned or operated Everbowl Stores, and has never offered franchises in this or any other line of business.

Our affiliate, WeBuild Stuff, LLC, ("WeBuild Stuff"), a California limited liability company that shares our principal address, is the exclusive manufacturer of all custom furniture and fixtures for Everbowl Stores. As a full manufacturing facility, WeBuild Stuff fabricates the design, sources, manufactures, and installs the millwork component build of Everbowl Stores. WeBuild Stuff also handles research and development as it relates to new company displays or store designs. WeBuild Stuff has not been involved in any other business, has never owned or operated Everbowl Stores, and has never offered franchises in this or any other lines of business.

Our affiliate, Unevolve Products, LLC, ("Unevolve Products"), a Delaware limited liability company which shares our principal address, is the exclusive supplier to Everbowl Stores of certain merchandise and food products such as the Superfuel Coffee. Unevolve Products has not been involved in any other business, has never owned or operated Everbowl Stores, and has never offered franchises in this or any other lines of business.

Our affiliate, Everbowl GC, LLC, ("Everbowl GC"), an Arizona limited liability company which shares our principal address, handles all gift card transactions for Everbowl Stores. Everbowl GC has not been involved in any other business, has never owned or operated Everbowl Stores, and has never offered franchises in this or any other lines of business.

Description of Franchise

Under this disclosure document, we offer franchises for the right to develop, own and operate Everbowl Stores using our operating system (the "System") and identified by the "Everbowl®" trademark as well as other trademarks, trade names, symbols and/or logos that we designate, both now and in the future (the "Marks"). The Everbowl Store you would operate is referred to in this Disclosure Document as your "Store." To acquire the franchise to develop and operate your Store, you would be required to sign a written franchise agreement, the current form of which is attached as Exhibit B to this Disclosure Document (the "Franchise Agreement"). The Franchise Agreement will allow you to establish and operate your Store at a specifically identified location.

If you request, and we determine you are qualified, we will offer to you the right to enter into an area development agreement in the form attached as Exhibit C to this Disclosure Document (the "Area Development Agreement"). Under that agreement, you will commit to acquiring multiple franchises, one for each Everbowl Store you agree to develop within a specifically described geographic territory ("Development Area"). Prior to signing the Area Development Agreement, you and we will agree on, and the Area Development Agreement will reflect, a description of the Development Area, the number of Everbowl Stores you will be required to open (under individual Franchise Agreements), and the schedule by which you must open them (the "Development Schedule"). You will acquire each franchise by signing a Franchise Agreement. You will be required to sign the 1st Franchise Agreement and pay the entire initial franchise fee under it when you sign the Area Development Agreement. Our current form of franchise agreement is attached as Exhibit B to this Disclosure Document. You will sign each subsequent Franchise Agreement as we approve your proposed sites. The form of Franchise Agreement you will sign at that time will be our then-current form, and it may contain terms and conditions that are materially different than those in the form attached as Exhibit B to this Disclosure Document.

Market and Competition

The health food and smoothie markets are developed and competitive, but fragmented. You will be in competition generally with any restaurant, food service, supermarket, retail business, delivery service and other businesses, including those that are owned, operated or franchised by our affiliates, that offer health food items and smoothies, and, particularly with those that offer superfood bowls and smoothies with various healthy toppings (including those products that are similar to the health food, smoothies and yogurt based products that are offered by Everbowl Stores), or whose menu, concept, business model or method of operation is similar to that employed by an Everbowl Store. While the products sold by Everbowl Stores are generally healthy products, they are of interest to all consumers

and are not targeted to a specific type of consumer. Everbowl Stores are generally no more seasonal than any other business that sells freshly prepared food products to consumers.

Industry Regulations

You should consider that certain aspects of the restaurant and food service industry are heavily regulated by federal, state and local laws, rules and ordinances. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and various state and local departments of health and other agencies have laws and regulations concerning the preparation of food, display of nutrition facts, and sanitary conditions of restaurant facilities. State and local agencies routinely conduct inspections for compliance with these requirements. Certain provisions of these laws impose limits on emissions resulting from commercial food preparation. Compensation of restaurant employees (including minimum wage and overtime requirements) is governed by both federal and state laws. You will need to understand and comply with these laws in operating your Store. There may be other laws applicable to your business. We urge you to make further inquiries about these laws.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer: Jeff Fenster

Mr. Fenster, our founder, has been our Chief Executive Officer since our formation in September 2018, and has served in that same capacity with our affiliate, EBSD, LLC, which was formerly known as everbowl, LLC ("EBSD") since October 2016 and with Parent since its inception in June 2020. All of Mr. Fenster's positions with us and our affiliates were and are based in Vista, California.

Chief Operating Officer & Chief Financial Officer: Erik Hansen

Mr. Hansen has been our Chief Financial Officer since May 2020, and he has also served as our Chief Operating Officer since April 2019. From January 2018 through March 2019, Mr. Hansen served as a Consultant to our affiliate, EBSD. From October 2017 to March 2019, Mr. Hansen was a Principal at Hansen | Concepts located in San Diego, California. All of Mr. Hansen's positions with us and our affiliates were and are based in Vista, California.

Brand President: Trevor J. Sacco

Mr. Sacco has been our Brand President since August 2022. Mr. Sacco also serves as Chief Executive Officer of Naked Products, Inc. in Beverly Hills, California since October 2018. Mr. Sacco was not employed from May 2018 to October 2018. From May 2015 to May 2018, Mr. Sacco served as the Chief Executive Officer of Beaming Wellness, Inc. in Del Mar, California. Mr. Sacco's position with us is based in Vista, California.

Chief Development Officer: Brian Augustine

Mr. Augustine has been our Chief Development Officer since our formation in September 2018. From March 2017 through September 2018, Mr. Augustine served as the Vice President of Store Operations of our affiliate, EBSD. All of Mr. Augustine's positions with us and our affiliates were and are based in Vista, California.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

In Re Jeffrey Stuart Fenster (Case No. 14-02626-LT7; Bankruptcy Court, Southern District of California). On April 2, 2014, Jeffrey Fenster, our Chief Executive Officer, filed a personal Chapter 7 bankruptcy petition after being the victim of identity theft. Mr. Fenster's address is 1300 Specialty Drive, #100, Vista, California 92081. The discharge date was July 14, 2014.

Besides this 1 action, no bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee: You must pay to us an initial franchise fee of $30,000 upon executing the Franchise Agreement. The initial franchise fee is uniformly imposed on our franchisees, payable in a lump sum, fully earned upon your execution of the Franchise Agreement, and is not refundable under any circumstances.

On-Site Evaluations: We may, at our option, conduct an on-site evaluation of the location you propose for your Store, and, if we do, you must reimburse our expenses in conducting the evaluation, which we estimate will be between $1,000 and $5,000 depending on the distance we have to travel. This amount is payable in a lump sum, as invoiced, and is not refundable.

Pre-Opening Purchases and Supplies: Our affiliates sell the following items to our franchisees:

- **Store Build Kit and Installation**: Our affiliate, WeBuild Stuff, is the sole vendor that sells and installs the Store build kits at Everbowl Stores. The Store build kit includes certain interior signage, wallpaper, certain millwork, and related items. Depending on the size and layout of your Store, your cost of purchasing and installing the Store build kit will be in the range of $27,781 to $48,640. This amount is payable in a lump sum, as invoiced, and is not refundable.

- **Opening Inventory of Coffee**: You must purchase from our affiliate, Unevolve Products, your opening inventory of coffee, the cost of which will be in the range of $1,000 to $2,000. This amount is payable in a lump sum, as invoiced, and is not refundable.

- **Furniture, Fixture, and Equipment**: The cost of furniture, fixture, and equipment package will be in the range of $19,336 to $32,521 depending on the number and specifications of the products you choose to purchase. The furniture, fixture, and equipment package includes tables, chairs, dipping cabinets, topping stations, grab-and-go merchandisers, freezers, racks, preparation tables, lockers, refrigerators, and TVs. The foregoing amount is payable in lump sum upon the issuance of invoice by WeBuild Stuff, and is not refundable.

- **Operation Kit**: The cost of operation kit will be in the range of $2,790 to $3,410 depending on the number and specifications of the products you choose to purchase. The operation kit includes knives, chopping boards, shelf tags, drying racks, trash cans, and certain other kitchen tools. The foregoing amount is payable in lump sum upon the issuance of invoice by WeBuild Stuff, and is not refundable.

- **Branded Merchandise & Employee Uniforms**: The cost of opening inventory of branded merchandise and employee uniforms will be in the range of $1,252 to $4,072. The foregoing amount is payable in lump sum upon the issuance of invoice by Unevolve Products, and is not refundable.

- **Point of Sale System**: The cost of point of sale system will be in the range of $2,250 to $3,450. The foregoing amount is payable in lump sum upon the issuance of invoice by WeBuild Stuff, and is not refundable.

Grand Opening Advertising Campaign: You are required to spend between $5,000 and $10,000 to conduct a grand opening advertising campaign for your Store. The exact amount you are required to spend will be proposed by you and must be approved by us, depending on the characteristics of your particular market. We reserve the right to require that, instead of spending the money yourself, you give it to us, in which case, we will conduct the grand opening advertising campaign on your behalf. The amounts you would pay to us under those circumstances would be payable in a lump sum and would not be refundable.

Development Fee: If you sign an Area Development Agreement, you will, when you sign it, pay us a development fee equal to $15,000 multiplied by the number of Everbowl Stores you agree to develop under the Development Schedule, less one. For example, if you commit to developing 3 Stores (which is our standard requirement under an Area Development Agreement), you must pay us a development fee equal to $30,000 when you sign the Area Development Agreement. We will apply the Development Fee to the initial franchise fee due under each franchise agreement when executed. The Development Fee is payable in a lump sum upon execution of the Area Development Agreement, is fully earned upon our receipt, and is not refundable under any circumstances. Concurrently with the execution of the Area Development Agreement, you must execute a Franchise Agreement for the first Store to be developed in satisfaction of your development obligation the Area Development Agreement and pay the entire initial franchise fee under such Franchise Agreement.

ITEM 6
OTHER FEES

Fees[1]	Amount	Due Date	Remarks
Royalty Fee[2]	6% of Gross Sales	Weekly, on the date we specify (currently, Monday)	Royalty Fees are calculated based on Gross Sales for the previous week and are paid electronically. See Note 2 below for the definition of "Gross Sales."
Brand Development Fee	Currently, 1% of Gross Sales	Weekly, payable with the Royalty Fee	With 30 days' prior written notice, we may increase the amount of your Brand Fund Contribution to up to 2% of Gross Sales.

Fees[1]	Amount	Due Date	Remarks
On-site Opening Assistance	Estimated to be between $2,590 to $6,250	When billed	We will provide up to 1 week of on-site opening assistance. You must reimburse us for our expenses incurred while providing opening assistance, including our employees' travel expenses and lodging.
Interest	18% or highest legal rate.	On demand	Payable on all overdue amounts; accrues from the due date until paid.
Prohibited Product Fee	$500 for each day unauthorized products or services are used.	If incurred	In addition to other remedies available to us.
Initial Training of Additional or Replacement and Successor Personnel	Our then-current per person training fee (currently, $1,750 per person), plus expenses.	Before training	We will not charge any training fee for providing initial training to you or your Operating Principal, your Store Lead and two (2) Store employees. We may charge a training fee for providing initial training to more than 4 trainees sent by you. If you request that we train any additional employees or new employees during the term of your Franchise Agreement, you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals and wages.
Additional On-Site Training	Our then-current per diem rate per trainer (currently, $250), plus expenses.	When billed	If you request that we provide additional training at your Store and if we agree to provide such training on-site, you must pay our daily fee for each trainer we send to your Store, and you must reimburse each trainer's expenses, including travel, lodging and meals.
Subsequent Training	Not currently assessed, but if assessed, estimated to be between $500 and $1,500 per person.	As incurred	We reserve the right to charge a fee for subsequent training programs that we mandate or make available to you.
Transfer Fee (Franchise Agreement)	$5,000 or 5% of the purchase price, whichever is greater, plus $2,500 to cover our expenses for document review and preparation.	Concurrently with the transfer	Payable as compensation for the expenses and resources required to review and approve the transfer, for the time and resources required to transition your buyer into the System, and for any disruption to our revenue stream that can result from a transfer of the business or an ownership interest in you. The amount of this fee may be impacted by and subject to applicable state law.

Fees[1]	Amount	Due Date	Remarks
Transfer Fee (Area Development Agreement)	$5,000 or 5% of the purchase price, whichever is greater, plus $2,500 to cover our expenses for document review and preparation.	Concurrently with the transfer	Payable as compensation for the expenses and resources required to review and approve the transfer, for the time and resources required to transition your buyer into the System, and for any disruption to our revenue stream that can result from a transfer of the business or an ownership interest in you. The amount of this fee may be impacted by and subject to applicable state law.
Transfer Between Owners (Franchise Agreement and Area Development Agreement)	$1,000 per affected agreement	With request for approval of transfer	For any transfer of ownership interests or shares between the owners of the franchise, or if you are adding a new owner (as long as majority ownership does not change). Payable as compensation for the expenses and resources required to review and approve the transfer, for the time and resources required to transition your buyer into the System, and for any disruption to our revenue stream that can result from a transfer of the business or an ownership interest in you. The amount of this fee may be impacted by and subject to applicable state law.
Renewal Fee (Franchise Agreement)	50% of our then-current initial franchise fee.	Upon renewal	
Product and Supplier Evaluation Fee	$1,000	With request for approval of product or supplier	Payable if you request that we evaluate a product or supplier that we have not previously approved and that you want to use for your Store.
Audit Fee	Cost of audit (estimated to be between $1,000 and $5,000).	When billed	Payable only if we find, after an audit, that you have understated any amount you owe to us or Gross Sales by 2% or more. You must also pay the understated amount plus interest.
Late Reporting Fee	$100 per day for each occurrence of late report owed to us. This fee is payable daily until the required report is received.	As incurred	
Manual or Training Video Replacement Fee	$5,000	When billed	If you request additional or replacement copies of the Manual or any training video we provide you.

Fees[1]	Amount	Due Date	Remarks
Liquidated Damages	Will vary	Within 15 days following termination of the Franchise Agreement	Payable only if we terminate the Franchise Agreement based on your default or if you terminate without cause. If payable, equal to the average weekly Royalty Fees you paid or owed to us during the 52 weeks preceding the termination multiplied by the lesser of (a) 104 (being the number of weeks in two full years), or (b) the number of weeks remaining on the term of the Agreement had it not been terminated.
Costs and Attorneys' Fees	Will vary under circumstances.	On demand	If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating your agreement.
Indemnification	Will vary under circumstances.	On demand	You must defend, hold us harmless, and reimburse us for the damages we incur if we are sued or held liable for claims that arise from your operation your Store and for costs associated with defending claims that you used the Marks in an unauthorized manner. You must also defend, hold us harmless, and reimburse us for the full amount of all taxes and any liability (including penalties, interest and expenses) arising from the payment of your Store's taxes, whether such taxes were correctly or legally asserted or not.
Insurance Premiums	Estimated to be $1,200 to $2,000, plus 15%.	On demand	Payable only if you do not maintain the required insurance coverages, and we exercise our right (but not the obligation) to obtain insurance on your behalf. You must, in that event, reimburse the costs of the insurance premium plus a 15% administrative fee.
Management Fee	15% of Gross Sales, plus expenses.	As incurred	We may step in and manage your Store in certain circumstances, such as death, disability or prolonged absence. We will charge a management fee if we manage your Store, and you must reimburse our expenses.
Relocation Fee	$2,500, plus out-of- pocket expenses.	As incurred	This fee is payment for time expended and administrative and operational modifications attributable to your relocation.
Purchase of Branded Products	Will vary as inventory is sold.	As incurred	You must purchase your continuing supply of logoed items (such as t-shirts, sweatshirts, hats, bracelets, mugs, etc.) from an approved supplier, which may be us or our affiliate.

Fees[1]	Amount	Due Date	Remarks
Costs of Testing Sample Food and Non-Food Items in Your Store	Will vary under circumstances.	On demand	You must reimburse us for the fees and expenses that we pre-pay on your behalf, including expenses related to testing food or non-food items from your inventory to determine whether such samples meet our then-current standards.
Costs of Curing Operational Deficiencies on Your Behalf	Will vary under circumstances.	On demand	You must reimburse us for the fees and expenses that we pre-pay on your behalf, including fees related to curing deficiencies detected during the inspection of your Store.
Costs of Participation in Mystery Shop Program	Will vary under circumstances.	On demand	You must reimburse us for the fees and expenses that we pre-pay on your behalf, including expenses for any "mystery shop" quality control and evaluation programs we establish or mandate with respect to Everbowl Stores.
Costs of De-Identification of Premises on Expiration or Termination	Will vary under circumstances.	On demand	You must reimburse us for the fees and expenses that we pre-pay on your behalf, including fees incurred to make the modifications or alterations necessary to de-identify and distinguish the appearance of your Store premises from that of other Everbowl Stores after the expiration or termination of the Franchise Agreement, as necessary.

Notes:

1. Unless noted differently, all the fees in this Item 6 are payable to us or our affiliates, are uniformly imposed and are non-refundable.

2. "Gross Sales" means the total selling price of all services and products sold and all income of every other kind and nature related to the Store, whether for cash or credit and regardless of collection in the case of credit. If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the electronic cash register system and any cash shortage will not be considered in the determination. Gross Sales expressly excludes the following:

(a) receipts from products sold from pre-approved vending machines located at the Store, except for any amount representing your share of the revenues;

(b) sales taxes collected directly from customers and actually paid to the appropriate taxing authority; and

(c) proceeds from isolated sales of trade fixtures not constituting any part of your products and services offered for resale at the Store nor having any material effect on the ongoing operation of the Store required under the Franchise Agreement.

If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

We have the right to poll your point-of-sale system directly to obtain Gross Sales and other information regarding the operation of your Store. If, for any reason, we are unable to independently verify your Gross Sales by accessing your point-of-sale system, you will report your Gross Sales to us on the date and in such format as we may require. If we are unable to independently verify or you fail to timely report your Store's Gross Sales, we may debit your account for 120% of the last Royalty Fee and Brand Development Fee that we debited. If the Royalty Fee and Brand Development Fee we debit are less than the Royalty Fee and Brand Development Fee that you actually owe us, once we are able to determine your Store's true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the Royalty Fee and Brand Development Fee we debit are greater than the Royalty Fee and Brand Development Fee you actually owe, we will credit the excess against the amount we would otherwise debit from your account during the following week.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT – FRANCHISE AGREEMENT				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Initial Franchise Fee (1)	$30,000	Lump sum	Concurrently with the execution of Franchise Agreement	Us and/or our Affiliate
Site Selection and Leasehold Improvements (2)	$16,000 to $130,000	Lump sum to us and as arranged with Third-party Suppliers	Upon your receipt of our invoice and as agreed with Third-party Suppliers	Us and Third-party Suppliers
Store Build Kit and Installation Cost	$27,781 to $48,640	Lump sum	Due date of invoice	Our Affiliate
Furniture, Fixtures & Equipment (3)(6)	$19,336 to $32,521	Lump sum or as arranged	On purchase or delivery, as agreed	Our Affiliate or Third-party Suppliers
Operation Kits (4) (6)	$2,790 to $3,410	Lump sum	As incurred	Our Affiliate or Third-party Suppliers
Branded Merchandise and Employee Uniforms (5) (6)	$1,252 to $4,072	Lump sum	As incurred	Our Affiliate or Third-party Suppliers
Point of Sale System (6)	$2,250 to $3,450	As arranged	As agreed	Our Affiliate or Third-party Suppliers
Exterior Signage (7)	$2,000 to $10,000	Lump sum or as arranged	On purchase or delivery, as agreed	Third-party Suppliers

YOUR ESTIMATED INITIAL INVESTMENT – FRANCHISE AGREEMENT				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Rent (3 Months) (8)	$3,000 to $18,000	As arranged	As agreed	Third-party Suppliers
Travel & Living Expenses While Training (9)	$3,000 to $7,000	Lump sum	As incurred	Third-party Suppliers
Security Deposits (10)	$0 to $8,000	Lump sum	On signing lease or applying for service	Third-party Suppliers
Professional Fees (11)	$200 to $5,000	As arranged	As arranged	Third-party Suppliers
Licenses and Permits (12)	$1,000 to $6,500	Lump sum	As incurred	Government Agencies
Insurance (13)	$1,200 to $2,000	Lump sum or as arranged	As incurred	Third-party Suppliers
Grand Opening Advertising (14)	$5,000 to $10,000	As incurred	As incurred	Us or Third-party Suppliers
Opening Inventory (15)	3,500 to 5,000	As incurred	As incurred	Our Affiliate or Third-party Suppliers
On-site opening Assistance	$2,590 to 6,250	Lump sum	As invoiced	Us
Additional Funds – 3 Months (16)	$13,000 to $27,000	As incurred	As agreed	Third parties
TOTAL	**$133,899 to $356,843**			

Unless noted, all amounts reflected in this Item 7 will be non-refundable unless you are able to negotiate a refund with a particular supplier. We do not finance any portion of your initial investment. The estimated investment shown is for a single Store.

Notes:

1. If the franchise agreement is executed pursuant to an Area Development Agreement and is not the first franchise agreement you execute pursuant the Area Development Agreement, we will apply the Development Fee toward payment of the Initial Franchise Fee, subject to a maximum of $15,000 per franchise agreement.

2. Leasehold improvement and construction costs vary significantly depending on the condition, location, size and configuration of the premises, the layout of the mall or retail center, and other factors relating to the geographic location of the business, suppliers, government regulations, labor costs and other considerations. You will contract directly with the construction contractor and possibly other construction suppliers on terms negotiated by you. A Store will generally occupy

between 400 square feet (kiosk model) and 1,000 square feet. In some instances, Stores may be larger depending on the size of available sites and/or franchisee preferences. Leasehold improvements and construction costs generally include: electrical, plumbing, HVAC, certain exterior renovations, and patio construction. If you are able to locate a site that previously operated as a restaurant, your estimated cost for leasehold improvements may be significantly lower. This range includes $1,000 to $5,000 may be paid to us for the on-site evaluation if we choose to conduct one, each as described in Item 5 of this Disclosure Document.

3. This range includes the cost of purchasing tables, chairs, dipping cabinets, topping stations, grab and go merchandisers, freezers, racks, preparation tables, lockers, refrigerators, and TVs.

4. This range includes the cost of knives, chopping boards, shelf tags, drying racks, trash cans, and certain other kitchen tools that you will need to operate your Store.

5. This range includes the cost of branded merchandise and employee uniforms that you must purchase from our affiliate. See Item 5.

6. Typically, we require our franchisees to purchase the furniture, fixture, and equipment package (see Note 4), the operation kits (see Note 5), branded merchandise and employee uniforms (see Note 6), and the point of sale system from our affiliates; however, upon your request, we may permit you to purchase these items from our designated third-party supplier.

7. Signs include exterior signs. Local code restrictions may restrict the signage available for a certain restaurant and affect the costs. The interior signage is included in the Store build kit, which is referenced in Note 3.

8. The figures shown assume, as is typical, that you rent your premises from a third-party and are for the initial phase (3 months) of business for rent and assume that the premises of your Store will be in a strip shopping center, mall or urban location. Landlords may also vary the base rental rate and charge rent based on a percentage of Gross Sales. In addition to base rent, the lease may require you to pay common area maintenance charges ("CAM Charges"), your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The actual amount you pay under the lease will vary depending on the size of your Store, the types of changes that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the region.

9. These estimates include only your out-of-pocket costs associated with attending our initial training program, including travel, lodging, meals and applicable wages for the first three trainees. We do not charge any initial training fee for your first four (4) trainees. You may not incur these expenses if we choose to provide training virtually via the Internet or pre-recorded videos instead of in-person training.

10. Your landlord, local utility companies and other vendors may require you to pay security deposits.

11. We recommend that you engage the services of an attorney and/or accountant to assist you in evaluating this franchise offering. You may also wish to use an attorney or commercial real

estate professional to assist you in lease negotiations and/or to form an entity to own the franchise.

Furthermore, we will provide you with our standard plans for the build-out of an Everbowl Store. If required, you must hire your own architect to adapt our plans to the specific shape and dimensions of the approved location for your Store. You may not use your architect's plans until we have approved them. Our approval only relates to how well the build-out plans implement our standard plans and implementation and presentation of the Marks. You and your architect must make sure that the plans comply with all applicable laws, rules, regulations, ordinances and building codes, including any relating to accommodations for disabled persons. If you are able to locate a site that previously operated as a restaurant, an architect may not be required, and your estimated cost for this may be significantly lower.

Your costs may vary depending on how much you rely on your chosen advisors. Our estimate does not include loan fees or loan broker fees that you may incur if you apply for financing.

12. Our estimate includes the cost of obtaining local business licenses which typically remain in effect for 1 year. The cost of these permits and licenses will vary substantially depending on the location of your Store. Our estimate does not include tap-in, fixture or similar fees which, depending on the municipality, can be several thousand dollars. We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement.

13. You must purchase and maintain insurance coverage as necessary to comply with your state and local laws, with the Franchise Agreement, Area Development Agreement (if applicable), and with our Operations Manual. See Item 8 for a description of our current requirements.

14. You will work with our Marketing team to design a grand opening advertising plan and budget. This campaign will take place in the 60-day period that includes 30 days before and 30 days after your opening. We have the right to require you to give us the money for your grand opening advertising campaign, in which case, we will conduct this campaign on your behalf. If we do this, you must pay to us the budget approved by us for the grand opening advertising campaign, which is not refundable.

15. This range includes the cost of purchasing opening inventory of foods items, paper goods, and other supplies that you need to purchase from third-party suppliers before opening your Store. This range also includes the cost of purchasing coffee from our affiliate, Unevolve Products, which will be in the range of $ 1,000 to $2,000. See Item 5.

16. You will need additional funds during the start-up phase of your business to pay employees, purchase supplies and pay other expenses. We estimate the start-up phase to be 3 months from the date you open your Store. These amounts do not include any estimates for debt service or payroll costs, and it does not include any revenues you may earn during the 3-month start-up phase.

We relied on our affiliates' and franchisees' experience in developing Everbowl Stores since 2016 when preparing the estimates shown in the charts above. You should review these estimates carefully with a business advisor before making any decision to purchase the franchise.

YOUR ESTIMATED INITIAL INVESTMENT – AREA DEVELOPMENT AGREEMENT				
Type of Expenditure	**Type of Expenditure**	**Type of Expenditure**	**Type of Expenditure**	**Type of Expenditure**
Development Fee (1)	**30,000**	Lump Sum	Concurrently with the execution of the Area Development Agreement	Us
Total	**$30,000**			

Note: The actual amount of the Development Fee varies depending on the number of Stores you commit to developing i.e. $15,000 multiplied by the number of Everbowl Stores you agree to develop, less one. This estimate assumes that you agree to develop 3 Stores, which is our standard requirement under an Area Development Agreement. While you are not required to invest any other amounts in connection with the Area Development Agreement, refer to the above chart for our estimate of your initial investment needed to develop and open a Store. Concurrently with the execution of the Area Development Agreement, you must execute a Franchise Agreement for the first Store to be developed in satisfaction of your development obligation the Area Development Agreement and pay the entire initial franchise fee under such Franchise Agreement.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases, System Standards

You must purchase and use in the development and operation of your Store, and offer for sale from your Store all products, services and other items (and only those products, services and other items) that we designate or approve in writing from time to time; all of which must conform to the standards and specifications in our confidential operations manual (the "Manual") or otherwise in writing (collectively, the "System Standards") and must be purchased from our designated suppliers (which may be limited to us or affiliates). To ensure that the highest degree of quality and service is maintained, you must operate your Store in strict conformity with the System Standards. All menu items must be prepared using the recipes and procedures specified in the Manual or other written materials. You must not deviate from the System Standards by the use or offer of non-conforming items or differing amounts of any items. We may, and expect to, modify our System Standards as we deem necessary. We will provide you notice of any changes in the System Standards, the Manual or otherwise in writing. However, we do not issue specifications or standards to any third-party suppliers.

As of the issuance date of this Disclosure Document our affiliates are the sole supplier and installer of Store build kit (which includes certain interior signage, wallpaper, certain millwork, and related items) and coffee. We also require the franchisees to purchase the following items from our affiliates or, at our option, from our designated vendors: furniture, fixture, and equipment, operations kit (includes various kitchen tools and smallwares), branded merchandise (including custom t-shirts, sweatshirts, hats, bracelets, and mugs), employee uniforms, and point of sale system. We may also require you to use the services of designated third-party architectural and engineering firms to design your Store.

Alternate Suppliers

If we have not designated a supplier for any product or service that you wish to use for the development or operation of your Store, you may purchase such product or service from a supplier of your choosing that demonstrates the ability to meet our then-current standards and specifications and possesses adequate quality controls and capacity to supply your needs promptly and reliably. However, if we have designated a supplier for any product or service and you wish to purchase such product or service from an alternate supplier, you or such supplier must submit a written request for our approval and you shall bear the cost (currently estimated to be $1,000) we incur in getting such products tested at laboratories of our choice. We must approve any supplier in writing before you make any purchases from an alternate supplier. We may require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered either to us or to an independent laboratory for testing. We may re-inspect any approved product and/or the facilities and products of any approved supplier and to revoke our approval if the product or supplier fails to continue to meet any of our then-current standards. Our approval procedure does not obligate us to approve any particular product or supplier. We may periodically re-inspect the facilities and products of any approved supplier and revoke our approval if the supplier does not continue to meet any of our criteria.

We will notify you in writing (which may include e-mail and/or updates to the Manual) within 30 days after we complete the inspection and evaluation process of our approval or disapproval of any proposed supplier. We may also revoke our prior approval of any product or supplier at any time upon written notice to you. If we revoke a previously approved product or supplier, you must immediately stop purchasing that product and/or stop purchasing from that supplier.

As of the date of this Disclosure Document, Jeff Fenster, Erik Hansen, and Brian Augustine own interests in our affiliates, Unevolve Products, Everbowl GC, and WeBuild Stuff, who are approved suppliers. No other officer owns an interest in any approved supplier.

In 2021, (i) we did not derive any revenue from sale of goods or services to franchisees; (ii) WeBuild Stuff derived $1,252,607 in in revenue from sale of products or services to our franchisees; (iii) Unevolve Products derived $4,250,204.20 in revenue from sale of products or services to our distributors who in turn sold those products and services to our franchisees; and (iv) Unevolve Products received a rebate of $696.80 from our designated beverage supplier, which was based on franchisees' purchases of goods and services from such suppliers. Currently, some of our affiliates derive (i) revenue or rebates of up to 1% based our franchisees' purchase of goods and services from our designated suppliers; and/or (ii) revenue or rebate of $1,000 for each new Everbowl Store that is developed by our franchisees.

We estimate that your purchases from us or approved suppliers, or that are restricted by us in some way, will represent approximately 95% to 100% of your total purchases in establishing your Store, and approximately 95% to 100% of your total purchases in the continuing operation of the Store.

Insurance

Before you begin construction of the Store, you must obtain the insurance coverage for the Store specified below. This insurance coverage must be maintained during the term of the Franchise Agreement and must be obtained from a responsible carrier or carriers acceptable to us.

1. Comprehensive General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability, and fire damage coverage, in the amount of $2,000,000 combined single limit.

2. "All Risks" coverage for the full cost of replacement of the premises and all other property in which you may have an interest with no coinsurance clause.

3. Crime insurance for employee dishonesty in the amount of $10,000 combined single limit.

4. Business Interruption insurance to cover expenses for a period of at least 365 days.

5. Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than $2,000,000 combined single limit.

6. Workers' compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation to injured workers, subject to the conditions stated in the Franchise Agreement.

7. Other insurance required by the state or locality in which the Store is located and operated, as may be required by your lease, or as we may require in the future.

You may, after obtaining our written consent, elect to have reasonable deductibles under the coverage required under Paragraphs 1-7 described above. Also, related to any construction, renovation or remodeling of the Store, you must maintain builders' risks insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, satisfactory to us. All the policies must name us, our affiliates, and the respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional insureds and must include a waiver of subrogation in favor of all those parties. Also, all insurance policies shall expressly provide that not less than 30 days' prior written notice shall be given to us in the event of a material alteration to or cancellation of the policies. You must provide us with a certificate of insurance showing that you have obtained the required policies before construction of your Store begins and upon each policy's renewal. We may require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We may change our insurance requirements during the term of your Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes. If you do not maintain the insurance coverages that we require we may, but are not obligated to, obtain insurance coverage on your behalf. You must reimburse the premium costs that we incur, plus a 15% administrative fee.

Cooperatives

As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives for any of the items described above. However, we may in the future establish purchasing or distribution cooperatives and require you to participate in them by providing you prior written notice.

Negotiated Prices

We or our affiliates may negotiate purchase arrangements, including prices and terms, with designated and approved suppliers for Stores. If we enter into a purchase arrangement with any distributor or supplier that services the geographic territory in which your Store is located then you must purchase required goods and services from such distributor or supplier.

Material Benefits

Except as disclosed above, we and our affiliates do not currently provide any material benefits to franchisees based on their use of designated or approved suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise 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	Section 2 of Franchise Agreement Section 1 and Data Sheet of Area Development Agreement	Items 8 and 11
B. Pre-opening purchases/leases	Sections 2, 5, 6 and 7 of Franchise Agreement	Items 5, 7, 8 and 11
C. Site development and other pre-opening requirements	Section 2 of Franchise Agreement	Items 1, 8 and 11
D. Initial and ongoing training	Section 5.5 of Franchise Agreement	Items 5, 6 and 11
E. Opening	Section 2 of Franchise Agreement Section 3 of Area Development Agreement	Item 11
F. Fees	Sections 3, 4, 7, 13, 18.5 of Franchise Agreement and Sections 2 and 8 of Area Development Agreement	Items 5 and 6
G. Compliance with standards and policies/operating manual	Sections 2, 5, 6, 7, 8, 9, 10 and 11 of Franchise Agreement and Section 6 of Area Development Agreement	Items 8, 11, 14 and 16
H. Trademarks and proprietary information	Sections 8 and 9 of Franchise Agreement	Items 13 and 14
I. Restrictions on products/services offered	Section 6 of Franchise Agreement	Item 16
J. Warranty and customer service requirements	Section 6 of Franchise Agreement	Not applicable

Obligation	Section in Agreement	Disclosure Document Item
K. Territorial development and sales quotas	Data Sheet and Section 1 of Franchise Agreement and Data Sheet and Section 1 of Area Development Agreement	Item 12
L. Ongoing product/service purchases	Section 6 of Franchise Agreement	Items 6 and 8
M. Maintenance, appearance and remodeling requirements	Sections 3 and 6 of Franchise Agreement	Items 6 and 11
N. Insurance	Section 11 of Franchise Agreement	Items 6, 7 and 8
O. Advertising	Section 7 of Franchise Agreement	Items 6, 8 and 11
P. Indemnification	Section 14 of Franchise Agreement Section 9 of Area Development Agreement	Item 6
Q. Owner's participation/ management/staffing	Section 5 of Franchise Agreement and Section 6 of Area Development Agreement	Items 1, 11 and 15
R. Records and Reports	Sections 4 and 10 of Franchise Agreement	Item 6
S. Inspections and audits	Sections 2, 6 and 10 of Franchise Agreement	Items 6 and 11
T. Transfer	Section 13 of Franchise Agreement and Section 8 of Area Development Agreement	Items 6 and 17
U. Renewal	Section 3.2 of Franchise Agreement	Items 6 and 17
V. Post-termination obligations	Section 17 of Franchise Agreement and Section 7 of Area Development Agreement	Items 6 and 17
W. Non-competition covenants	Section 9.4 of Franchise Agreement and Attachment C of Area Development Agreement	Items 15 and 17
X. Dispute resolution	Section 18.5 of Franchise Agreement and Section 14 of Area Development Agreement	Item 17
Y. Liquidated damages	Section 17.3 of Franchise Agreement	Item 6
Z. Guaranty	Section 5.2 of Franchise Agreement and Section 6 and Attachment A of Franchise Agreement and Section 6.1.7 and Attachment A of Area Development Agreement	Item 15

ITEM 10
FINANCING

We do not offer, either directly or indirectly, any financing arrangements to you. 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.

Pre-Opening Obligations – Before you open your Store, we or our designee will provide you with the following:

1. our site selection guidelines (Franchise Agreement, Section 2.2; Area Development Agreement, Section 4.4.);

2. site evaluations at your expense (Franchise Agreement, Section 2.2; Area Development Agreement, Section 4.5.);

3. one set of our prototypical architectural and design plans and specifications for a Store (Franchise Agreement, Section 2.4.);

4. access to our Manual, which we may revise. (Franchise Agreement, Recital B);

5. list of our approved suppliers (Franchise Agreement, Section 6.3.);

6. we or our affiliates sell and deliver certain equipment, signs, fixtures, opening inventory, and supplies to you (Franchise Agreement, Section 2.4 and 6.3.); and

7. initial training and additional training for you or your Operating Principal, Store Lead, and 2 of your Store employees (Franchise Agreement, Sections 5.5).

Site Selection and Opening

You will assume all costs, liabilities, expenses and responsibility for locating, obtaining and developing a site for your Store and for constructing and equipping your Store at the accepted site. You will select the site for the Store subject to our approval. We will introduce you to a vendor who can assist you with site selection but you are not required to use its service.

Before you lease or purchase the site for the Store, you must locate a site that satisfies our site selection guidelines. Our guidelines for site approval take into account the following factors: general location of the site, neighborhood and its demographics, traffic pattern, parking, and physical characteristics of the premises. You must submit to us in the form we specify a description of the site, including evidence that the site satisfies our site selection guidelines, together with other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site. You must submit information and materials for the proposed site to us for approval within 30 days after you have signed the Franchise Agreement. We will conduct an on-site evaluation of your proposed site, at your expense. We will have 15 days after we receive this information and materials from you to accept or not accept the proposed site as the location for your Store. Our acceptance only indicates that the site meets our minimum criteria for a Store. Generally, we do not own or lease the premises for Everbowl Stores.

If you are unable to locate a suitable site for your Store within 30 days after you sign the Franchise Agreement, we may choose to terminate the Franchise Agreement.

We estimate that the time from the signing of the Franchise Agreement to the opening of the Store will be approximately 180 to 270 days. This time may be shorter or longer depending on the time necessary to obtain an accepted site, to obtain financing, to obtain the permits and licenses for the construction and operation of the Store, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of your Store, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating your Store, including purchasing inventory and supplies. You must open your Store and begin business within 270 days after you sign the Franchise Agreement. We may provide you with an extension of this timeframe; however, we reserve the right to terminate the Franchise Agreement without providing you a refund of the initial franchise fee or any other expenses incurred by you under the Franchise Agreement.

Under the Area Development Agreement, the Store you develop must be opened according to the dates on your Development Schedule, subject to any extensions of time you may purchase. You will select the site for each Store that you develop pursuant to the Development Agreement subject to our approval and using our then-current site submittal forms and/or our then-current site selection criteria.

Post-Opening Obligations

We are not obligated to provide you any continued services under the Area Development Agreement.

Under the Franchise Agreement, we will provide the following services and assistance to you after the opening of your Store:

1. access to our System Standards and Manual, which will include information regarding our approved and designated suppliers (Franchise Agreement, Section 9.1);

2. administer the Brand Development Fund (Franchise Agreement, Section 7.3);

3. additional or refresher training (Franchise Agreement, Sections 5.5).

We are not required to provide any other service or assistance to you for the continuing operation of the Store.

Advertising

The following paragraphs describe your and our obligations with respect to advertising. Except for the administration of the Brand Development Fund described below, we have no obligations to conduct advertising on your behalf, including any obligation to spend any amount on advertising in the area or territory in which your Store will be located.

Grand Opening Advertising: You must spend between $5,000 and $10,000 on a grand opening advertising campaign to advertise your Store. Your grand opening advertising campaign must be conducted in the 60-day period comprising 30 days before and 30 days following the opening of your

Store. We may designate a different time period for you to conduct the grand opening advertising. You must work with our Marketing team, which will help you design and implement your grand opening marketing plan. We must approve of your grand opening advertising campaign before it is conducted. At our request, you must give the grand opening advertising money to us and we will conduct the grand opening advertising campaign on your behalf.

Brand Development Fund: We require you to contribute to a national advertising or brand development fund (the "Brand Development Fund"), currently in an amount equal to 1% of your Store's Gross Sales, to be paid at the same time and in the same manner as the Royalty Fee. We may increase this amount to 2% of Gross Sales upon 30 days' notice to you.

The following is a percentage breakdown of our use of the Brand Development Fund for its 2021 fiscal year: 41% for production, 55% for media placement, 2% for direct mail and 2% for public relations.

We will direct all advertising programs that the Brand Development Fund finances and have sole discretion to approve the creative concepts, materials and media used in the programs and their placement and allocation. Advertising materials may be developed in-house by us or we may employ one or more advertising agencies to develop advertising. The Brand Development Fund is intended to maximize general public recognition and acceptance of the Marks and improve the collective success of all Everbowl Stores operating under the System. We may use monies from the Brand Development Fund to support development and maintenance of our website, website and e-mail hosting, social media initiatives, and menu and product development. In administering the Brand Development Fund, we and our designees will not be required to make expenditures for you that are equivalent or proportionate to your contribution or make sure that any particular franchisee benefits directly or pro rata from the placement of advertising.

We are not required to segregate monies contributed to the Brand Development Fund from our general operating funds, but we will account for them separately. We may reimburse ourselves out of the Brand Development Fund for the total costs that we incur (including indirect costs such as salaries for our employees who devote time and effort to Brand Development Fund related activities and overhead expenses) in the administration or direction of the Brand Development Fund and advertising programs for you and the System, and collecting contributions to the Brand Development Fund (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any such contribution). The Brand Development Fund and its earnings will not otherwise benefit us. The Brand Development Fund is operated solely as a conduit for collecting and expending the monies contributed to it as outlined above. Any sums paid to the Brand Development Fund that are not spent in the year they are collected will be carried over to the following year.

No portion of the Brand Development Fund will be used for advertising that is primarily a solicitation of franchise sales. We will prepare an annual statement of the contributions received and the expenses incurred by the Brand Development Fund. You may obtain copy of such annual statement by making a written request to us. We are not required to have the Brand Development Fund statements audited. Although the Brand Development Fund is intended to be perpetual, we may terminate the Brand Development Fund at any time. The Brand Development Fund will not be terminated until all monies in the Brand Development Fund have been spent for advertising or promotional purposes or returned to contributors on a pro rata basis. If we terminate the Brand Development Fund, we have the option to reinstate it at any time and it will be operated as described above.

The Brand Development Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining a website that promotes Stores and/or related strategies; administering regional and multi-regional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities.

Local Advertising: You must conduct local advertising, and at a minimum, you must spend 1% of Gross Sales each month on local advertising for your Store. Within 30 days of our request, you must provide us with proof of your local advertising expenditures, including verification copies of the advertisements.

We must approve all advertising before you use it. You must not advertise or use our Marks in any fashion on the internet, world wide web or via other means of advertising through telecommunication without our express written consent. Any advertising that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 12-month period must be submitted to us for our approval before you may use it. We will have 15 days after receipt of all materials to approve or disapprove of the proposed advertising materials. Unless we provide our specific approval of the proposed advertising materials, the materials are deemed not approved. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials. We may require you to include certain language in your local advertising, such as "Franchises Available" and our website address and phone number.

Advertising Cooperatives: There are no existing cooperatives at this time. In the future, we may approve of their formation. At the present time, their formation is not required.

Advisory Council: There is no existing advisory council at this time. In the future, we may approve of its formation.

Websites; Intranet: We alone may establish, maintain, modify or discontinue all internet, World Wide Web and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Store a "click through" subpage at our website for the promotion of your Store. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Store, you must routinely provide us with updated copy, photographs and news stories about your Store suitable for posting on your "click through" subpage. We may specify the content, frequency and procedure you must follow for updating your "click through" subpage.

Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the products or services available at Everbowl Stores – also be devoted in part to offering Everbowl franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own

website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Store; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Everbowl" name or any name confusingly similar to the Marks.

You are not permitted to promote your Store or use any of the Marks in any manner on any social or networking websites, such as Facebook, Instagram, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage.

Training

Not later than 30 days before the date your Store is scheduled to begin operation, you or your Operating Principal, your Store Lead, and two (2) Store employees must attend and complete, to our satisfaction, our initial training program. You must also pay all expenses your trainees incur while attending our initial training program, including travel, lodging, meals and applicable wages. Our initial training program is mandatory; however, you may not incur these expenses if we choose to provide training virtually via the Internet or pre-recorded videos instead of in-person training. If you wish to send additional trainees to our initial training program, you must pay our then-current training fee (currently $1,750 per person, plus expenses) for each additional trainee.

The initial training program will be offered at various times during the year depending on the number of new franchisees entering the System, replacement operating principals and general managers and other personnel needing training, the number of new Stores being opened and the timing of the scheduled openings of Stores to be operated by our franchisees generally. The initial training program will generally last for 5 days.

We will determine whether you or your Operating Principal and your Store Lead, have completed the initial training program to our satisfaction. If any of you or your Operating Principal and your Store Lead do not or cannot satisfactorily complete the initial training program to our satisfaction, you must designate a replacement to satisfactorily complete the training, at your expense (including payment of our then-current training fee, which is currently $1,750 per person plus expenses). Any Operating Principal or Store Lead that is subsequently designated by you must also receive and complete the initial training. We may charge a reasonable fee for the initial training we provide for training such replacements if we have not approved you to provide the training.

You and your trainees that we designate must attend the additional training programs and seminars we offer. We may also offer optional training programs and seminars. For these programs and seminars, we will provide the instructors and training materials. If the training is mandatory, we will not charge you a fee for attending the training. We may charge a reasonable fee for the additional training programs and seminars that we provide on an optional basis, which we currently estimate to be between $500 and $1,500, if assessed. As between us and you, you will also be responsible for all of your expenses and those of any person attending any training on your behalf incurred in participating in any additional training, including costs of travel, lodging, meals, and wages.

For the opening of the Store, we will provide you with one of our training representatives. The training representative will provide on-site pre-opening and opening training, supervision, and management assistance to you for up to 1 week, including after your soft opening. The amount of time provided for opening assistance will be determined by us. You must reimburse the expenses our representative incurs, including travel, lodging and meals. If you request additional days of opening assistance, you must pay our then-current per diem fee (currently, $250 per trainer) for each additional day our representative provides assistance, in addition to any additional expenses incurred. If you are opening your second (or later) Store, we may not provide opening assistance or to reduce the amount of opening assistance provided.

The instructional materials used in the initial training program include our Manual, training videos, marketing and promotion materials, programs related to the operation of the point of sale system, videos, and any other materials that we believe will benefit our franchisees during the training process.

The following is the initial training program currently in effect:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
History and Culture	1 hour	0 hours	Our headquarters in Vista, CA
Human Resources	2 hour	0 hour	Our headquarters in Vista, CA
Employee Training	2 hour	0 hour	Our headquarters in Vista, CA
Store Operations	3 hours	0 hours	Our headquarters in Vista, CA
Accounting	1 hour	0 hour	Our headquarters in Vista, CA
Marketing	1 hour	0 hour	Our headquarters in Vista, CA
Real Estate	1 hour	0 hours	Our headquarters in Vista, CA
Hands on Food Training	3 hour	21 hours	Our headquarters in Vista, CA, or in an operating Everbowl Store that we designate
Total	**14 hours**	**21 hours**	

The entire training program is subject to change due to updates in materials, methods, manuals and personnel without notice to you. We reserve the right to replace any part of the in-person training program with virtual training via the Internet or pre-recorded training videos. The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the individual needs and/or experience of those persons being trained. All training will be supervised by (i) Brian Augustine, who has 17 years' experience in the subject matters being taught and 5 years' experience with us or our affiliates; (ii) Jeff Fenster, who has 5 years' experience in the subject matters being taught and 5 years with us or our affiliates; and (iii) Erik Hansen, who has 10 years of experience in the subject matters being taught and 4 years with us or our affiliate.

If you reasonably request it or if we deem it appropriate, we will, during the term of the Franchise Agreement and subject to the availability of personnel, provide you with additional training

representatives who will provide on-site remedial training to your personnel. For additional training that you request, you may be required to pay the then-current per diem fee (currently $250 per trainer) then being charged to franchisees under the System for the services of our training representatives, plus their costs of travel, lodging, meals, and wages.

We may choose to hold an annual meeting of our franchisees to provide additional training, introduce new products or changes to the System, or for other reasons. We may designate that attendance at an annual meeting is mandatory for you or your Operating Principal and Store Lead. We do not anticipate charging a fee to attend the meeting, but you will pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages. We will designate the location of any franchisee meeting, such as a resort hotel, but we will not designate an unreasonably expensive site.

Confidential Operations Manual

The current Manual consists of 94 pages and its Table of Contents is attached as Exhibit G to this Disclosure Document.

Computer/Point of Sale System

You must purchase and use the point-of-sale and operations software system, as approved and designed by us. The system will provide sales tracking information, inventory management, business reports, labor and scheduling management, order processing and credit card processing.

The system must be set up as specified by us, and will enable us to have immediate, independent access to the information monitored by the system, and there is no contractual limitation on our access or use of the information we obtain. You must install and maintain equipment and a high-speed internet connection in accordance with our specifications, using networking hardware provided by our affiliate, which will permit us to independently access the point of sale system (or other computer hardware and software) either electronically or at your premises. This will permit us to electronically inspect and monitor information concerning your stores operation, including Gross Sales, and any other information that may be contained or stored in the equipment and software. There are no limits on our access to the data on your point of sale system. You must make sure that we have access at all times and in the manner we specify, at your cost.

Unless we designate otherwise in writing, you must purchase the computer system and the point of sale system from our affiliate. We expect that the point of sale system will cost approximately $2,250 to $3,450. You must obtain any upgrades and/or updates to the software used with the point of sale system, at your expense. In addition, we may require you to update and/or upgrade all or a portion of your point of sale system during the term of your Franchise Agreement, at your expense (we currently estimate the cost of optional and required updates/upgrades to be between $0 and $2,500 annually, but such amounts will ultimately be determined by the number of updates/upgrades required and offered by the software provider). The Franchise Agreement does not limit our ability to require you to update and/or upgrade your point of sale system or pay the cost of any update and/or upgrade. Neither we nor any affiliate of ours is responsible for providing you with any upgrades, updates or maintenance for your point of sale system.

You must obtain and maintain high speed Internet access or other means of electronic communication, as specified by us. It will be a material default under the Franchise Agreement if you

do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement. We must have access at all times and in the manner that we specify.

You must participate in the on-line ordering, mobile app program, gift card program, and loyalty program, that we designate. As of the issuance date of this Disclosure Document, all these programs are managed through the point-of-sale system.

While all employment related decisions remain yours, you must use the point-of-sale system for employee scheduling and punch-in and punch outs. We will monitor such data solely for understanding specific labor metrics in the System.

Remodeling and Redecorating of Store

You must, upon our request, remodel and/or redecorate your Store, equipment (including the computer/point of sale system), signs, interior and exterior décor items, fixtures, furnishing, supplies and other products and materials required for the operation of your Store to our then-current System Standards. We will not request such remodeling and/or redecorating more than once every five (5) years during the initial term of the Franchise Agreement, except that if your Store is transferred, we may request that the transferee remodel and/or redecorate the Store premises.

ITEM 12
TERRITORY

Franchise Agreement

You will not receive an exclusive territory. You may face competition from other franchisees, from Everbowl Stores that we or our affiliates own or from other channels of distribution or competitive brands that we control.

Under the Franchise Agreement we grant you the right to operate your Store at a specific location. You will select the site for your Store subject to our approval and using our site submittal forms and/or criteria. You will not be granted any protected or exclusive territory around your Store. You may not relocate your Store without our prior-written consent, which we will not unreasonably withhold. Our approval of a relocation may be based on all factors we consider appropriate at the time of your request, including, for example, whether you are otherwise in compliance with the Franchise Agreement, whether the proposed new site meets our criteria for new Everbowl Store sites, how the rent and other economics relating to the rental of the new site compare to those of the existing site, whether and to what extent you will be required to close the existing Store before opening at the new site, whether there will be a period of time during which you might operate at both locations, your willingness to grant us a general release of all claims you and your related parties may have against us and our related parties (subject to state law), and your payment to us of a relocation fee of $2,500 and reimbursement of our out-of-pocket expenses related to evaluating the new site.

You may not use any other channels of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing to make sales, without our prior written consent. You are not otherwise restricted with respect to soliciting or accepting customers elsewhere.

Nothing in the Franchise Agreement prohibits us from: (a) operating and/or franchising others to operate any businesses, including other food and beverage businesses, identified in whole or in part by the Marks and/or utilizing the System; (b) awarding national, regional or local licenses to third parties to sell products under the Marks in food service facilities primarily identified by the third party's trademark; (c) merchandising and distributing products identified by the Marks through any method or channel of distribution other than through the operation of a Store, including distribution of proprietary products through grocery stores, club stores and similar stores; (d) selling and distributing products identified by the Marks to food service businesses other than Stores, provided those food service businesses are not licensed to use the Marks in connection with their retail sales; (e) selling products and services through other channels of distribution, including the Internet, wholesale, mail order and catalogue; (f) developing and/or owning other franchise systems for the same or similar products and services using trade names and trademarks other than the Marks; and (g) purchasing, being purchased by, merging or combining with, businesses that we deem to offer direct competition to Everbowl Stores in general or your Store in particular. We are not required to seek your consent or pay any compensation to you should we engage in those activities. We and our affiliates do not currently operate or franchise, or currently have plans to operate or franchise, a business that operates a different Mark but that sells or would sell goods or services that are the same or similar to those you will be authorized to sell under the Franchise Agreement.

The Franchise Agreement does not give you any options, rights of first refusal or similar rights to acquire additional franchises.

Area Development Agreement

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, except as described below, during the term of the Area Development Agreement, we and our affiliates will not operate or grant a franchise for the operation of an Everbowl Store to be located within the Development Area so long as you are in full compliance with all the terms and conditions of the Area Development Agreements and Franchise Agreements signed under it.

Under the Area Development Agreement, you are assigned a Development Area where you will acquire franchises to develop multiple Stores according to a specified Development Schedule which will be described in the Area Development Agreement and agreed to before it is signed. The Development Area will include a town or city and may be described in terms of contiguous zip codes and/or counties, or it may be drawn on a map that is attached to the Area Development Agreement. You will select the site for each Store that you develop pursuant to the Development Agreement subject to our approval and using our then-current site submittal forms and/or our then-current site selection criteria. Your territorial rights to the Development Area do not include the right to develop Everbowl Stores at any non-traditional site.

Except as expressly limited by the Area Development Agreement, we and our affiliates retain all rights with respect to Everbowl Stores, the Marks, and any products and services anywhere in the world including the right: (i) to establish, and license others to establish, Everbowl Store, and otherwise sell proprietary products and logoed merchandise under the Marks at or from any location outside of the Development Area; (ii) to establish, and license others to establish, Everbowl Stores and otherwise sell proprietary products and logoed merchandise under the Marks at or from any non-traditional site, wherever located; and (iii) to sell and distribute, directly and indirectly, proprietary products and logoed

merchandise under the Marks using any alternative distribution channels. We are not required to seek your approval or pay you any compensation should we exercise any of these rights.

The Area Development Agreement does not grant you the right or option to operate any Everbowl Store or solicit or accept orders from any customers. Therefore, under the Area Development Agreement, you shall not use any other channels of distribution, including the Internet, catalog sales, telemarketing, or other form of marketing.

Once the final Everbowl Store required to be developed under the Development Schedule has opened (or the date it is required under the Development Schedule to be opened), your rights to the Development Area will expire and you will have no more rights to develop Everbowl Stores within the Development Area, and we will have the right to develop ourselves, or grant rights to others to develop, Everbowl Stores within the Development Area. You are not granted a right of first refusal to develop additional Everbowl Stores, but if you are in compliance with your obligations under the Area Development Agreement and all Franchise Agreements, we will in good faith negotiate a new Area Development Agreement with you.

The territorial rights granted to you under the Area Development Agreement are not dependent on the achievement of a certain sales volume, market penetration or other contingency, but you must develop and open Everbowl Stores according to the Development Schedule. Also, except as stated below, the Development Area may not be altered before the Area Development Agreement expires or is terminated.

If you fail to open Everbowl Stores in compliance with the Development Schedule or if you otherwise commit a material event of default under the Area Development Agreement, we may, in addition to our other remedies, terminate or modify your Development Area, reduce the size of your Development Area, reduce the number of Everbowl Stores that you may develop, or accelerate the Development Schedule under the Area Development Agreement.

ITEM 13
TRADEMARKS

We grant you the non-exclusive right and obligation to use the trademarks under the Franchise Agreement. By "trademark" we mean trade names, trademarks, service marks and logos we authorize to identify Everbowl Stores (the "Marks"). You must use the Marks as we require. You may not use any of the Marks as part of your firm or corporate name. You may not use the Marks in the sale of unauthorized products or services or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale or other disposition of your Everbowl Store or any interest in the franchise. The Marks are owned by our affiliate, Everbowl IP, which, under an Intellectual Property and Products Designation License Agreement, dated July 7, 2020 (the "License Agreement"), granted us a license to use and sublicense the use of the Marks. The License Agreement has a term of 99 years from its date and can be terminated on 30 days' notice if we materially breach the License Agreement and fail to cure the breach or cease to be an affiliate of Everbowl IP. A termination of the License Agreement will result in the loss of our right to use and to sublicense the use of the Marks in franchise agreements signed after that termination. However, your rights to use the Marks under the Franchise Agreement will not be affected by the termination of our license. All rights in and goodwill from the use of the Marks accrue to us and our affiliates.

The following table sets forth the status of registrations and applications with the U.S. Patent and Trademark Office ("USPTO") for federal registration of our principal trademarks. All Marks are registered or have applications for registration pending on the Principal Register.

Mark	If Registered, Registration Number and Date of Registration	Class
	5399183 February 13, 2018	43
	5399184 February 13, 2018	43
EVERBOWL	5898209 October 29, 2019	43
EVERBOWL	6037503 April 21, 2020	25

All required affidavits have been filed, and Everbowl IP intends to renew these registrations and file additionally required affidavits at the appropriate time. There are no effective material determinations of the USPTO, the Trademark Trial and Appeals Board, the Trademark Administrator of any state or any court in the United States concerning the Marks. There is no pending infringement, opposition, or cancellation action in the United States. There is no pending material litigation involving the Marks in the United States. There are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks in a manner material to the franchise. We know of no superior prior rights or infringing uses of any Mark that could materially affect your use of the Marks in this or any other state.

You must immediately notify us of any apparent infringement of the Marks or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks. You and your owners are not permitted to communicate with any person other than us, or any designated affiliate, our counsel and your counsel involving any infringement, challenge or claim. We may take action and have the right to exclusively control any litigation or USPTO or other administrative or agency proceeding caused by any infringement, challenge or claim or otherwise relating to any of the Marks. You must sign any and all documents, and do what may, in our counsel's opinion, be necessary or advisable to protect our interests in any litigation or USPTO or other administrative or agency proceeding or to otherwise protect and maintain our interests and the interests of any other person or entity having an interest in the Marks.

We will indemnify you against and reimburse you for all damages for which you are held liable for your use of any of the Marks, provided that you and your owners have acted in full compliance with the terms of the Franchise Agreement and otherwise according to our instructions regarding any proceeding related to the Marks.

Except as provided above, we are not obligated by the Franchise Agreement to protect any rights granted to you to use the Marks or to protect you against claims of infringement or unfair competition with respect to them. Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy, we intend to defend the Marks vigorously.

We may require you, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute trade names, service marks, trademarks, symbols, logos, emblems and indicia of origin if we determine that an addition or substitution will benefit the System.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise. We do not have any pending patent applications that are material to the franchise. We and/or our affiliates claim copyrights in the Manual (which contains our trade secrets), handbooks, all websites, advertising and marketing materials, all or part of the Marks, and other portions of the System and other similar materials used in operating Stores. We have not registered these copyrights with the United States Registrar of Copyrights, but need not do so at this time to protect them. You may use these items only as we specify while operating your Store (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the United States Copyright Office (Library of Congress) or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the Confidential Information (defined below) or copyrighted materials. We know of no infringing uses of our copyrights which could materially affect your using the copyrighted materials in any state. We need not protect or defend our copyrights, although we intend to do so if we determine that it is in the System's best interests. We may control any action involving the copyrights, even if you voluntarily bring the matter to our attention. We need not participate in your defense nor indemnify you for damages or expenses in a proceeding involving a copyright.

Our Manual and other materials contain our and our affiliates' confidential information (some of which constitutes trade secrets under applicable law) (the "Confidential Information"). All Confidential Information furnished to you by us or on our behalf, whether orally or by means of written material (i) is proprietary, (ii) will be held by you in strict confidence, (iii) will not be copied, disclosed or revealed to or shared with any other person except to your employees or contractors who have a need to know such Confidential Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than your obligations hereunder, or to individuals or entities specifically authorized by us in advance, and (iv) will not be used in connection with any other business or capacity. You will not acquire any interest in Confidential Information other than the right to use it as we specify in operating your Store.

You will protect the Confidential Information from unauthorized use, access or disclosure in the same manner as you protect your own confidential or proprietary information of a similar nature and with no less than reasonable care. We may require that any employee, agent or independent contractor that you hire execute a non-disclosure and non-competition agreement to protect the Confidential Information. We may regulate the form of non-disclosure and non-competition agreement that you use and to be a third-party beneficiary of those agreements with independent enforcement right. You will be solely responsible for obtaining your own professional advice with respect to the adequacy of the

terms and provisions of any confidentiality and non-compete agreement that your employees, agents and independent contractors sign.

We or Everbowl IP are the sole owner of all right, title, and interest in and to the System and any Confidential Information. All improvements, developments, derivative works, enhancements, or modifications to the System and any Confidential Information (collectively, "Innovations") made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, will be owned solely by us. You will assign all right, title and interest in and to such Innovations to us. To that end, you will execute, verify, and deliver such documents (including, without limitation, assignments) and perform such other acts (including appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof.

If we require you to discontinue or modify your use of any subject matter covered by patent or copyright, we are not obligated to compensate you, protect any rights granted to you to use the subject matter, or to protect you against claims with respect to them.

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

We recommend that you actively participate in the operation of your Store. If you are not an individual, you must designate and retain at all times an individual to serve as the "Operating Principal" under the Area Development Agreement and Franchise Agreement. If you are an individual, you must perform all obligations of the Operating Principal. If you are a corporation, partnership or any other form of entity, the Operating Principal must hold an ownership interest of at least 10% in you or any entity that directly or indirectly controls you.

We do not require you or your Operating Principal to have on-premises supervision of the operation of your Store; however, your Operating Principal must supervise the management of your Store. You must hire a Store Lead as the on-premises supervisor of your Sore. Your Operating Principal may, but is not required to, serve as your Store Lead. The Store Lead must complete our training program to our satisfaction our initial training program and other training programs that we require you to participate in. All replacement Store Leads must complete our initial training program before servicing the customers of your Store. We may require your Store Lead and other personnel who have received or will have access to the Confidential Information to execute and bind themselves to confidentiality and non-competition covenants that we approve.

We may also require you, your owners and the spouse of each such person, to jointly, severally and personally guaranty and assume your obligations under the Franchise Agreement pursuant to the Guaranty and Assumption of Obligations which is attached as Attachment A of the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale from your Store all menu items, food products, and other products and services we require, in the manner and style we require, including dine-in and carry-out, as we

expressly authorize in writing. You must sell and offer for sale from your Store all of the menu items, and other products and services that we have expressly approved in writing from time to time, and only those menu items and other products and services that we have expressly approved in writing from time to time. You must not deviate from our standards and specifications without first obtaining our written consent. You must discontinue selling and offering for sale any menu items, products or services that we may disapprove in writing at any time. We have the right to change the types of menu items, products and services offered by you at the Store at any time, and there are no limits on our right to make those changes.

You must maintain in sufficient supply and use and sell only the food and beverage items, ingredients, products, materials, supplies, and paper goods that conform to our standards and specifications. You must prepare all menu items with our recipes and procedures for preparation contained in the Manual or other written instructions, including the measurements of ingredients. You must not deviate from our standards and specifications by the use or offer of nonconforming items or differing amounts of any items, without first obtaining our written consent.

We may vary the menu items offered at your Store based on regional or local tastes or ingredients. We may designate the maximum prices for the goods, products and services offered from your Store, where permitted by applicable law, and you must comply with our pricing requirements. We make no guarantees or warranties that offering the products or merchandise at the required price will enhance your sales or profits.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3.1	Term continues for 10 years from the date of the Franchise Agreement unless terminated earlier.
b. Renewal or extension of the term	Section 3.1	Agreement may be renewed at your option for 2 additional 5-year terms.

Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Section 3.1	You must notify us, in writing, no more than 120 days or less than 90 days prior to expiration of the then-current term of your Franchise Agreement, that you desire to renew the Franchise Agreement. We will send you any documents that you must sign for the renewal, which may include a renewal Franchise Agreement and a release (subject to state law), and you maintain possession of the premises. You may be asked to sign a contract with materially different terms and conditions than your original contract, but the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees.
d. Termination by franchisee	Not applicable	Except as permitted under applicable state law.
e. Termination by franchisor without cause	Not applicable	A default under one agreement with us may result in a termination of all of your other agreements with us.
f. Termination by franchisor with "cause"	Sections 16.1 and 16.2	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination of the Franchise Agreement. A termination under one agreement with us may result in a termination of all of your other agreements with us.
g. "Cause" defined – curable defaults	Sections 16.1 and 16.2	We may terminate you for cause if you fail to cure certain defaults, including: if you or any of your affiliates fail to pay any monies owed to us or our vendors and do not cure within five days after notice (or longer period required), fail to obtain execution of the Confidentiality and Non-Competition Covenants contained in the Franchise Agreement within 5 days after a request, fail to procure and maintain required insurance within seven days after notice, use the Marks in an unauthorized manner and fail to cure within 24 hours after notice, fail to cure any other default that is susceptible of cure within 30 days after notice. In addition, a default under one agreement with us may result in a termination of all of your other agreements with us. This is known as a cross-default provision.

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined – non- curable defaults	Sections 16.1 and 16.2	We may terminate you for cause if you fail to cure certain defaults, including: if you become insolvent, make a general assignment for benefit of creditors, file a petition or have a petition initiated against you under federal bankruptcy laws, have outstanding judgments against you for over 30 days, sell unauthorized products or services, fail to acquire an accepted location within time required, fail to remodel when required, fail to open Store when required, fail to comply with any term and condition of any sublease or related agreement and have not cured the default within the given cure period, abandon or lose right to the premises, are convicted of a felony or other crime that may have an adverse effect on the System or Marks, transfer any interest without our consent, maintain false books or records, or you or any of your Principals violate any anti-terrorism law. A termination under one agreement with us may result in a termination of all of your other agreements with us.
i. Franchisee's obligations on termination/non-renewal	Section 17	Obligations include: you must stop operating the Store and using the Marks and System and completely de-identify the premises, pay all amounts due to us, return all Manuals, training materials, software and other proprietary materials, comply with confidentiality requirements, and at our option, sell or assign to us your rights in the premises and the equipment and fixtures used in the business.
j. Assignment of contract by franchisor	Section 13.1	We have the right to transfer or assign the Franchise Agreement to any person or entity without restriction.
k. "Transfer" by franchisee – defined	Section 13.2	Includes sale, assignment, conveyance, pledge, mortgage or other encumbrance of any interest in the Franchise Agreement, the Store or you (if you are not a natural person) either by operation of law or otherwise.
l. Franchisor approval of transfer by franchisee	Section 13.2	You must obtain our consent before transferring any interest. We will not unreasonably withhold our consent.
m. Conditions for franchisor approval of transfer	Section 13.3	Conditions include: you must pay all amounts due to us, not otherwise be in default, sign a general release (subject to state law), and pay a transfer fee. Transferee must meet our criteria, complete training to our satisfaction, execute current Franchise Agreement, and remodel the Store to meet our then-current System Standards.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 13.4	We have the option to purchase the interest proposed to be transferred on the same terms and conditions.

Provision	Section in Franchise Agreement	Summary
o. Franchisor's option to purchase franchisee's business	Section 17.2	On termination or expiration of the Franchise Agreement, we have the right to purchase all or a portion of the assets of the Store.
p. Death or disability of franchisee	Section 18.17	We may exercise our step-in rights to operate your business for as long as we deem necessary and practical.
q. Non-competition covenants during the term of the franchise	Sections 9.4 to 9.6	You and your owners (if you are not an individual) are prohibited from (i) operating or having an interest in a similar business, or diverting (or attempting to divert) any business or customer to any similar business, subject to state law, and (ii) operating or having any direct or indirect interest in any business (other than your Store) which is of a character and concept similar to Everbowl Stores.
r. Non-competition covenants after the franchise is terminated or expires	Sections 9.4 to 9.6	You and your owners (if you are not an individual) are prohibited for two years from expiration or termination of the franchise from (i) operating or having an interest in a similar business within 50 miles of any Store in the System, and (ii) diverting (or attempting to divert) any business or customer to any competitor, subject to state law.
s. Modification of the agreement	Section 18.2	Franchise Agreement may not be modified unless mutually agreed to in writing. You must comply with Manual as amended.
t. Integration/merger clause	Section 18.2	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable, subject to state law.
u. Dispute resolution by arbitration or mediation	Section 18.5	Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be arbitrated in San Diego, California, or, at our option, in the city in which our headquarters are then located (currently, Vista, California), subject to state law.
v. Choice of forum	Section 18.6	The state or federal courts having jurisdiction and sitting in or nearest to San Diego, California, or, at our option, the state or federal courts having jurisdiction and sitting in or nearest to the city in which our headquarters are then located (currently, Vista, California), subject to state law.
w. Choice of law	Section 18.6	The laws of the state in which your Store is operated or is to be located, subject to state law.

THE DEVELOPER RELATIONSHIP

This table lists certain important provisions of the Area Development Agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section in Area Development Agreement	Summary
a. Length of the franchise term	Section 5	Unless sooner terminated, the term of the Area Development Agreement will expire on the date on which the final Store to be developed thereunder has opened for business or the last day of the last day by which you are required under the Development Schedule to open Stores, whichever is earlier.
b. Renewal or extension of the term	Not applicable	You have no right to renew or extend the Area Development Agreement.
c. Requirements for developer to renew or extend	Not applicable	
d. Termination by developer	Not applicable	Except as permitted under applicable law.
e. Termination by franchisor without cause	Not applicable	A default under one agreement with us may result in a termination of all of your other agreements with us.
f. Termination by franchisor with "cause"	Sections 7.1, 7.2 and 7.3	Following certain defaults, we may terminate the Agreement or modify your territorial rights or alter your Development Schedule, rather than terminate the Agreement. A default under one agreement with us may result in a termination of all of your other agreements with us.
g. "Cause" defined - curable defaults	Sections 7.2 and 7.3	We may terminate you for cause if you fail to cure certain defaults, including: if you or your affiliates fail to pay any monies owed to us, or our vendors, and do not cure within five days after notice (or longer period required), fail to obtain execution of the Confidentiality and Non- Competition Covenants contained in the Agreement within 30 days after a request, use the Marks in an unauthorized manner and fail to cure within 24 hours after notice or fail to cure any other default that is susceptible of cure within 30 days after notice. In addition, a default under one agreement with us may result in a termination of all of your other agreements with us.

Provision	Section in Area Development Agreement	Summary
h. "Cause defined – non-curable defaults	Sections 7.1 and 7.2	We may terminate you for cause based on certain non-curable defaults, including: if you become insolvent, make a general assignment for benefit of creditors, file a petition or have a petition initiated against you under federal bankruptcy laws or similar state laws, have outstanding judgments against you for over 30 days, fail to comply with the Development Schedule, fail to comply with any term and condition of any sublease or related agreement and have not cured the default within the given cure period, are convicted of a felony or other crime that may have an adverse effect on the System or Marks, transfer any interest without our consent, or you or your owners violate any anti-terrorism law. A default under one agreement with us may result in a termination of all of your other agreements with us.
i. Developer's obligations on termination/non-renewal	Sections 7.5 and 7.8	Obligations include: you must stop developing Stores or, on a partial termination of territorial or development rights under Section 7.4, must continue to develop only in accordance with any modified Development Schedule, and must comply with all applicable confidentiality and non-competition covenants.
j. Assignment of contract by franchisor	Section 8.1	We have the right to transfer or assign the Area Development Agreement to any person or entity without restriction.
k. "Transfer" by developer – defined	Section 8.2	Includes sale, assignment, conveyance, gift, pledge, mortgage or other disposal or encumbrance of any direct or indirect interest in the Area Development Agreement or you (if you are not a natural person) either by operation of law or otherwise.
l. Franchisor approval of transfer by developer	Section 8.2	You must obtain our consent before transferring any interest. We will not unreasonably withhold our consent.
m. Conditions for franchisor approval of transfer	Section 8.2	Conditions include: you must pay all amounts due us, not otherwise be in default, execute a general release (subject to state law), remain liable for pre-transfer obligations and pay a transfer fee. Transferee must meet our criteria, assume post-transfer obligations, execute our then-standard Agreement and complete training.
n. Franchisor's right of first refusal to acquire developer's business	Section 8.3	We have the option to purchase the interest proposed to be transferred on the same terms and conditions.
o. Franchisor's option to purchase developer's business	Not applicable	

Provision	Section in Area Development Agreement	Summary
p. Death or disability of developer	Section 8.4	If you or a Controlling Principal are a natural person, on death or permanent disability, you or the Controlling Principal's interest must be transferred to someone approved by us within 12 months after death or 6 months after notice of permanent disability.
q. Non-competition covenants during the term of the Area Development Agreement	Not applicable	
r. Non-competition covenants after the Area Development Agreement is terminated or expires	Not applicable	
s. Modification of the agreement	Section 14.1	The Area Development Agreement may not be modified unless mutually agreed to in writing, except we may unilaterally decrease the scope of certain non-competition covenants and if you are in default of the Area Development Agreement, we can modify your territorial and/or development rights.
t. Integration/merger clause	Section 14.1	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of the disclosure document and Area Development Agreement may not be enforceable, subject to state law.
u. Dispute resolution by arbitration or mediation	Section 14.2	Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be arbitrated in San Diego, California, or, at our option, in the city in which our headquarters are then located (currently, Vista, California), subject to state law.
v. Choice of forum	Section 14.3	The state or federal courts having jurisdiction and sitting in or nearest to San Diego, California, or, at our option, the state or federal courts having jurisdiction and sitting in or nearest to the city in which our headquarters are then located (currently, Vista, California), subject to state law.
w. Choice of law	Section 14.3	The laws of the state in which your area developer business is operated or is to be located, subject to state law.

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit H.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our 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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing, other than as set forth in this Item 19. 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 of your future income, you should report it to the franchisor's management by contacting Erik Hansen at 1300 Specialty Dr., #100, Vista, CA 92081 and (760) 330-9001, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1 Systemwide Outlet Summary
For Years 2019, 2020, 2021[1]

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	0	0	0
	2020	0	6	+6
	2021	6	45	+39
Company-Owned[2]	2019	17	24	+7
	2020	24	24	0
	2021	24	0	-24
Total Outlets	**2019**	**17**	**24**	**+7**
	2020	**24**	**30**	**+6**
	2021	**30**	**45**	**+15**

1. Unless otherwise indicated, all figures in all Tables of this Item 20 are as of December 31 of each year, which is when our fiscal year ends.

2. Company-owned includes affiliate-owned or managed.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2019, 2020, 2021

State	Year	Number of Transfers
Arizona	2019	0
	2020	0
	2021	1
Total	**2019**	0
	2020	0
	2021	1

Table No. 3
Status of Franchised Outlets For Years 2019, 2020, 2021

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Arizona	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	3	0	0	0	1	2
California	2019	0	0	0	0	0	0	0
	2020	0	3	0	0	0	0	3
	2021	3	25	0	0	0	1	27
Florida	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
Indiana	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
Missouri	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
Nevada	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	4	0	0	0	0	4
Oregon	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
South Carolina	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Tennessee	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
Texas	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
Utah	2019	0	0	0	0	0	0	0
	2020	0	2	0	0	0	0	2
	2021	2	2	0	0	0	0	4
Total	**2019**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2020	**0**	**6**	**0**	**0**	**0**	**0**	**6**
	2021	**6**	**41**	**0**	**0**	**0**	**2**	**45**

Table No. 4
Status of Company-Owned Outlets For Years 2019, 2020, 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Arizona	2019	0	1	0	0	0	1
	2020	1	1	0	0	0	2
	2021	2	0	0	0	2	0
California	2019	17	7	0	0	0	23
	2020	23	1	0	1	1	22
	2021	22	0	0	0	22	0
Total	**2019**	**17**	**7**	**0**	**0**	**0**	**24**
	2020	**24**	**2**	**0**	**1**	**1**	**24**
	2021	**24**	**0**	**0**	**0**	**24**	**0**

Table No. 5
Projected Openings Through Fiscal Year 2022

States	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	2	1	0
California	3	7	0
Colorado	0	2	0
Florida	1	3	0

States	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Georgia	1	3	0
Idaho	2	2	0
Illinois	0	1	0
Indiana	0	2	0
Louisiana	0	2	0
Michigan	0	1	0
Missouri	0	3	0
Nevada	3	3	0
New Jersey	1	1	0
New York	0	1	0
North Carolina	1	1	0
Ohio	0	1	0
Oregon	1	1	0
South Carolina	1	1	0
Tennessee	1	3	0
Texas	3	5	0
Utah	0	1	0
Virginia	1	1	0
Total	**21**	**46**	**0**

A list of the names of all franchisees and developers as of December 31, 2021 and their addresses and telephones numbers is provided in Exhibit D to this Disclosure Document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or developer who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document is listed on Exhibit D to this Disclosure Document.

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

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with our System. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations that are required to be disclosed in this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

We have attached as Exhibit D to this Disclosure Document (i) our unaudited financial statement as of September 30, 2022 including the balance sheet, statement of income, and statement of member's capital; and (ii) our audited financial statements, including the balance sheet, statement of income, a statement of member's capital, statement of cash flows, and accompanying auditor's notes for the fiscal years 2021, 2020, and 2019.

Our fiscal year end is December 31.

ITEM 22
CONTRACTS

Attached as Exhibits to this Franchise Disclosure Document are the following contracts and their attachments:

1.	Franchise Agreement	Exhibit B
2.	Area Development Agreement	Exhibit C
3.	Form of General Release	Exhibit F

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document as Exhibit I. Please return one signed copy to us and retain the other for your records.

EXHIBIT A

STATE AGENCIES/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. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

CALIFORNIA

Department of Financial Protection & Innovation
Commissioner of Financial Protection & Innovation
1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7505

Sacramento

2101 Arena Blvd.
Sacramento, California 95834
(916) 445-7205

San Diego

1350 Front Street
San Diego, California 92101
(619) 525-4044

San Francisco

One Sansome Street, Ste. 600
San Francisco, California 94104
(415) 972-8559

HAWAII

(state administrator)

Business Registration Division
Securities Compliance Branch
Department of Commerce and Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2722

(agent for service of process)

Commissioner of Securities of the
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(state administrator)

Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

(agent for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

MARYLAND

(state administrator)

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(agent for service of process)

Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

(state administrator)

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) 373-7177

(agent for service of process)

Michigan Department of Commerce,
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

(state administrator)

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

(agent for service of process)

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

NEW YORK

(state administrator)

Office of the New York State Attorney General
Investor Protection Bureau
Franchise Section
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236

(agent for service of process)

Attention: New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492

NORTH DAKOTA

(state administrator)

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - Fifth Floor
Bismarck, North Dakota 58505
(701) 328-4712

(agent for service of process)

Securities Commissioner
600 East Boulevard Avenue
State Capitol - Fifth Floor
Bismarck, North Dakota 58505
(701) 328-4712

OREGON

Department of Business Services Division of Finance & Corporate Securities
350 Winter Street, NE, Room 410
Salem, Oregon 97310-3881
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O. Pastore Complex Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(state administrator)

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

(agent for service of process)

Clerk, State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9733

WASHINGTON

(state administrator)

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

(agent for service of process)

Director
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

WISCONSIN

(state administrator)

Securities and Franchise Registration
Wisconsin Department of Financial Institutions
4022 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-1064

(agent for service of process)

Office of the Secretary
Wisconsin Department of Financial Institutions
P.O. Box 8861
Madison, Wisconsin 53708-8861
(608) 261-9555

EXHIBIT B

FRANCHISE AGREEMENT

EVERBOWL® FRANCHISE AGREEMENT

1. **Effective Date**: _____

2. **Franchisee**:

   Name: _____

   Address: _____

   Attention: _____

   Email Address: _____

   Phone: _____

   State of Formation: _____ Date of Formation: _____

3. **Location** (Section 2.2): _____

4. **Initial Term** (Section 3.1): 10 years from the Effective Date

5. **Successor Terms** (Section 3.1): Two (2) successive terms of five (5) years each

6. **Certain Fees and Reimbursements**:

   a. **Initial Franchise Fee** (Section 4.1): $30,000

   b. **Weekly Royalty Fee** (Section 4.2): 6% of your Store's Gross Sales during the prior week

   c. **Opening Assistance** (Section 5.5.4): You must reimburse us the expenses we incur providing on-site pre-opening and opening assistance in accordance with Section 5.5.4 of this Agreement.

   d. **Weekly Brand Development Fee** (Section 7.3): 1% of your Store's Gross Sales, subject to increase to 2% of Gross Sales on 30 days' prior written notice.

7. **Ownership of Franchisee** (Section 5.2.5): The following persons are all of your direct and indirect owners:

Name	Address	Type of Interest	Percentage Held

8. **Operating Principal** (Section 5.2.5): _____

This Data Sheet and the attached Terms and Conditions form and are referred to herein as the "Agreement." Intending to be bound by the terms of the Agreement, the parties have set forth their signatures below.

FRANCHISOR:
EVERBOWL FRANCHISE, LLC
a California limited liability company

By:_____
Name: _____
Title: _____
Date:_____

FRANCHISEE:
[NAME], a/an [___]

By: _____
Name: _____
Title: _____
Date:_____

EVERBOWL® FRANCHISE AGREEMENT

TERMS AND CONDITIONS

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EVERBOWL® FRANCHISE AGREEMENT

TERMS AND CONDITIONS

The following terms and conditions (these "**Terms**") are an integral part of the Agreement and define the rights and obligations of, and the relationship between, **Everbowl Franchise, LLC**, a California limited liability company whose address is 1300 Specialty Drive, #100, Vista, CA 92081, Attention: Chief Operating Officer ("**us**"), and the franchisee identified on the attached Data Sheet ("**you**"). References to the Agreement include these Terms and the Data Sheet to which they are attached.

RECITALS

A. We and our affiliates have developed (and may continue to develop, revise and evolve) and claim ownership of a system for establishing and operating stores that are identified by and operate under the name and brand "Everbowl" and offer, among other things, a variety of superfood-based bowls and smoothies with various toppings. In this Agreement, the term "**Everbowl Stores**" refers generally to Everbowl-branded stores that operate as part of our System, "**Store**" refers to the Everbowl Store that you will own, develop and operate pursuant to this Agreement, and "**System**" refers to the network of authorized Everbowl Stores.

B. Everbowl Stores are developed and operate in accordance with our standards and specifications (the "**System Standards**"), including the use of trademarks and service marks and trade names we designate from time to time to identify the business and the products and services they offer (the "**Marks**"); specified trade dress, including exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; inventory, management and financial controls and processes; training and assistance; and advertising and promotional programs. We may change System Standards from time to time, and those changes will become effective when we incorporate them into our confidential manual ("**Manual**") or otherwise notify you of them in writing.

C. Everbowl Stores may be operated by us, our affiliates and third parties that we believe meet our criteria and to whom we grant the right and license to develop, own and operate an Everbowl Store (a "**Franchise**").

D. You have requested that we grant you a Franchise, and in support of your request, you and, as applicable, your owners have provided us with information regarding your qualifications and financial capacity (the "**Application Materials**"). In reliance, in part, on the Application Materials, we are willing to grant your request on the terms and conditions contained in this Agreement.

SECTION 1.
GRANT

1.1 Grant of Franchise. We grant to you, and you accept, the Franchise to develop, own and operate your Store at, and only from, the Location (defined below) and strictly in accordance with this Agreement.

1.2 Our Reserved Rights. You acknowledge that you are not granted any exclusivity or territorial protection around your Store. We reserve for ourselves and our affiliates any rights that we have not expressly granted to you in this Agreement, and we are prohibited from doing only those things that we have expressly agreed in this Agreement not to do. Among our reserved rights are the right, directly or through our and our affiliates' permittees, without the requirement to compensate you in any way, and without regard to the competitive impact it might have on your Store: (a) to operate, anywhere in the world, any business identified in whole or in part by any trademarks, including the Marks, and/or utilizing any systems or operating platforms, including the System; (b) to, anywhere in the world and through any distribution method, channel or platform, sell products under any trademarks, including the Marks; (c) to develop and/or own other franchise systems for the same or similar products and services using trade names and trademarks other than the Marks; and (d) to purchase, be purchased by, merge or combine with, businesses that we deem to offer direct competition to the Everbowl Stores in general or your Store in particular.

SECTION 2.
SITE SELECTION, LEASE AND DEVELOPMENT

2.1 Your Responsibility to Locate and Procure the Location. You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for the Store, and for constructing and equipping the Store at such site. You shall not make any binding commitment with respect to any proposed site for your Store unless the site is accepted by us as set forth below.

2.2 Site Selection and Acceptance. If we have accepted the location for your Store when we sign this Agreement, it is identified on the attached Data Sheet. If your proposed location has not been accepted by us as of the Effective Date, we will provide you with our standard site guidelines, and you are required, using your resources and at your expense, to propose one or more sites for our consideration, including providing information about the site that we request. You will have 30 days after the Effective Date to identify and get our acceptance of the site at which your Store will be developed. We may, at our option, conduct an on-site evaluation of your proposed site, and if we do, you agree to pay our then-current fee for each on-site evaluation and reimburse us the travel, food and lodging and incidental expenses of the representative we send to conduct the evaluation. Our acceptance of your proposed site signifies only that it meets the then-current minimum criteria that we have established for our own purposes and does not constitute our representation, promise, warranty or guarantee, express or implied, that the Store operated at that site will be profitable or otherwise successful. We will have 15 days after receipt of all of the information and materials we request to evaluate your proposed site to notify you that we have either accepted or declined it, in our sole discretion. If we do not provide you with notice of our decision within that period, the proposed site will be deemed to have been declined. The site we accept in accordance with this Section is referred to herein as the "**Location**."

2.3 Acceptance of Lease. You must submit a copy of the proposed lease or other agreement to secure possession of the Location (the "**Lease**") for our review and written acceptance prior to its execution. The Lease shall contain certain provisions we require, from time to time, for the protection and continuity of the everbowl brand at the Location. Our current form of Lease Rider, which incorporates the lease provisions we currently require, is attached as Attachment B hereto. If we do not provide our written acceptance of the Lease within a reasonable time after you submit a copy of the Lease and the Lease Rider to us, then it will be deemed to have been declined. After the Location and Lease have been accepted by us in accordance with Section 2.2 and this Section 2.3, we will insert the Location's address on the attached Data Sheet. You must provide us a copy of the executed Lease within 15 days after its execution.

2.4 Development and Opening of the Store. Once the Lease has been signed, we will design the Store. You agree to purchase from our affiliate or other designated source a leasehold improvement, millwork, and FF&E package (collectively, the "**Build-Out Package**") and to prepare the premises, or cause them to be prepared, for installation by our affiliate or other designee of the Build-Out Package. Other than the initial design of the Store, you are responsible, at your expense, for doing, and you agree to do, all things necessary to develop and prepare your Store for opening in accordance with this Agreement, our System Standards, and all applicable federal, state, local, municipal, or other governmental laws, ordinances and regulations. Within a reasonable time after the date of completion of construction and installation of the Build-Out Package, we may, at our option, conduct an inspection of the completed Store. You agree that you will not open the Store for business without our prior written authorization.

You acknowledge that time is of the essence and that the Store must be open and conducting business pursuant to this Agreement within two hundred and seventy (270) days after the Effective Date.

2.5 Relocation. If the Location or the characteristics of the area in which the Location is situated change during the Term, you may request our approval to relocate the Store to another location. If, in our sole discretion, we grant your request, the new location and the development of the Store at the new location will be subject to the same requirements in this Agreement that apply to the Location, but the identity of the new location, the timeline for closing the Location and reopening in the new location, and other acceptable conditions will be set forth in an amendment to this Agreement which will include those conditions and a general release of claims you and your related parties might have against us and our related parties as of that time. When you and we sign that amendment, you will be required to pay us a relocation fee of $2,500. You will also be required to reimburse our out-of-pocket expenses related to your relocation.

SECTION 3.
TERM AND SUCCESSOR FRANCHISES

3.1 Term and Successor Franchises. The initial term of this Agreement (the "**Initial Term**") begins on the Effective Date and ends as set forth on the attached Data Sheet. You may acquire successor franchises as described in the attached Data Sheet, subject in each case to the following conditions:

3.1.1 You must notify us, in writing, of your desire to acquire a successor franchise not more than 120 days or less than 90 days prior to expiration of the Initial Term or the term of the 1st successor franchise, applicable.

3.1.2 You must have been, throughout the expiring term, in substantial compliance, and, at the expiration of such term, be in full compliance, with this Agreement (or applicable successor franchise agreement), your Lease, and all other agreements between you and us or our affiliates.

3.1.3 You must be able to maintain possession of the Location (or at an approved relocated premises) pursuant to the Lease or a lease reasonably acceptable to us.

3.1.4 If you qualify to acquire a successor franchise, we will, before the expiration of the expiring term, provide you with any documents that you are required to execute for the successor term, which documents may include, but are not limited to, a general release, our then-current form of Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of everbowl franchises, all of which will, except for the renewal provisions (which will be governed by this Section 3.1), contain terms and fees substantially the same as those included in our then-standard forms of franchise agreement and which will not obligate you to pay a further initial franchise fee (the "**Renewal Franchise Documents**"). However, for each successor term, you must pay us the successor term fee set in an amount equal to 50% of either the standard initial franchise fee we are then charging for new Everbowl Store franchises or, if we are not then selling new franchises, the standard initial franchise fee we were last charging before we ceased new franchise sales.

3.1.5 By no later than expiration of the expiring term, you must execute and return to us the Renewal Franchise Documents and all other documents and instruments that we require in order to acquire the successor term, along with payment of the applicable fee. If we do not timely receive the executed documents and fee, then this Agreement or successor agreement shall expire, you will have no further rights to acquire a successor franchise, and you shall comply with the provisions of Section 17 and any other provisions that survive termination or expiration of this Agreement.

3.1.6 After we have received from you all executed Renewal Franchise Documents and the renewal fee, we will inspect your Store to determine the extent of any required updating, remodeling, redecorating or other refurbishment for the Store in order to bring the Store up to our then-current image and standards for new Everbowl Stores. You will have 180 days from the date we provide you with notice of the required modifications to complete them. If you fail or refuse to make the required modifications, we will have the right to terminate the Renewal Franchise Documents.

3.2 Refusal to Renew Franchise Agreement. We may refuse to renew this Agreement and any Renewal Franchise Documents, as applicable, if you fail to satisfy any of the requirements set forth in Section 3.1

SECTION 4.
CERTAIN FEES

4.1 Initial Franchise Fee. By not later than your execution of this Agreement, you shall pay to us the initial franchise fee identified on the attached Data Sheet. The amount of the initial franchise fee when so paid shall be deemed fully earned in consideration of the administrative and other expenses incurred by us in granting the Franchise hereunder and for our lost or deferred opportunity to grant such franchise to any other party.

4.2 Royalty Fees. During the Initial Term, you shall pay to us, a continuing weekly royalty fee in in the amount set forth on the attached Data Sheet (the "**Royalty Fee**"). The Royalty Fee will be due and payable on such day of the week that we require from time to time. "**Gross Sales**" means the total selling price of all services and products and all income of every other kind and nature related to the Store, whether for cash or credit and regardless of collection in the case of credit. If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you. If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the

electronic cash register system and any cash shortage will not be considered in the determination. Gross Sales does not include the following:

4.2.1 receipts from the operation of any pre-approved vending machines located at the Store, except for any amount representing your share of the revenues from such machines;

4.2.2 sales and related taxes collected directly from customers and actually paid to any federal, state, municipal or local authority; and

4.2.3 proceeds from isolated sales of trade fixtures not constituting any part of your products and services offered for resale at the Store nor having any material effect on the ongoing operation of the Store required under this Agreement.

4.3 Manner of Payment. All fees are payable to us at the times and in the manner that we specify from time to time in the Manual or otherwise. You agree that we will have the right to withdraw funds from your designated bank account each week by electronic funds transfer ("EFT") in the amount of the Royalty Fee and any other payments due to us and/or our affiliates. You agree to execute any documents required by us, our bank, your bank, and our Point of Sale System (as defined in Section 20.1.3) provider to effectuate EFTs.

4.4 Royalty Reporting. We have the right to poll your Point-of-Sale System directly to obtain Gross Sales and other information regarding the operation of your Store. If, for any reason, we are unable to independently verify your Gross Sales by accessing your Point-of-Sale system, you will report your Gross Sales to us (a "**Royalty Report**") on the date and in such format as we may require. If we are unable to independently verify or you fail to timely report the Store's Gross Sales as provided in this Section, we may debit your account for 120% of the last Royalty Fee and Brand Development Fee (defined below) that we debited. If the Royalty Fee and Brand Development Fee we debit are less than the Royalty Fee and Brand Development Fee you actually owe to us, once we have been able to determine the Store's true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the Royalty Fee and Brand Development Fee we debit are greater than the Royalty Fee and Brand Development Fee you actually owe, we will credit the excess against the amount we otherwise would debit from your account during the following week.

4.5 Interest on Overdue Amounts. You shall not be entitled to withhold payments due us under this Agreement for any reason. Any payment or report not actually received by us on or before its due date shall be deemed overdue. All overdue payments shall bear interest from the date due at the greater of 18% per annum or the maximum rate allowed by applicable law.

4.6 Late Reporting Fee. If we do not timely provide us with your Gross Sales under the circumstances described in Section 4.5 above, we may assess you a fee of $100 per day for each day that we do not receive the required report. This fee is reasonably related to our costs resulting from the delay in receipt of any report, is not a penalty, and is in addition to any other remedy available to us under this Agreement.

SECTION 5.
YOUR AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Operation of the Store. You and the Controlling Principals (defined below) agree to use commercially reasonable efforts to operate the Store so as to achieve optimum sales. You will, at all times, maintain sufficient working capital reserves as necessary and appropriate to comply with your obligations under this Agreement. On our request, you will provide us with evidence of working capital availability. We reserve the right, from time-to-time, to establish certain levels of working capital reserves, and you will comply with such requirements. We may from time-to-time designate the maximum amount of debt that your Store may service, and you will comply with such limits, You agree to apply for and diligently pursue any government-issued, government-sponsored, or governmental-guaranteed grants, non-recourse loans, and/or bail-outs for which you qualify and that are made available to small businesses as an economic stimulus.

5.2 Legal Entities. If you are not a natural person, you and the Controlling Principals represent, warrant and covenant that:

5.2.1 you are duly organized and validly existing under the state law of your formation;

5.2.2 you are duly qualified and are authorized to do business in each jurisdiction in which your business activities or the nature of the properties owned by you require such qualification;

5.2.3 the execution of this Agreement and the consummation of the transactions contemplated hereby are within your power as provided under your organizational and governing documents and have been duly authorized by you and your owners;

5.2.4 your governing documents shall not be amended in any way that impacts your ability to comply with your obligations under this Agreement without our prior written consent;

5.2.5 all your direct and indirect owners, as of the Effective Date, are as reflected on the attached Data Sheet and will not hereafter change unless done so in accordance restrictions regarding Transfers under this Agreement; and

5.2.6 Your Controlling Principals and Operating Principal (defined below) shall, jointly and severally, assume and guarantee the performance of all of your obligations, covenants and agreements hereunder pursuant to the terms and conditions of the guaranty contained in Attachment A hereto. All other owners must sign agreements, on forms we approve from time to time, that are enforceable under applicable state law and under which they agree to the same confidentiality and noncompetition obligations to which you are bound under this Agreement.

5.3 Operating Principal and Controlling Principals. The "**Controlling Principals**" are those of your owners who we reasonably determine from time to time, either because of the extent of their direct or indirect ownership interests in you or the nature of the authority you grant to them, control you or any governing board, your management decisions, or your activities under this Agreement. You shall designate, subject to our approval, one of your owners holding at least a 10% direct or indirect ownership interest in you to serve as your Operating Principal ("**Operating Principal**"). Your initial Operating Principal is designated on the attached Data Sheet. The Operating Principal shall, at all times, supervise the management of your Store, meet our reasonable standards and criteria for an Operating Principal, and satisfy the training requirements set forth in Section 5.5.

If the Operating Principal ceases to serve or to be qualified to serve in that capacity, you shall promptly notify us and designate a replacement within 60 days after that event occurs or the determination is made. The replacement Operating Principal shall be subject to our approval and all other requirements listed above. You shall provide for interim management of the Store until such replacement is so designated, such interim management to be conducted in accordance with the terms of this Agreement.

5.4 Store Lead. The day-to-day operation of the Store shall, at all times, be under the supervision of a Store lead ("**Store Lead**") that you appoint and that we approve. The Store Lead may, but need not, be one of your owners. The Store Lead shall, at all times, satisfy our educational and business experience criteria, devote full time and best efforts to manage the Store, and satisfy the training requirements set forth in Section 5.5.

5.5 Training. You agree that it is necessary to the continued operation of the System and the Store that your personnel receive such training as we may reasonably require, and accordingly agree as follows:

5.5.1 Not later than 30 days prior to the scheduled opening of your Store, you or your Operating Principal, your Store Lead and two (2) Store employees ("**Your Required Trainees**") shall have completed, to our reasonable satisfaction, our initial training program.

5.5.2 We will provide instructors and training materials for the initial training program for your Required Trainees, at no additional charge to you. We may charge a reasonable fee for participation in the initial training program by (a) more than your Required Trainees, (b) persons other than Your Required Trainees, and (c) replacements for Your Required Trainees.

5.5.3 If the initial training program is (a) not completed within the timeframe required by us, (b) not satisfactorily completed by the Operating Principal and/or Store Lead, or (c) if we in our reasonable business judgment, based upon the performance of the Operating Principal or Store Lead, determine that the training program cannot be satisfactorily completed by any such person, you shall designate a replacement to satisfactorily complete such training. Any Operating Principal or Store Lead subsequently designated by you shall also receive and complete, to our reasonable satisfaction, such initial training. We reserve the right to charge a reasonable fee for providing our initial training program to any replacement or successor manager or other personnel. You will be responsible for any

and all expenses incurred by Your Trainees and any other personnel that, at your request, we allow to participate in the initial training program, including costs of travel, lodging, meals and applicable wages.

5.5.4 We will send one (1) of our personnel to the Store to provide on-site pre-opening and opening assistance for up to one (1) week, including after your soft opening. The identity of the personnel will be determined by us, in our discretion.

5.5.5 On your reasonable request or as we deem appropriate, we may, subject to the availability of our personnel, send our representatives to your Store to provide on-site remedial training and assistance to your Store personnel. For additional training and assistance we provide under this Section 5.5.5, you must pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus reimburse us for their costs of travel, lodging, and meals.

5.5.6 We reserve the right to conduct additional or refresher training programs, seminars and other related activities regarding the operation of the Store. Such training programs and seminars may be offered to you, your managers or other personnel generally, and we may designate that such training programs and seminars are mandatory for one or more of Your Trainees and/or other personnel. We do not anticipate charging a fee for such training, but you will pay for all of the expenses incurred by your personnel, including travel, lodging, meals and wages.

5.5.7 We reserve the right to hold annual meetings for all franchisees and other Everbowl Store operators to provide additional training, introduce new products or changes to the System, or for other reasons. We reserve the right to designate that attendance at any annual meeting is mandatory for Your Trainees and/or other personnel. We do not anticipate charging a fee for the annual meetings, but attendance by you and your representatives will otherwise be at your expense.

5.5.8 Notwithstanding anything to the contrary, for any training program or national or regional meeting or conferences that we conduct, we may, in our discretion, supplement or replace in-person training with live or recorded online training modules.

5.6 Compliance with Laws. You shall, and shall ensure that your owners and personnel, comply with all requirements of federal, state and local laws, rules, regulations, and orders, including but not limited to obtaining the appropriate licenses and permits required by your local or state government. You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your Principals otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Notwithstanding any non-mandatory suggestion by a governmental agency that you suspend your operations, you will not close your Store without our prior written consent.

SECTION 6.
FRANCHISE OPERATIONS

6.1 Maintenance of Store. You shall maintain the Store in a high degree of sanitation, repair and condition, and in connection therewith shall make such additions, alterations, repairs and replacements thereto (but no others without our prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment (including, but not limited to, Point of Sale System, Required Software (as defined in Section 20.1.2), or Computer Systems (as defined in Section 20.1.1)), and décor as we may reasonably direct in order to maintain System-wide integrity and uniformity. You shall also obtain, at your cost and expense, any new or additional equipment (including Point of Sale System, Required Software, or Computer Systems), fixtures, supplies and other products and materials which may be reasonably required by us for you to offer and sell new menu items from the Store or to provide the Store services by alternative means, such as through catering arrangements. Except as may be expressly provided in the Manuals, no material alterations or improvements or changes of any kind in design, equipment, signs, interior or exterior décor items, fixtures or furnishings shall be made in or about the Store or its premises without our prior written approval. If we notify you of any additions, alterations, repairs and replacements required to be made to your Store or the Location and you fail to make such additions, alterations, repairs and replacements within the timeframe we require, we shall have the right, without liability for trespass or tort,

to enter the Location and make the additions, alterations, repairs and replacements, and you agree to promptly reimburse us for our expenses in so acting.

6.2 Remodeling and Redecorating. You shall, upon our request, remodel and/or redecorate the Store premises, equipment (including Point of Sale System, Required Software, or Computer Systems), signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Store to our then-current System Standards. We agree that we shall not require major remodeling and/or redecorating to reflect changes to System Standards more frequently than every five (5) years during the Initial Term of this Agreement, except that if the Store franchise is transferred pursuant to Section 13, we may request that the transferee remodel and/or redecorate the Store premises as described herein.

6.3 Approved Suppliers. You shall comply with all of our System Standards relating to the purchase of all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment (including Point of Sale System, Required Software, or Computer Systems) and other products used or offered for sale at the Store, and purchase such items from suppliers (including manufacturers, distributors and other sources) approved by us, which may include or be limited to us and/or affiliates. We may also establish commissaries and distribution facilities or negotiate purchase arrangements with suppliers, and require you to purchase goods and services for the development and operation of your Store from such commissaries, distribution facilitates or pursuant to the terms of such purchase arrangements. If we have not designated a supplier for any item or service that you wish to use for the development or operation of your Store, you may purchase such item or service from a supplier of your choosing who demonstrate the ability to meet our then-current standards and specifications and possess adequate quality controls and capacity to supply your needs promptly and reliably. You agree that we and our affiliates may periodically receive payments from approved suppliers, such as in the form of rebates, based on such approved suppliers' sales of products and services to our franchisees. We and our affiliates reserve the right to use or distribute or to not use or distribute, in our sole discretion, any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of goods, services or equipment. You hereby agree that you will not assert any interest in such monies.

6.4 Operation of Store in Compliance with Our Standards. You understand the importance of maintaining uniformity among all Stores and the importance of complying with all of our standards and specifications relating to the operation of the Store. Therefore, to ensure that the highest degree of quality and service is maintained, you shall operate the Store in strict conformity with such of our methods, standards and specifications set forth in the Manuals and as we may from time to time otherwise prescribe in writing. In particular, you also agree to:

6.4.1 sell or offer for sale all menu items, products and services required by us and in the method, manner and style of distribution prescribed by us;

6.4.2 sell and offer for sale only the menu items, products and services that have been expressly approved for sale in writing by us; to refrain from deviating from our standards and specifications without our prior written consent; and to discontinue selling and offering for sale any menu items, products or services which we may, in our sole discretion, disapprove in writing at any time;

6.4.3 maintain a sufficient supply of, and use, at all times only such ingredients, products, materials, merchandise, supplies and paper goods that conform to our standards and specifications;

6.4.4 use only our approved recipes and preparation techniques in preparing products to be sold at your Store;

6.4.5 permit us or our agents, during normal business hours, to remove a reasonable number of samples of food or non-food items from your inventory or from the Store, without payment therefor, in amounts reasonably necessary for testing by us or an independent laboratory to determine whether such samples meet our then-current standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform with our reasonable specifications;

6.4.6 purchase or lease and install, at your expense, all fixtures, furnishings, equipment (including Point of Sale System, Required Software, or Computer Systems), décor items, signs, and related items as we may reasonably direct from time to time in the Manuals or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Store premises, without our prior written consent, any fixtures, furnishings, equipment, décor items, signs, games, vending machines or other items not previously approved as meeting our standards and

specifications. If any of the property described above is leased by you from a third party, such lease shall be approved by us, in writing, prior to execution;

6.4.7 grant us and our agents the right to enter upon the Store premises, during normal business hours, for the purpose of conducting inspections; to cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents and without limiting our other rights under this Agreement, to take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should you, for any reason, fail to correct such deficiencies within a reasonable time as determined by us, we shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and charge you a reasonable fee for our expenses in so acting, payable by you immediately upon demand;

6.4.8 maintain a competent, conscientious, trained staff and to take such steps as are necessary to ensure that your employees preserve good customer relations and comply with such dress code as we may reasonably prescribe from time to time;

6.4.9 install and maintain equipment and a high speed telecommunications line in accordance with our specifications to permit us to access and retrieve by telecommunication any information stored on the Point of Sale System (or other computer hardware and software) you are required to utilize at the Store premises as specified in the Manuals, thereby permitting us to inspect and monitor electronically information concerning your Store, Gross Sales and such other information as may be contained or stored in such equipment and software. You shall obtain and maintain high speed Internet access or other means of electronic communication, as specified by us from time to time. We shall have access as provided herein at such times and in such manner as we shall from time to time specify;

6.4.10 operate the Store strictly and in all respects in compliance with Manuals;

6.4.11 sell or otherwise issue gift cards or certificates (together "**Gift Cards**") through the approved Point-of-Sale system, and only in the manner specified by us in the Manuals or otherwise in writing. You shall fully honor all Gift Cards that are in the form provided or approved by us regardless of whether a Gift Card was issued by you or another Everbowl Store. You shall sell, issue, and redeem (without any offset against any Royalty Fees) Gift Cards in accordance with procedures and policies specified by us in the Manuals or otherwise in writing. Currently, we do not require you to add to the Gross Sales the payment received by you at the time of the sale of the Gift Card. However, the value of the Gift Card redeemed at your Store, must be added to your Gross Sales. We reserve the right to alter the terms and conditions of any gift card or loyalty programs, including reserving the right to apply changes retroactively to benefits already accrued under such programs;

6.4.12 require all advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Store), and other items which may be designated by us to bear the Marks in the form, color, location and manner prescribed by us, including, without limitation, notations about the ownership of the Marks;

6.4.13 process and handle all consumer complaints connected with or relating to the Store, and promptly notify us by telephone and in writing of all of the following complaints: (i) food related illnesses, (ii) environmental, safety or health violations, (iii) claims exceeding $500.00, and (iv) any other material claims against or losses suffered by you. You shall maintain for our inspection any governmental or trade association inspection reports affecting the Store or equipment located in the Store during the term of this Agreement and for 30 days after the expiration or earlier termination of this Agreement;

6.4.14 participate in all customer surveys and satisfaction audits, which may require that you provide discounted or complimentary products, provided that such discounted or complimentary sales shall not be included in the Gross Sales of the Store. Additionally, you shall participate in any complaint resolution and other programs as we may reasonably establish for the System, which programs may include, without limitation, providing discounts or refunds to customers;

6.4.15 participate, at your expense, in any "mystery shop" quality control and evaluation program we establish or mandate with respect to Everbowl Stores; and

6.4.16 participate, at your expense, in third-party delivery programs that we designate from time to time.

6.4.17 participate, in online ordering, app ordering, as well as loyalty programs, as available by the Point-of-Sale system.

6.5 Proprietary Products. You acknowledge and agree that we and our affiliates have developed, and may continue to develop, for use in the System and for retail sale certain products which are prepared from confidential proprietary recipes and which are trade secrets of us and our affiliates, and other proprietary products bearing the Marks. You agree to use only our secret recipes and proprietary products and shall all of your requirements for such products solely from us or from a source designated by us, which may include or be limited to us or our affiliates. You further agree to purchase from us, our affiliates, or our designated supplier for resale to your customers certain merchandise identifying the System as we shall require, such as logoed merchandise, memorabilia and promotional products, in amounts sufficient to satisfy your customer demand.

6.6 Telephone and Online Presence. You agree that all telephone listings and all Internet listings, domain names, Internet Accounts, advertising on the Internet or World Wide Web, websites, listings with search engines, e-mail addresses or any other similar listing or usages related to the Store shall be associated only with the Store and comply, in all respects, with the Manuals. You hereby appoint us as your true and lawful attorney-in-fact with full power and authority for the sole purpose of assigning to us only upon the termination or expiration of this Agreement, as required under Section 17.3: (i) all rights to the telephone numbers of the Store and any related and other business listings; and (ii) Internet listings, domain names, Internet Accounts, social media accounts, advertising on the Internet or World Wide Web, websites, listings with search engines, e-mail addresses or any other similar listing or usages related to the Store. You agree that you have no authority to and shall not establish any website, social media account or listing on the Internet or World Wide Web without our express written consent, which consent may be denied without reason. You agree to sign any documents we deem necessary, from time to time, to effectuate the foregoing.

6.7 Power of Attorney for Taxes. You hereby appoint us as your true and lawful attorney-in-fact with full power and authority for the sole purpose of obtaining any and all returns and reports filed by you with any state or federal taxing authority relating to the Store. You agree to execute any forms or separate authorizations required by the taxing authority for this purpose.

6.8 Unapproved Products and Services. If you sell, from or associated with the Store or the Marks, any item or service that we have not prescribed, approved or authorized, you shall, immediately upon notice from us: (i) cease and desist offering or providing the unapproved or unauthorized item or service and (ii) pay to us, on demand, an amount equal to $500 per day for each day such unauthorized or unapproved item or service is offered or provided by you after written notice from us as compensation for the expenses we are likely to incur as a result of your noncompliance. This payment is in addition to all other remedies available to us under this Agreement or at law.

6.9 Pricing. Unless prohibited by applicable law, we may periodically set a maximum or minimum price that you may charge for products and services offered by your Store. If we impose such a maximum or minimum price, you may charge any price for the product or service up to and including our designated maximum price or down to and including our designated minimum price. The designated maximum and minimum prices for the same product or service may, at our option, be the same. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

SECTION 7.
ADVERTISING AND PROMOTION

7.1 Participation in Advertising and Brand Development Program. We may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all Stores operating under the System. You shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by us for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us shall be final and binding upon you. We may, from time to time, incorporate into the System, programs, products or services which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Marks and which your Store will be required to offer and sell. This activity, referred to as "cobranding", may involve changes to the Marks and may

require you to make modifications to your premises and the furniture, fixtures, equipment, signs and trade dress of your Store. If you receive written notice that we are instituting a cobranding program, you agree promptly to implement that program at your Store at the earliest commercially reasonable time and to execute any and all instruments required to do so. Under no circumstance will any cobranding program increase your Royalty Fees, Brand Development Fee or local advertising expenditure obligations under this Agreement.

7.2 Local Advertising. In addition to the Brand Development Fee set forth below, throughout the term of this Agreement, you must spend on a monthly basis an amount equal to one percent (1%) of Gross Sales on advertising and promotion of your Store ("**Local Advertising**"). You shall submit to us, within 30 days of our request, advertising expenditure reports accurately reflecting your Local Advertising expenditures, including verification copies of all marketing and any other information that we require.

7.3 Brand Development Fund. We reserve the right to establish and administer a Brand Development Fund for the purpose of advertising the Marks and System on a regional or national basis (the "**Brand Development Fund**"). In addition to the Royalty Fee described in Section 4.2 above, you agree to pay to us a brand development fee ("**Brand Development Fee**") in the amount set forth on the attached Data Sheet. Such amount shall be contributed to the Brand Development Fund and used as described in this Section. The Brand Development Fee is payable to us at the same time and in the same manner as the Royalty Fee. You agree that the Brand Development Fund shall be maintained and administered by us or our designee as follows:

7.3.1 We or our designee will direct all advertising programs and will have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. You acknowledge that the Brand Development Fund is intended to maximize general public recognition and acceptance of the Marks and System, generally. In administering the Brand Development Fund, we and our designees undertake no obligation to make expenditures for you which are equivalent or proportionate to your contribution or to ensure that you or any particular franchisee benefits directly or *pro rata* from the placement of advertising. We will be entitled to reimbursement from the Brand Development Fund for our reasonable expenses in managing the Brand Development Fund (including indirect costs such as salaries for our employees who devote time and effort to Brand Development Fund related activities and overhead expenses) and collecting the Brand Development Fee (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any Brand Development Fee). The Brand Development Fund and its earnings shall not otherwise inure to our benefit.

7.3.2 The Brand Development Fund may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; internet marketing; product research and development; public relations activities; employing advertising agencies to assist therein; menu and product development; development and maintenance of our website; website and e-mail hosting; social media initiatives; and costs of our personnel and other departmental costs for advertising that is internally administered or prepared by us). All sums paid by you to the Brand Development Fund may be commingled with our general funds but we account for them separately. The Brand Development Fund is operated solely as a conduit for collecting and expending the Brand Development Fees as outlined above.

7.3.3 We will prepare an annual statement of the operations of the Brand Development Fund and will make the most recent year's statement available to you upon request. This statement of operations is not required to be unaudited.

7.3.4 Any monies remaining in the Brand Development Fund at the end of any year will carry over to the next year. Although the Brand Development Fund is intended to be of perpetual duration, we may terminate the Brand Development Fund. The Brand Development Fund shall not be terminated, however, until all monies in the Brand Development Fund have been expended for advertising or promotional purposes or returned to contributing Stores or those operated by us, without interest, on the basis of their respective contributions.

7.3.5 If we elect to terminate the Brand Development Fund, we may, in our sole discretion, reinstate the Brand Development Fund at any time. If we so choose to reinstate the Brand Development Fund, said reinstated Brand Development Fund shall be operated as described herein.

7.3.6 Notwithstanding the foregoing, money in the Brand Development Fund can be used to produce commercials and ad layout templates that you must adapt for your Store and use in Local Advertising, at your expense. The Brand Development Fund may also develop new menus and table tents for use by all Stores in the System, and

we may designate that our approved supplier will automatically ship these items to you, at your expense, when they are to be used.

7.4 Your Advertising; Our Approval. All advertising and promotion by you in any medium shall be conducted in a professional and ethical manner, in compliance with all applicable laws and regulations, and in conformity with our standards and requirements as set forth in the Manuals or otherwise. You shall obtain our approval of all advertising and promotional plans and materials prior to use if such plans and materials have not been prepared by us or previously approved by us during the 12 months prior to their proposed use. You shall submit such unapproved plans and materials to us, and we shall have 15 days to notify you of our approval or disapproval of such materials. If we do not provide our specific approval of the proposed materials within this 15-day period, the proposed materials are deemed to be not approved. Any plans and materials that you submit to us for our review will become our property and there will be no restriction on our use or dissemination of such materials. You shall not advertise or use the Marks in any fashion on the Internet, including Social Media, or via other means of advertising through telecommunication without our express written consent. We reserve the right to require you to include certain language on all advertising to be used locally by you, including, but not limited to, "Franchises Available" and reference to our telephone number and/or website.

7.5 Grand Opening Advertising. In addition to the ongoing advertising contributions set forth herein, you shall spend between $5,000 and $10,000 on a grand opening advertising campaign to advertise the opening of the Store. We will determine the amount of your grand opening expenditure after taking into account factors such as location, demographics, etc. The grand opening advertising campaign shall commence thirty (30) days prior to the opening of the Store and continue until thirty (30) days after the opening of the Store or such other time and in such manner that we designate. We reserve the right to require you to give the grand opening advertising campaign monies to us and we will conduct the grand opening advertising campaign on your behalf.

7.6 Websites. We alone may establish, maintain, modify or discontinue all internet, world wide web and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Store a "click through" subpage at our website for the promotion of your Store. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Store, you must routinely provide us with updated copy, photographs and news stories about your Store suitable for posting on your "click through" subpage. We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage.

Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at Stores– also be devoted in part to offering Store franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

In addition to the foregoing we have established an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and system-wide communications (among other activities) can be done.

You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Store; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Everbowl" name or any name confusingly similar to the Marks. Unless we give you our written permission, you are not permitted to promote your Store or use any of the Marks in any manner on websites or apps, such as Facebook, Snapchat, Instagram, LinkedIn or Twitter. We will control all social media initiatives.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage.

SECTION 8.
MARKS

8.1 Use of Marks. We grant you the non-exclusive right to use the Marks during the Initial Term strictly in accordance with the System and related standards and specifications.

8.2 Ownership of Marks; Limited License. You expressly understand and acknowledge that:

8.2.1 We or our affiliates are the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them. All references herein to our right, title and interest in the Marks shall be deemed to include the owner's right, title and interest in the Marks.

8.2.2 Neither you nor any of your owners shall take any action that would prejudice or interfere with the validity of our rights with respect to the Marks. Nothing in this Agreement shall give you any right, title, or interest in or to any of the Marks or any service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Marks and the System in accordance with the terms and conditions of this Agreement for the operation of the Store and only at or from its Location or in approved advertising related to the Store.

8.2.3 You understand and agree that the limited license to use the Marks granted hereby applies only to such Marks as are designated by us, and which are not subsequently designated by us as being withdrawn from use, together with those which may hereafter be designated by us in writing. You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Marks by virtue of the limited license granted hereunder, or by virtue of your use of any of the Marks.

8.2.4 You understand and agree that any and all goodwill arising from your use of the Marks and the System shall inure solely and exclusively to our and our affiliates' benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the Marks.

8.2.5 You shall not contest the validity of or our or our affiliates' interest in the Marks or assist others to contest the validity of or our interest in the Marks.

8.2.6 You acknowledge that any unauthorized use of the Marks shall constitute an infringement of our and our affiliates' rights in the Marks and a material event of default hereunder. You agree that you shall provide us with all assignments, affidavits, documents, information and assistance we reasonably request to fully vest in us all such rights, title and interest in and to the Marks, including all such items as are reasonably requested by us to register, maintain and enforce such rights in the Marks.

8.2.7 If it becomes advisable at any time, in our discretion, to modify or discontinue use of any Mark and/or to adopt or use one or more additional or substitute proprietary marks, then you, at your expense, shall be obligated to comply with any such instruction by us. You waive any claim arising from or relating to any Mark change, modification or substitution. We will not be liable to you for any expenses, losses or damages sustained by you as a result of any Mark addition, modification, substitution or discontinuation. You covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages.

8.3 Limitation on Use of Marks. With respect to your licensed use of the Marks pursuant to this Agreement, you further agree that:

8.3.1 Unless otherwise authorized or required by us, you shall operate and advertise the Store only under the Marks. You shall not use the Marks as part of your corporate or other legal name and shall obtain our approval of a trade name or "d/b/a" prior to filing it with the applicable state authority.

8.3.2 You shall identify yourself as the independent owner of the Store in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Store as we may designate in writing.

8.3.3 You shall not use the Marks to sign any contracts or incur any obligation or indebtedness on our behalf;

8.3.4 You shall comply with all applicable laws regarding filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

8.4 Notification of Infringement or Claim. You must notify us immediately by telephone and thereafter in writing of any apparent infringement of or challenge to your use of any Mark, of any claim by any person of any rights in any Mark, and you and your owners or representatives shall not communicate with any person other than us, our counsel and your counsel in connection with any such infringement, challenge or claim. We shall have complete discretion to take such action as we deem appropriate in connection with the foregoing, and the right to control exclusively, any settlement, litigation or Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. You agree to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in our opinion, reasonably be necessary or advisable to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain the interests of us or any other interested party in the Marks. We will indemnify you and hold you harmless from and against any and all claims, liabilities, costs, damages and reasonable expenses for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts), provided that your and your owners' and representatives' conduct with respect to such proceeding and use of the Marks is in full compliance with the terms of this Agreement.

SECTION 9.
CONFIDENTIALITY AND NON-COMPETITION COVENANTS

9.1 Confidential Operations Manuals. During the term of this Agreement, we will give you access to the Manual. You agree to conduct your business in strict accordance with the Manuals, other written directives which we may reasonably issue to you from time to time whether or not such directives are included in the Manuals, as they might be revise from time to time, and any other manuals and materials created or approved for use in the operation of the Store. We reserve the right to provide such Manuals, materials and/or directives electronically. The Manuals, any of our written directives, and any other manuals and materials, and the information contained therein form part of our Confidential Information (defined below) and, as such, will be afforded the same protections as are provided to all other Confidential Information. The Manuals, written directives, other manuals and materials and any other confidential communications provided or approved by us shall at all times remain our sole property, shall at all times be kept in a secure place on the Store premises, and shall be returned to us immediately upon request or upon termination or expiration of this Agreement. You shall at all times ensure that the Manuals are kept current and up to date. In the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by us at our headquarters shall control. We reserve the right to charge a replacement fee for any replacement copy of the Manuals or video requested by you.

9.2 Confidential Information. "Confidential Information" includes any and all information, knowledge, know-how, techniques and any materials used in or related to the System or to your Store which we provide or make available to you in connection with this Agreement, including but not limited to the Manual, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, recipes, data collected by you under Section 20.2 and the terms of this Agreement. You and your owners will not, during the Initial Term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, persons, partnership, association or corporation and, following the expiration or termination of this Agreement, they shall not use for their own benefit any Confidential Information. You and your owners may divulge such confidential information only to such of your employees as must have access to it in order to operate the Store and only if they are bound to obligations of confidentiality similar to those contained herein. You and your owners shall not, at any time, without our prior written consent, use for any purpose other than the development and operation of the Store, or copy, duplicate, record or otherwise reproduce Confidential Information, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenants in this Section shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of your owners. You shall require and obtain the execution of covenants similar to those set forth in this Section from your Store Lead and all other of your personnel who have received or will have access to confidential information, using forms that are enforceable under applicable law and are in form and substance acceptable to us.

9.3 Innovations. As between us and you, we are the sole owner of all right, title, and interest in and to the System and any Confidential Information. All improvements, developments, derivative works, enhancements, or modifications to the System and any Confidential Information (collectively, "Innovations") made or created by you, your employees

or your contractors, whether developed separately or in conjunction with us, shall be owned solely by us. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you shall execute, verify, and deliver such documents (including, without limitation, assignments) and perform such other acts (including appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. In the event we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by you. The obligations of this Section shall survive any expiration or termination of the Agreement.

9.4 Non-Competition. You acknowledge that, pursuant to this Agreement, you and your owners will receive valuable training and access to Confidential Information and other trade secrets which are beyond your, your owners' and Your Trainees' and other employees' present skills and experience. You, therefore, agree that neither you nor any of your owners shall, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person(s), partnership or corporation engage in or with a Competitive Business, as follows:

9.4.1 During the Initial Term: While this Agreement is in effect and, as to your owners, while they have a direct or indirect ownership interest in you, you and they will not (a) divert, or attempt to divert, any business or customer of the Store to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System, or (b) own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, act as a landlord to, or otherwise provide service, advice or counsel to any business which is of a character and concept similar to Everbowl Stores, including a food service business which offers and sells the same or substantially similar food products (a "**Competitive Business**").

9.4.2 Following Expiration or Termination: Upon expiration or termination of this Agreement, for any reason, and for two years thereafter and, further, with respect to your owners who cease being owners prior to expiration or termination of this Agreement, for two (2) years following their no longer having any direct or indirect ownership interest in you, you and your owners will not, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, persons, partnership, or corporation (a) divert, or attempt to divert, any business or customer of the Store hereunder to any competitor, by direct or indirect inducement or otherwise, or (b) own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist, or make loans to, act as a landlord to, or otherwise provide service, advice or counsel to any Competitive Business, which business is, or is intended to be, located at the Location, within a 50-mile radius of the Location, or within a 50-mile radius of the location of any then-existing Everbowl Store.

9.4.3 The parties agree that each of the covenants herein shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you and your owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section. We will have the right, in our sole and absolute discretion, to reduce the scope of any covenant set forth in this Section 9.4, or any portion thereof, without their consent, effective immediately upon notice to you; and you and your owners agree that they shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 18.2 hereof. The existence of any claims you or your owners may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section.

The restrictions contained in this Section 9.4 shall not apply to ownership of less than a 5% beneficial interest in the outstanding equity securities of any publicly held corporation.

9.5 Covenants from Others. You shall require and obtain execution of covenants similar to those set forth in Section 9.4 (including covenants applicable upon the termination of a person's employment with you) from Your Trainees and all other of your personnel who have received or will have access to training from us, using forms that are approved by us and that provide maximum protection under applicable state law.

9.6 Failure to Comply. You acknowledge that any failure to comply with the requirements of this Section will result in irreparable injury to us for which no adequate remedy at law may be available, and, therefore, we may seek injunctive relief to enforce the restrictions set forth in Section 9.4. You agree to pay all court costs and reasonable attorneys' fees incurred by us in connection with the enforcement of this Section, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of such Section.

SECTION 10.
BOOKS AND RECORDS

10.1 Books and Records. You shall maintain during the Initial Term and for at least three (3) years from the dates of their preparation, full, complete and accurate books, records and accounts, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers, records of EFT transactions, and backup or archived records of information maintained on any computer system in accordance with generally accepted accounting principles and in the form and manner prescribed by us from time to time in the Manuals or otherwise in writing.

10.2 Reports. In addition to the Royalty Report required by Section 4.4 hereof, you shall comply, at your expense, with the following reporting obligations:

10.2.1 submit to us, in the form we prescribe, a report of Gross Sales and a profit and loss statement for each calendar month (which may be unaudited) for you within 15 days after the end of each calendar month during the term hereof;

10.2.2 submit to us, in the form we prescribe, a report of Gross Sales and a profit and loss statement for each calendar quarter (which may be unaudited) for you within 15 days after the end of each calendar quarter during the term hereof;

10.2.3 provide to us a complete annual financial statement (which shall be reviewed) prepared by an independent certified public accountant, within 90 days after the end of each fiscal year during the term hereof, showing the results of your operations during such fiscal year; we reserve the right to require such financial statements to be audited by an independent certified public accountant satisfactory to us at your cost and expense if an inspection discloses an understatement of payments due to us of two percent (2%) or more in any report, pursuant to Section 10.3; and

10.2.4 submit to us, for review or auditing, such other forms, reports, records, information and data as we may reasonably designate, and which pertain to the Store, in the form and at the times and places reasonably required by us, upon request and as specified from time to time in writing.

10.3 Inspections; Audits. We or our designees shall have the right, during normal business hours, to review, audit, examine and copy any or all of your books and records as we may require at the Store. You shall make such books and records available to us or our designees immediately upon request. If any required payments due to us are delinquent, or if an inspection should reveal that such payments have been understated in any report to us, then you shall immediately pay to us the amount overdue or understated upon demand with interest determined in accordance with the provisions of Section 4.5 above. If an inspection discloses an understatement in any report you have provided to us of two percent (2%) or more, or if the inspection is caused by your failure to timely submit required reports, you shall, in addition, reimburse us for all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). These remedies shall be in addition to any other remedies we may have at law or in equity.

10.4 Correction of Errors. You understand and agree that our receipt or acceptance of any of the statements furnished or royalties paid to us (or the cashing of any royalty checks or processing of any EFTs) shall not preclude us from questioning the correctness thereof at any time and, in the event that any inconsistencies or mistakes are discovered in such statements or payments, they shall immediately be rectified by you and the appropriate payment shall be made by you.

10.5 Authorization Regarding Third Parties. You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with which you do business to disclose to us any requested financial information in their possession relating to you or the Store. You authorize us to disclose data from your reports, if we determine, in our sole and absolute discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

SECTION 11.
INSURANCE

11.1 Required Insurance. You shall procure, before beginning construction or build-out of the Store, and shall maintain in full force and effect at all times during the Initial Term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the Initial Term of this Agreement) at your expense, an insurance policy or policies protecting you and us, our successors and assigns, our affiliates, and our respective officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of each of them against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Store. The types and amounts of coverages will be set forth in the Manuals from time to time. All required policies shall be written by responsible, duly licensed carriers reasonably acceptable to us and shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by us from time to time), any insurance that you must have according to the terms of the lease for the Location and as required by applicable law. You agree to provide us with proof of compliance with these requirements. Should you, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by us in writing, we shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to you, which charges shall be payable by you immediately upon notice together with a 15% administrative fee. The foregoing remedies shall be in addition to any other remedies we may have at law or in equity.

SECTION 12.
DEBTS AND TAXES

12.1 Taxes. You shall promptly pay when due all Taxes (as defined below), levied or assessed, and all accounts and other indebtedness of every kind incurred by you in the conduct of the Store under this Agreement. Without limiting the provisions of Section 14, you shall be solely liable for the payment of all Taxes and shall indemnify us for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether such Taxes were correctly or legally asserted or not. You shall submit a copy of all tax filings sent to federal, state and local tax authorities to us within 10 business days after such filing has been made with the appropriate taxing authority. The term "Taxes" means any present or future taxes, levies, imposts, duties or other charges of whatever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the Store, the payment of monies, or the exercise of rights granted pursuant to this Agreement.

12.2 Payments to Us. Each payment to be made to us hereunder shall be made free and clear and without deduction for any Taxes.

12.3 Tax Disputes. In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor to occur against the premises of the Store or any improvements thereon. You shall notify and deliver to us, in writing within five (5) days of the commencement of any action, suit or proceeding

and of the issuance of any order, writ, injunction, award or decree of any court, agency, other governmental instrumentality or by a third party against you or an insurer, which may adversely affect the operation or financial condition of the Store.

SECTION 13.
TRANSFER OF INTEREST

13.1 Transfer by Us. We may, without restriction, assign this Agreement and all of our attendant rights and privileges, or delegate our performance hereunder, to any person, firm, corporation or other entity.

13.2 Transfer by You. You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted rights under this Agreement in reliance on the business skill, financial capacity and personal character of you and, as applicable, your owners. Accordingly, neither you nor any owner, nor any successor or assignee of you or any owner, shall sell, assign (including but not limited to by operation of law, such as an assignment under bankruptcy or insolvency laws, in connection with a merger, divorce or otherwise), transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in this Agreement, in the Store and/or any of the Store's material assets (other than in connection with replacing, upgrading or otherwise dealing with such assets as required or permitted by this Agreement), or in you (each referred to herein as a "**Transfer**"), in each case without our prior written consent. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material event of default under this Agreement.

13.3 Our Consent to Transfer. If you or your owners wish to engage in a Transfer, the transferor and the proposed transferee shall apply to us for our consent. We will not unreasonably withhold our consent to a Transfer, but we will be entitled to reasonably condition our consent, including in some or all of the following ways:

13.3.1 all of the accrued monetary and other obligations arising under this Agreement or any other agreement between us or our affiliates and you or your affiliates (or, as applicable, the proposed transferor) and all trade accounts and other debts of the Store, of whatever nature or kind, shall be satisfied;

13.3.2 you and your affiliates shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you or any of your affiliates and us or any of our affiliates at the time of transaction;

13.3.3 you, the transferor and its principals (if applicable) shall have executed a general release, in a form reasonably satisfactory to us, of any and all claims against us, our officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and federal, state and local laws, rules and regulations;

13.3.4 the transferee shall demonstrate to our reasonable satisfaction that transferee meets the criteria considered by us when reviewing a prospective franchisee's application for a Franchise;

13.3.5 the transferee shall execute, for a term ending on the expiration of the Initial Term and with such renewal terms as may be provided by this Agreement, the standard form franchise agreement then being offered to new Everbowl Store franchisees and other ancillary agreements as we may require for the Store, which agreements shall supersede this Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, the then-current Royalty Fee and Brand Development Fee; provided, however, that the transferee shall not be required to pay an initial franchise fee;

13.3.6 the transferee, at its expense, shall renovate, modernize and otherwise upgrade the Store to conform to the then-current System Standards, and shall complete the upgrading and other requirements which conform to the System-wide standards within the time period reasonably specified by us;

13.3.7 the transferor shall remain liable for all of the obligations to us in connection with the Store incurred prior to the effective date of the Transfer and shall execute any and all instruments reasonably requested by us to evidence such liability;

13.3.8 at the transferee's expense, the transferee, the transferee's Operating Principal, Store Lead and/or any other applicable personnel shall complete any training programs then in effect for franchisees of Stores upon such terms and conditions as we may reasonably require;

13.3.9 you shall pay to us a transfer fee in an amount equal to (i) $5,000, or (ii) 5% of the purchase price, whichever is greater, plus $2,500, all to cover our expenses associated with the Transfer, including, for example, for document review and preparation, evaluation of the proposed transferee and training; and

13.3.10 you shall not take from the transferee a security interest in the Store or in any of the Store's assets without our prior written consent, which shall not be unreasonably withheld. In connection therewith, the secured party will be required by us to agree that its security interests will be subordinate to our security interests in the Store and its assets.

13.4 Our Right of First Refusal. If you wish to transfer all or part of your interest in the Store or this Agreement or if your owners wish to transfer any ownership interest in you, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller shall promptly notify us in writing of each such offer and provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within 30 days after receipt of such written notification and copies of all documentation required by us describing such offer, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party, except that (a) we may substitute cash for any non-cash consideration proposed to be paid by the buyer, and (b) we may deduct from the purchase price any monies that are then owed to us or our affiliates under this Agreement or any other agreement. If we elect to purchase the seller's interest, closing on such purchase must occur within the latest of (i) 60 days from the date of notice to the seller of the election to purchase by us, (ii) 60 days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. Our failure or refusal to exercise the option afforded by this Section 13.4 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section 13.2 or Section 13.3 with respect to a proposed transfer. We may assign our rights under this Section 13.4 to any other person or entity, subject to Section 13.1 above.

13.5 No Waiver of Claims. Our consent to a Transfer shall not constitute a waiver of any claims we have against the transferring party, nor shall it be a waiver of our right to demand material and full compliance with any of the terms of this Agreement by the transferee.

13.6 Certain Transfers Among Owners. Notwithstanding the foregoing, Transfers of direct or indirect ownership interests in you by one owner to another existing owner shall not require our prior written consent or be subject to our right of first refusal as long as the Transfer, alone or together with any other Transfers, does not result in the creation of a new Controlling Principal or causing a Controlling Principal to no longer be a Controlling Principal. You shall promptly notify us of such proposed Transfer in writing and shall provide such information relative thereto as we may reasonably request prior to such Transfer, together with payment of $1,000.

SECTION 14.
INDEMNIFICATION

14.1 Indemnification by You. You shall, at all times, indemnify and hold harmless to the fullest extent permitted by law, us our successors and assigns, their respective partners and affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them ("**Indemnitees**"), from all "losses and expenses" (as defined in Section 14.4 below) incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) that arises out of your breach of this Agreement, that arises out of or is based upon the development or operation of the Store (whether or not in compliance with this Agreement), or that are alleged to have been caused by you or your employees acting as our employees or agents.

14.2 Notification of Action or Claim. You agree to give us prompt notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. At your expense and risk, we may elect to assume (but under no circumstance are we obligated to undertake) or appoint associate counsel of our own choosing with respect to, the defense and/or

settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by us shall, in no manner or form, diminish your or any guarantor's obligation to indemnify the Indemnitees and to hold them harmless.

14.3 We May Settle. In order to protect persons or property, or our reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as we in our reasonable judgment deem appropriate, consent or agree to settlements or take such other remedial or corrective action as we deem expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation.

14.4 Losses and Expenses. All losses and expenses incurred under this Section 14 shall be chargeable to and paid by you or your owners pursuant to your obligations of indemnity under this Section, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity, or defense. As used in this Section 14, the phrase "losses and expenses" shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys' fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

14.5 Recovery from Third Parties. Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against you or any of your owners. You and each of your owners agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable from you or any of your owners by the Indemnitees.

14.6 Survival of Terms. You, for yourself and your owners, expressly agree that the terms of this Section 14 shall survive the termination, expiration or transfer of this Agreement or any interest herein.

SECTION 15.
RELATIONSHIP OF THE PARTIES

15.1 No Fiduciary Relationship. You understand and agree that you are and will be an independent contractor, and nothing in this Agreement may be interpreted as creating a partnership, joint venture, agency, employment or fiduciary relationship of any kind. You agree that you alone are to exercise day-to-day control over all operations, activities and elements of your Store, and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never claim otherwise, that the various restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Store, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Store.

15.2 Your Employees. You hereby irrevocably affirm, attest and covenant your understanding that your employees are employed exclusively by you or, as applicable, your affiliates and in no fashion is any such employee employed, jointly employed or co-employed by us. You further affirm and attest that each of your employees is under your exclusive dominion and control and never under our direct or indirect control in any fashion whatsoever. You alone hire each of your employees; set their schedules; establish their compensation rates; and pay all salaries, benefits and employment-related liabilities (such as workers' compensation insurance premiums/payroll taxes/Social Security contributions/unemployment insurance premiums). You alone have the ability to discipline or terminate your employees to the exclusion of us, and you acknowledge that we have no such authority or ability. You further attest and affirm that any minimum staffing requirements established by us are solely for the purpose of ensuring that the Store is at all times staffed at those levels necessary to operate the Store in conformity with the System and the products, services, standards of quality and efficiency, and other Everbowl brand attributes known to and desired by the consuming public and associated with the Marks. You may staff the Store with as many employees as you desire at any time so long as our minimal staffing levels are achieved. Moreover, you affirm and attest that any training provided by us for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Store and in no fashion reflects any employment relationship between us and

such employees. Finally, should it ever be asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, including (if necessary) appearing at any venue requested by us to testify on our behalf (and, as may be necessary, submitting yourself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that we are the employer, joint employer or co-employer of any of your employees). To the extent we are the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of you, should any such appearance by you be required or requested by us, we will recompense you the reasonable costs associated with your appearing at any such venue.

15.3 You are Not Authorized. You understand and agree that nothing in this Agreement authorizes you or any of your owners to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name or the Marks, and that we shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of your owners or any claim or judgment arising therefrom. It is understood that you may not, without our prior written approval, have any authority to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Unless otherwise explicitly authorized by this agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and franchisee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the Store.

SECTION 16.
TERMINATION

16.1 Automatic Termination – No Right to Cure. You acknowledge and agree that each of your obligations described in this Agreement is a material and essential obligation of yours; that non-performance of such obligations will adversely and substantially affect us and the System; and that our exercise of the rights and remedies set forth herein is appropriate and reasonable. You shall be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice to you, if you, or any of your Controlling Principals become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or a Controlling Principal, or such a petition is filed against and not opposed by you or a Controlling Principal; if you or a Controlling Principal is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you, a Controlling Principal, or your or its business or assets is filed and consented to by you or such Controlling Principal; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Store shall be sold after levy thereupon by any sheriff, marshal, or constable

16.2 Termination on Notice – No Right to Cure. You shall be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, (except as otherwise stated below), effective immediately upon notice to you, if:

16.2.1 you operate the Store or sell any products or services authorized by us for sale at the Store at a location other than the Location;

16.2.2 you fail to timely acquire a Location, construct the Store, or open the Store within the time and in the manner specified in Article 2;

16.2.3 you (i) close your Store for business or inform us of your intention to cease operation of your Store, (ii) fail to actively operate your Store for three (3) or more consecutive days, or (iii) otherwise abandon or appear to have abandoned your rights under this Agreement;

16.2.4 you or your owners made any material misrepresentations or omissions in the Application Materials, breach any of your or their representations or warranties set forth in this Agreement, or are convicted of, or have

entered a plea of *nolo contendere* to, a felony, a crime involving moral turpitude, or other crime that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interests therein;

16.2.5 a threat or danger to public health or safety results from the construction, maintenance or operation of the Store;

16.2.6 you or a Controlling Principal engages in a Transfer without complying with the provisions of this Agreement regarding Transfers;

16.2.7 you or any of your affiliates fail, refuse, or neglect promptly to (i) pay any monies owing to us, or any of our affiliates or vendors, when due under this Agreement or any other agreement, or to submit the financial or other information required by us under this Agreement and do not cure such default within five (5) days following notice from us, or (ii) pay any monies owing to any other third-party in connection with your Store, including the lessor of your premises, when due, and do not cure such failure within any applicable cure period granted by such third-party;

16.2.8 you or any of the Controlling Principals fail to comply with the in-term covenants in Section 9.4.1 hereof or you fail to obtain execution of the covenants and related agreements required under Section 9.5 hereof within 30 days following notice from us;

16.2.9 contrary to the terms of Section 9.2 hereof, you or any of your owners disclose or divulge any Confidential Information, or fail to obtain execution of covenants and related agreements required under Section 9.2 hereof within 30 days following notice from us;

16.2.10 you knowingly maintain false books or records, or submit any false reports to us;

16.2.11 you fail to propose a qualified replacement or successor Operating Principal or Store Lead within the time required under this Agreement, following 10 days' prior written notice;

16.2.12 you fail to procure and maintain the insurance required under this Agreement and fail to cure such default within 10 days following notice from us;

16.2.13 you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein;

16.2.14 you fail to comply with any provision of this Agreement on at least three (3) occurrences within any 12-month period, whether or not such defaults are of the same or different nature, or you fail to comply with the same provision of this Agreement within any 6-month period, in either case, whether or not such defaults have been cured by you after notice by us;

16.2.15 you fail to comply with all applicable laws and ordinances relating to the Store, including Anti-Terrorism Laws, or if your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation; or

16.2.16 any license or permit you are required to maintain for the operation of the Store is revoked.

16.3 Notice of Termination – 30 Days to Cure. We may terminate this Agreement, on notice to you, if you fail to comply with any provision of this Agreement, other than those referenced in Sections 16.1 and 16.2 of this Agreement, and do not correct such failure within 30 days following our written notice of the failure.

16.4 Cross-Defaults, Non-Exclusive Remedies. Any default under any other agreement between us or our affiliate and you or your affiliate, under the Lease for the Location, or under any loan or security agreement for which the Store or its assets are collateral, shall be considered a default under this Agreement. We may terminate this Agreement, on notice to you, if you or your affiliate fails to cure the default within the time period specified under such other agreement.

16.5 Our Right to Discontinue Services to You. If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Section 16, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your "click through" subpage on our website, until such time as you correct the breach.

SECTION 17.
POST-TERMINATION

17.1 On Expiration or Termination of this Agreement. Upon expiration or termination, for any reason, of this Agreement, all rights granted hereunder to you shall forthwith terminate, and:

17.1.1 Cease Operations. You shall immediately cease to operate the Store under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former franchisee of ours.

17.1.2 Stop Using the System. You shall immediately and permanently cease to use, in any manner whatsoever, the Marks, and any confidential methods, computer software, procedures, and techniques associated with the System and will de-image the Location and exterior and interior of the Store to remove any indication that the premises or building are or were part of the System.

17.1.3 Cancellation of Assumed Names. You shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the Marks, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

17.1.4 No Use of Similar Marks. You agree, if you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Marks, including any trade dress, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute our rights in and to the Marks, and further agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us constituting unfair competition.

17.1.5 Payment of Sums Owed. You shall promptly pay all sums owing to us. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of any default by you and the enforcement of your obligations under this Agreement.

17.1.6 Return of Manuals and Materials. You shall immediately deliver to us all Manuals, videos, software licensed by us (if any), records, files, instructions, correspondence, all materials related to operating the Store, including, without limitation, agreements, invoices, and any and all other materials relating to the operation of the Store in your possession or control, and all copies thereof (all of which are acknowledged to be our property), and shall retain no copy or record of any of the foregoing, except your copy of this Agreement and of any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law. Notwithstanding the foregoing, if any of the aforesaid information is in digital format, we reserve the right to require you to return the digital files to us or to destroy the digital files and provide proof of their destruction.

17.1.7 Other Confidential Information. You shall comply with the restrictions on Confidential Information contained in Section 9.2 of this Agreement and shall also comply with the non-competition covenants contained in Section 9.4. Any other person required to execute similar covenants pursuant to Section 9 shall also comply with such covenants.

17.1.8 Advertising and Promotional Material. You shall also immediately furnish us with an itemized list of all advertising and sales promotion materials bearing the Marks or any of our distinctive markings, designs, labels, or other marks thereon, whether located on your premises or under your control at any other location. We shall have the right to inspect these materials. We shall have the option, exercisable within 30 days after such inspection, to purchase any or all of the materials at your cost, or to require you to destroy and properly dispose of such materials. Materials not purchased by us shall not be utilized by you or any other party for any purpose unless authorized in writing by us.

17.1.9 Signage. Upon execution of this Agreement, in partial consideration of the rights granted hereunder, you acknowledge and agree that all right, title and interest in the signs used at the Store are hereby assigned to us, and that upon termination or expiration of this Agreement, neither you nor any lien holder of yours shall have any further interest therein.

17.1.10 Contact Identifiers and Online Presence. You shall cease using or operating with any Contact Identifiers or Online Presence related to your Store or the Marks, and take any action as may be required to transfer exclusive control and access of such Contact Identifier or Online Presence to us or our designee or, at our option, to

disable such Contact Identifier or Online Presence. "**Contact Identifiers**" are each telephone or facsimile number, directory listing, and any other type of contact information used by or that identifies or is associated with your Store, and "**Online Presence**" is any website, domain name, email address, social media account, user name, other online presence or presence on any electronic medium of any kind;

17.1.11 Assignment of Lease. If the Lease is with a third party or you have leased any equipment used in the operation of the Store, then you shall, at our option, assign to us any interest which you have in the Lease or any such equipment lease. We may exercise such option at or within 30 days after either termination or (subject to any existing right to renew) expiration of this Agreement. If we do not elect to exercise our option to acquire the Lease, you shall make such modifications or alterations to the Store premises as are necessary to distinguish the appearance of the Store from that of other Everbowl Stores and shall make such specific additional changes as we may reasonably request. If you fail or refuse to comply with the requirements of this Section 17.1.10, we shall have the right to enter upon the premises of the Store, without being guilty of trespass or any other crime or tort, to make or cause to be made such changes as may be required, at your expense, which expense you agree to pay upon demand. Notwithstanding the provisions of this Section 17.1.10 to the contrary, if the Lease is assigned to us, we hereby indemnify and hold harmless you and any guarantors under said lease, for any breach by us or our successors or assigns from any liability arising out of the lease for the Store premises from and after the date of the assignment of Lease.

17.2 Our Right to Purchase. On expiration or termination of this Agreement, we shall have the option, to be exercised within 30 days after termination or expiration of this Agreement, to purchase from you, free and clear of all liens and with customary representations and warranties, any or all of the furnishings, equipment (including Point of Sale System, Required Software, or Computer Systems), signs, fixtures, motor vehicles, supplies, and inventory of yours related to the operation of the Store, at fair market value. We shall be purchasing your assets only and shall be assuming no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within 30 days of our exercise of this option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and each shall pay one-half (1/2) of the appraisal fees. If we elect to exercise this purchase option, we shall have the right to set off (i) all fees for any such independent appraiser due from you, (ii) all amounts due from you to us and our affiliates, and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor.

The time for closing of the purchase and sale of the properties described in this Section shall be a date not later than 30 days after the purchase price is determined by the parties or the determination of the appraisers, or such date we receive and obtain all necessary permits and approvals, whichever is later, unless the parties mutually agree to designate another date. Closing shall take place at our corporate offices or at such other location as the parties may agree.

We may assign any and all of our options in this Section to any other party, without your consent.

17.3 Liquidated Damages. If we terminate this Agreement with cause, you must pay us, within 15 days after the date of termination, liquidated damages equal to the average value of the Royalty Fees you paid or owed (per week) to us during the 52 weeks before the termination multiplied by (i) 104, being the number of weeks in two (2) full years, or (ii) the number of weeks remaining during the term of this Agreement, whichever is less. The parties agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages. This liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

SECTION 18.
MISCELLANEOUS

18.1 Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be directed to the respective parties at the addresses shown on the attached Data Sheet or these Terms, as applicable, unless and until a different address has been designated by written notice to the other party. Notices shall be deemed to have been delivered on the earlier of the date of actual delivery or one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery.

18.2 Entire Agreement. This Agreement, including the attached Data Sheet, constitutes the entire, full and complete agreement between us and you concerning the subject matter hereof and shall supersede all prior related agreements between us and you. Except for those permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Agreement or in any related agreement or exhibit to this Agreement is intended to disclaim the representations we made in the franchise disclosure document.

18.3 No Waiver. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise. No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default under this Agreement shall constitute a waiver by us to enforce any such right, option, duty or power against you, or as to a subsequent breach or default by you. Acceptance by us of any payments due to us hereunder subsequent to the time at which such payments are due shall not be deemed to be a waiver by us of any preceding breach by you of any terms, provisions, covenants or conditions of this Agreement.

18.4 No Warranty or Guaranty. We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advice, consent or suggestion to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

18.5 Arbitration. We and you agree that all controversies, disputes, or claims between us or our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your Controlling Principals, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between you (or any of your Controlling Principals) and us (or any of our affiliates); (2) our relationship with you; (3) the scope or validity of this Agreement or any other agreement between you (or any of your Controlling Principals) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section 18.5, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any standard which forms part of the System must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in San Diego, California, or, at our option, in the city in which our (or our successor's or assign's) headquarters are then located (currently, Vista, California). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The decision of the arbitration shall be final and binding upon each party and may be enforced by any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid or, except as expressly provided in this Section 18.5, award any punitive, exemplary, or multiple damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive, exemplary, or multiple damages against any party to the arbitration proceedings).

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and our affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (or your Controlling Principals, guarantors, affiliates, and employees) may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, (iii) or brought on your behalf by any association or agency. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of the Agreements.

Despite our and your agreement to arbitrate, we and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that we and you must contemporaneously submit our dispute, controversy or claim for arbitration on the merits as provided in this Section.

The provisions of this Section are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Agreements.

Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

18.6 Venue; Governing Law. Except to the extent governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.), the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement and the relationships created hereunder will be interpreted under, and any dispute shall be governed by, the laws of the state in which your Store is operated or is to be located, which laws shall prevail in the event of any conflict of law. Subject to the obligation to arbitrate under Section 18.5 above, you and your Controlling Principals agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in the court nearest to San Diego, California, or, at our option, the city in which our (or our successor's or assign's) headquarters are then located (currently, Vista, California), and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in such courts.

18.7 Waiver of Punitive Damages; Waiver of Jury Trial. You, the Controlling Principals and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

We and you irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of us against the other. Any and all claims and actions arising out of or relating to this Agreement, the relationship of you and us, or your operation of the Store, brought by either party hereto against the other, whether in arbitration or a legal action, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

18.8 Execution in Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

18.9 Captions. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

18.10 Survival of Terms. Any obligation of you or the Controlling Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of you or the Controlling Principals therein, shall be deemed to survive such termination, expiration or transfer.

18.11 Severability of Provisions. Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

18.12 Construction. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. The term "**your owners**" shall include your direct and indirect owners. The term "**including**" shall mean including, without limitation. Without limiting the obligations individually undertaken by the Controlling Principals under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by you in this Agreement shall be deemed, jointly and severally, undertaken by all of the Controlling Principals.

18.13 Rights and Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your affiliates and us.

18.14 No Rights or Remedies Except to the Parties. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors, members and employees and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Section 13), any rights or remedies under or as a result of this Agreement.

18.15 Modification of the System. You understand and agree that the System must not remain static if it is to meet, without limitation, presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other marketplace variables, and if it is to best serve the interests of us, you and all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Store is authorized and required to offer; modifying or substituting entirely the building, premises, equipment, signage, trade dress, décor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe hereunder; and changing, improving, modifying, or substituting other words or designs for, the Marks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations; provided, however, that such changes shall not materially and unreasonably increase your obligations hereunder.

You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

We shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. You expressly waive any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

18.16 Step-In Rights. If we determine in our sole judgment that the operation of the Store is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Store which would cause harm to the System and thereby lessen its value, you authorize us to operate the Store for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement (the "**Step-In Rights**"). In our sole judgment, we may deem you incapable of operating the Store if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of any and every kind placed upon or against the Store; or we determine that operational problems require that we operate the Store for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the business as a going concern.

If we exercise our Step-In Rights, you must pay us a reasonable fee and compensate us for the expenses incurred by us in exercising the Step-In Rights. We shall keep in a separate account all monies generated by the operation of the Store, less (i) the expenses of the Store, (ii) our fee for exercising the Step-in Rights, and (iii) the expenses incurred by us in exercising our Step-In Rights. In the event of our exercise of the Step-In Rights**,** you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

18.17 Costs and Legal Fees. If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

SECTION 19.
SECURITY INTERESTS

As security for the performance of your obligations under this Agreement, including payments owed to us for purchase by you, you hereby collaterally assign to us the Lease and grant us a security interest in all of the assets of your Store, including but not limited to inventory, accounts, supplies, contracts, cash derived from the operation of your Store and sale of other assets, and proceeds and products of all those assets. You agree to execute such other documents as we may reasonably request in order to further document, perfect and record our security interest. If you default in any of your obligations under this Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under this Agreement and at law. If a third party lender requires that we subordinate our security interest in the assets of your Store as a condition to lending you working capital for the construction or operation of your Store, we will agree to subordinate pursuant to terms and conditions determined by us. This Agreement shall be deemed to be a Security Agreement and Financing Statement and may be filed for record as such in the records of any county and state that we deem appropriate to protect our interests.

SECTION 20.
TECHNOLOGY

20.1 Computer Systems and Software. The following terms and conditions shall apply with respect to your computer system:

20.1.1 We shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware to be used by, between, or among Stores, including without limitation: (a) back office systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at Stores, between or among Stores, and between and among the Store and us and/or you; (b) Point of Sale Systems; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) internet access mode and speed (collectively, the "**Computer System**").

20.1.2 We shall have the right, but not the obligation, to develop or have developed for us, or to designate: (a) computer software programs and accounting system software that you must use in connection with the Computer System ("**Required Software**"), which you shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you shall install; (c) the tangible media upon which you shall record data; and (d) the database file structure of your Computer System.

20.1.3 You shall record all sales, including third-party and catering, on the computer-based point-of-sale system approved and provided by us or on such other types of systems as may be designated by us in the Manual or otherwise in writing ("**Point of Sale Systems**"), which shall be deemed part of your Computer System.

20.1.4 You shall make, from time to time, such upgrades and other changes to the Computer System and Required Software as we may request in writing (collectively, "**Computer Upgrades**").

20.1.5 You shall comply with all specifications issued by us with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. You shall also afford us unimpeded access to your Computer System and Required Software as we may request, in the manner, form, and at the times requested by us.

20.2 Data. We may, from time-to-time, specify in the Manual or otherwise in writing the information that you shall collect and maintain on the Computer System installed at the Store, and you shall provide to us such reports as we may reasonably request from the data so collected and maintained. All data pertaining to the Store, and all data created or collected by you in connection with the System, or in connection with your operation of the Store (including without limitation data pertaining to or otherwise concerning the Store's customers) or otherwise provided by you (including, without limitation, data uploaded to, or downloaded from your Computer System) is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. Copies and/or originals of such data must be provided to us upon our request. We hereby license use of such data back to you for the term of this Agreement, at no additional cost, solely for your use in connection with the business franchised under this Agreement.

20.3 Privacy. You shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ("**Privacy**"), and shall comply with our standards and policies pertaining to Privacy. If there is a conflict between our standards and policies pertaining to Privacy and applicable law, you shall: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel as we may request to assist us in our determination regarding the most effective way, if any, to meet our standards and policies pertaining to Privacy within the bounds of applicable law.

20.4 Telecommunications. You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between your Computer System and our Intranet (as defined below), if any, and/or such other computer systems as we may reasonably require.

20.5 Intranet. We may establish a website, virtual private network, cloud-based system or the like providing private and secure communications between us, you, franchisees, licensees and other persons and entities as determined by us, in our sole discretion (an "**Intranet**"). You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Intranet and utilizing the Intranet in connection with the operation of the Store. The Intranet may include, without limitation, the Manuals, training other assistance materials, and

management reporting solutions (both upstream and downstream, as we may direct). You shall purchase and maintain such computer software and hardware as may be required to connect to and utilize the Intranet.

20.6 No Outsourcing Without Prior Written Consent. You shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of your obligations without our prior written approval therefor, unless we have designated an approved supplier to provide such services. Our consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with us and you in a form that is reasonably provided by us.

20.7 Changes to Technology. You and we acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree that you shall abide by those reasonable new standards established by us as if this Section 20 were periodically revised by us for that purpose. You acknowledge and understand that this Agreement does not place any limitations on either our right to require you to obtain Computer Upgrades or the cost of such Computer Upgrades.

END OF TERMS

ATTACHMENT A TO AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20__, by _____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (as amended, modified, restated or supplemented from time to time, the "Agreement") on this date by **EVERBOWL FRANCHISE, LLC** ("us"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement 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 and (b) 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, including the non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time 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 of the Agreement; and (5) at our request, the undersigned shall present updated financial information to us as reasonably necessary to demonstrate his or her ability to satisfy the financial obligations of Franchisee under the Agreement.

Each of the undersigned waives: (i) 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; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each of the undersigned represents and warrants that, if no signature appears below for such undersigned's spouse, such undersigned is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Each of the undersigned represents and warrants that, if it is a business entity, retirement or investment account, or trust, that if Franchisee is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, account holder or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

The provisions contained in the Agreement pertaining to dispute resolution, including Section 18.5 (Arbitration) and Section 18.6 (Venue; Governing Law) are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the undersigned and us. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

GUARANTOR(S)			**SPOUSE(S)**	
#1:			**#1:**	
Address:			Address:	
Sign:			Sign:	
#2:			**#2:**	
Address:			Address:	
Sign:			Sign	
#3			**#3**	
Address:			Address:	
Sign:			Sign:	

ATTACHMENT B TO AGREEMENT

FORM LEASE RIDER

TO LEASE AGREEMENT DATED _____
BY AND BETWEEN

_____, AS "LANDLORD"
AND

_____, AS "TENANT" FOR THE DEMISED PREMISES
("PREMISES") DESCRIBED THEREIN

This Rider and the provisions hereof are hereby incorporated into the body of the lease to which this Rider is attached (the "Lease"), and the provisions hereof shall be cumulative of those set forth in the Lease, but to the extent of any conflict between any provisions of this Rider and the provisions of the Lease, this Rider shall govern and control.

1. Consent to Collateral Assignment to Franchisor; Disclaimer. Landlord acknowledges that Tenant intends to operate an everbowl® store in the Premises, and that Tenant's rights to operate a everbowl® store and to use the everbowl® name, trademarks and service marks are solely pursuant to a franchise agreement ("Franchise Agreement"") between Tenant and EVERBOWL FRANCHISE, LLC ("Franchisor"). Tenant's operations at the Premises are independently owned and operated. Landlord acknowledges that Tenant alone is responsible for all obligations under the Lease unless and until Franchisor or another franchisee expressly, and in writing, assumes such obligations and takes actual possession of the Premises. Notwithstanding any provisions of this Lease to the contrary, Landlord hereby consents, without payment of a fee and without the need for further Landlord consent, to (i) the collateral assignment of Tenant's interest in this Lease to Franchisor to secure Tenant's obligations to Franchisor under the Franchise Agreement, or (ii) Franchisor's (or any entity owned or controlled by, or under common control with, Franchisor) succeeding to Tenant's interest in the Lease by mutual agreement of Franchisor and Tenant, or as a result of Franchisor's exercise of rights remedies under such collateral assignment or as a result of Franchisor's termination of, or exercise of rights or remedies granted in or under, any other agreement between Franchisor and Tenant, or (iii) Tenant's, Franchisor's or any other franchisee of Franchisor's assignment of the Lease to another franchisee of Franchisor with whom Franchisor has executed its then-standard franchise agreement. Landlord, Tenant and Franchisor agree and acknowledge that simultaneously with such assignment pursuant to the immediately preceding sentence, Franchisor shall be released from all liability under the Lease or otherwise accruing after the date of such assignment (in the event Franchisor is acting as the assignor under such assignment), but neither Tenant nor any other franchisee shall be afforded such release in the event Tenant/such franchisee is the assignor unless otherwise agreed by Landlord. Landlord further agrees that all unexercised renewal or extension rights shall not be terminated in the event of any assignment referenced herein but shall inure to the benefit of the applicable assignee.

2. Notice and Cure Rights to Franchisor. Prior to exercising any remedies hereunder (except in the event of imminent danger to the Premises), Landlord shall give Franchisor written notice of any default by Tenant, and commencing upon receipt thereof by Franchisor, Franchisor shall have 10 additional days to the established cure period as is given to Tenant under the Lease for such default, provided that in no event shall Franchisor have a cure period of less than (i) 10 days after Franchisor's receipt of such notice as to monetary defaults or (ii) 30 days after Franchisor's receipt of such notice as to non-monetary defaults. Landlord agrees to accept cure tendered by Franchisor as if the same was tendered by Tenant, but Franchisor has no obligation to cure such default. The initial address for notices to Franchisor is as follows:

Everbowl Franchise, LLC
1300 Specialty Drive, #100
Vista, California 92081

3. Non-disturbance from Mortgage Lenders. Notwithstanding anything contained in the Lease to the contrary or in conflict, it shall be a condition of the Lease being subordinated to any mortgage, deed of trust, deed to secure debt or similar encumbrance on the Premises that the holder of such encumbrance agree not to disturb Tenant's rights under this Lease or Tenant's possession of the Premises, so long as Tenant is not in default of its obligations hereunder beyond an applicable grace or cure period provided herein (as may be extended from time to time pursuant to paragraph 6 immediately above).

CHECK THE FOLLOWING PARAGRAPH THAT APPLIES. CHECK ONLY ONE. IF NONE IS CHECKED, THEN CLAUSE a) BELOW WILL BE APPLICABLE, AND CLAUSE b) BELOW WILL BE DEEMED DELETED

A) ☐ Landlord represents and warrants that on the date hereof no mortgage, deed of trust, deed to secure debt or similar encumbrance encumbers the Premises.

B) ☐ A mortgage, deed of trust or deed to secure debt currently encumbers the Premises. It is a condition precedent to Tenant's obligations under this Lease that the holder of such encumbrance enter into a written subordination and non-disturbance agreement with Tenant, in form acceptable to Franchisor.

4. Financing of Trade Fixtures by Franchisor and Security Interest. Any security interest or Landlord's lien in Tenant's trade fixtures, 'trade dress', equipment and other personal property in the Premises is hereby subordinated to any security interest and pledge granted to Franchisor in such items. The parties acknowledge that there may be certain personal property in the Premises which are not owned by Tenant, which property shall not be subject to any lien of Landlord. Upon request, Landlord shall grant the party who owns such property reasonable access to the Premises for the sole purpose of removing such property, provided such party repairs any damage caused by such removal and otherwise complies with Landlord's reasonable requirements with respect to such access.

5. Third Party Beneficiary. For so long as Franchisor holds a collateral assignment of the Lease, Franchisor is a third party beneficiary of the Lease, including, without limitation, this Rider, and as a result thereof, shall have all rights (but not the obligation) to enforce the same.

6. Franchisor Right to Enter. Landlord acknowledges that, under the Franchise Agreement, Franchisor or its appointee has the right to assume the management and operation of the Tenant's business, on Tenant's behalf, under certain circumstances (to-wit: Tenant's abandonment, Tenant's failure to timely cure its default of the Franchise Agreement, and while Franchisor evaluates its right to purchase the store). Landlord agrees that Franchisor or its appointee may enter upon the Premises for purposes of assuming the management and operation of Tenant's store as provided in the Franchise Agreement and, if it chooses to do so, it will do so in the name of the Tenant and without assuming any direct liability under the Lease unless Franchisor exercises such rights to assume the Lease as set forth in Section 1 of this Rider. Further, upon the expiration or earlier termination of this Lease or the Franchise Agreement, Franchisor or its designee may enter upon the Premises for the purpose of removing all signs and other material bearing the everbowl® name or trademarks, service marks or other commercial symbols of Franchisor.

7. Amendments. Tenant agrees that the Lease may not be terminated, modified or amended without Franchisor's prior written consent, nor shall Landlord accept surrender of the Premises without Franchisor's prior written consent. Tenant agrees to promptly provide Franchisor with copies of all proposed modifications or amendments and true and correct copies of the signed modifications and amendments.

8. Counterparts. This Rider may be executed in one or more counterparts, each of which shall cumulatively constitute an original. PDF/Faxed signatures of this Rider shall constitute originals of the same.

SIGNATURE PAGE FOLLOWS

AGREED and executed and delivered under seal by the parties hereto as of the day and year of the Lease.

LANDLORD: _____	**TENANT**: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT C

AREA DEVELOPMENT AGREEMENT

EVERBOWL® AREA DEVELOPMENT AGREEMENT - DATA SHEET

1. **Effective Date**: _____

2. **Area Developer**:

   Name: _____
   Address: _____
   Attention: _____
   Email Address: _____
   Phone: _____
   State of Formation: _____ Date of Formation: _____

3. **Development Area** (Section 1.1): _____

4. **Development Schedule** (Section 1.1.1):

Development Period	New Stores Opened During Development Period	Cumulative Stores Open at End of Development Period
Effective Date to _____		
_____ to _____		
_____ to _____		

5. **Development Fee** (Section 2.1): $15,000 multiplied by the number of Everbowl Stores required under the Development Schedule, less one. We will apply the Development Fee, in $15,000 increments, to the initial franchise fee that is required to be paid under Franchise Agreements (after the 1st one) executed pursuant to this Agreement, subject, in the aggregate, to a maximum amount equal to the Development Fee.

6. **Ownership of Area Developer** (Section 13.5): The following persons are all your direct and indirect owners:

Name	Address	Type of Interest	Percentage Held

7. **Operating Principal**: _____

This Data Sheet and the attached Terms and Conditions form and are referred to herein as the "Agreement." Intending to be bound by the terms of the Agreement, the parties have set forth their signatures below.

FRANCHISOR:
EVERBOWL FRANCHISE, LLC
a California limited liability company

By:_____
Name: _____
Title: _____
Date:_____

AREA DEVELOPER:
[NAME], a/an [___]

By: _____
Name: _____
Title: _____
Date:_____

TERMS AND CONDITIONS
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EVERBOWL® AREA DEVELOPMENT AGREEMENT

TERMS AND CONDITIONS

The following terms and conditions (these "**Terms**") are an integral part of the Agreement and define the rights and obligations of, and the relationship between, **EVERBOWL FRANCHISE, LLC**, a California limited liability company having its principal place of business at 1300 Specialty Drive, #100, Vista, California 92081 ("**us**"), and the franchisee identified on the attached Data Sheet ("**you**"). References to the Agreement include these Terms and the Data Sheet to which they are attached.

RECITALS

A. We and our affiliates have developed (and may continue to develop, revise and evolve) and claim ownership of a system for establishing and operating stores that operate under the name and brand "**Everbowl**" and offer, among other things, a variety of superfood-based bowls and smoothies with various toppings. In this Agreement, we use "**Everbowl Stores**" to refer to Everbowl-branded stores that operate as part of our System, and we use "**Store**" to refer to the Everbowl Store for which you will acquire franchise rights pursuant to this Agreement. We use "**System**" to refer to the network of authorized Everbowl Stores;

B. Everbowl Stores are required to operate in accordance with our standards and specifications (the "**System Standards**"), including, without limitation, specified exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

C. Everbowl Stores and the products and services they offer are identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark "Everbowl", and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as "**Marks**");

D. We grant to persons and entities we believe meet our criteria the right and license to develop, own and operate an Everbowl Store (a "**Franchise**"), and, in some cases, to enter into multiple franchise agreements for Everbowl Stores at locations within a development area; and

E. You have requested that we grant you rights to acquire franchises to develop multiple Everbowl Stores and, in support of your request, you and, as applicable, your owners have provided us with information regarding your qualifications and financial capacity (the "**Application Materials**"). In reliance on the Application Materials, we are willing to grant your request on the terms and conditions contained in this Agreement.

SECTION 1. GRANT

1.1 **Grant of Development Rights**. In reliance on the Application Information and the representations and warranties of you and your Controlling Principals (as defined in Section 13.5) hereunder, we hereby grant to you the right (and you hereby accept the obligation), as described herein, to acquire multiple franchises ("**Development Rights**") to develop Everbowl Stores in the Development Area described in the attached Data Sheet. In this regard, the parties further agree that:

1.1.1 the Stores shall be opened as necessary to satisfy the Development Schedule set forth in the attached Data Sheet;

1.1.2 each Store shall be established and operated pursuant to a separate Franchise Agreement between us and you or your approved affiliate (each, a "**Franchise Agreement**") that shall be executed as provided in Section 3 below; and

1.1.3 each Store shall be located at an approved site in the Development Area.

1.2 **Development Area Protection**. Except as provided in this Agreement, and subject to your and the Controlling Principals' full compliance with this Agreement and any other agreement among you or any of your Affiliates (as defined in Section 4.2.1) and us or any of our affiliates, we shall not establish or authorize any other person or entity, other than you, to establish an Everbowl Store within the Development Area during the term of this Agreement.

1.3 **Our Reserved Rights**. Notwithstanding the generality of the foregoing section, we retain all other rights, and therefore we shall have the right (among others) on any terms and conditions we deem advisable, and without granting you any rights therein, to:

1.3.1 establish, and license others to establish, Everbowl Stores and otherwise sell proprietary products and logoed merchandise under the Marks at or from any location outside of the Development Area;

1.3.2 establish, and license others to establish, Everbowl Stores and otherwise sell proprietary products and logoed merchandise under the Marks at or from any Non-Traditional Site, wherever located. As used herein, a "Non-Traditional Site" includes gas stations or convenience stores; transportation facilities, including airports, train stations, subways and rail and bus stations; military bases and government offices; sports facilities, including stadiums and arenas; amusement parks, zoos and convention centers; car and truck rest stops and travel centers; educational facilities; recreational theme parks; hospitals; business or industrial foodservice venues; venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider; Native American reservations; casinos; or any similar captive market location not reasonably available to you; and

1.3.3 sell and distribute, directly and indirectly, proprietary products and logoed merchandise under the Marks using channels of distribution, other than in Everbowl Stores, such as the Internet, catalog sales, grocery stores, club stores, telemarketing or other direct marketing sales ("alternative distribution channels") anywhere.

1.4 **Not a Franchise Agreement**. The parties hereto acknowledge and agree that this Agreement is not a Franchise Agreement and does not grant to you any right or license to operate an Everbowl Store, distribute any goods or services, or any right to use or interest in the Marks.

1.5 **Non-Traditional Site**. You understand and acknowledge that this Agreement does not give you the right to acquire a franchise to develop an Everbowl Store at any Non-Traditional Site.

SECTION 2. DEVELOPMENT FEE

2.1 **Development Fee**. In consideration of the Development Rights granted herein, you will pay to us, on your execution of this Agreement, the Development Fee identified on the attached Data Sheet. The Development Fee is payable in a lump sum upon execution of this Agreement, is fully earned upon our receipt, and is not refundable under any circumstances.

SECTION 3. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1 **Execution of Franchise Agreements**. Concurrently with the execution of this Agreement, you must execute the first Franchise Agreement for the first Store to be developed in satisfaction of your development obligation hereunder and pay the entire initial franchise fee under such Franchise Agreement. You shall exercise the Development Rights granted hereunder only by entering into a separate Franchise Agreement with us for each Everbowl Store for which a Development Right is granted. We may, in our reasonable discretion, permit you to exercise such Development Rights through affiliated entities that are either wholly owned subsidiaries of yours or commonly controlled entities with ownership determined by you, provided you first deliver timely notice of such affiliated entities to us for our review prior to signing the applicable Franchise Agreement. All Franchise Agreements to be executed pursuant to this Agreement shall be on our then-current form and shall be executed and delivered to us when you propose, and we approve, a site for the Store. The then-current form of Franchise Agreement may differ from the form we were using at the time you executed this Agreement, except that the initial franchise fee will be as provided above.

3.2 **Compliance with Development Schedule**. Acknowledging that time is of the essence, and subject to the requirements of Section 4, you agree to exercise your Development Rights according to the Development Schedule. You shall open each Store developed hereunder and shall commence business in accordance with the time periods set forth in the Development Schedule.

3.3 **Failure to Comply with Development Schedule**. Your failure to adhere to the Development Schedule shall constitute a material event of default under this Agreement.

3.4 **Expiration of Development Rights**. This Agreement shall expire upon the earlier of (i) the opening deadline of the last Store as contained in the Development Schedule, or (ii) the opening of the last Store to be developed under this Agreement. Upon expiration of this Agreement, shall have no further rights to the Development Area under this Agreement. Any territories granted pursuant to individual Franchise Agreements for your Stores will be governed by those agreements. You are not granted a right of first refusal to acquire additional Development Rights.

SECTION 4. PREREQUISITES TO OBTAINING FRANCHISES

4.1 You understand and agree that this Agreement does not confer upon you a right or franchise to operate any Everbowl Store or to use our Marks or our System, but is rather intended by the parties to set forth the terms and conditions which, if fully satisfied by you, shall entitle you to obtain the right to develop Everbowl Stores within the Development Area.

4.2 Each of the following conditions and approvals must have occurred or be obtained before the grant of the right by us to develop each Store shall become effective. You must meet each of the operational, financial, and legal conditions set forth below (collectively, the "**Conditions**") before such rights shall become effective:

4.2.1 Operational: You must be in compliance with the Development Schedule and each other provision of this Agreement. You and each entity that is controlled by, controlling or under common control with you (collectively, "**your Affiliate**") must be in material compliance with all other agreements to which we and/or our affiliates are a party (including, without limitation, the Franchise Agreements and any other Area Development Agreements). You must be properly conducting the operation of your existing Stores, if any, and must be capable of conducting the operation of the proposed Store (a) in accordance with the provisions of the respective Franchise Agreement, and (b) in accordance with the standards, specifications, and procedures set forth and described in the "**Manuals**" (as such term is defined in the Franchise Agreement), as such Manuals may be amended from time to time, or otherwise in writing.

4.2.2 Financial: You and your Affiliates must not then be in default, and for the 12 month period preceding your request for financial approval must not have been in default, of any monetary obligations owed to us or our affiliates under any other agreement to which we and/or our affiliates are a party (including, without limitation, the Franchise Agreements and any other Area Development Agreements). You acknowledge and agree that it is vital to our interest that each of our franchisees is financially sound to avoid failure of an Everbowl Store and that such failure would adversely affect the reputation and good name of us and our System of franchisees.

4.2.3 Legal: You must have submitted to us, in a timely manner and in accordance with all applicable federal and state franchise disclosure laws, all information and documents requested by us prior to and as a basis for the issuance of individual franchises or pursuant to any right granted to you by this Agreement or by any Franchise Agreement, and must have taken such additional actions in connection therewith as may be reasonably requested in writing by us from time to time.

If we determine, in our reasonable discretion, that you and your Controlling Principals have met all the Conditions described above, then we will allow you to enter into a Franchise Agreement to develop such additional Stores pursuant to the Development Schedule.

4.3 You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for the Store, and for constructing and equipping the Store at such site. You acknowledge that the location, selection, procurement and development of a site for the Store is your responsibility; that in discharging such responsibility you shall consult with real estate and other professionals of your choosing; and that our approval of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by us that the Store operated at that site will be profitable or otherwise successful.

4.4 You shall locate a site for the Store that satisfies the site selection guidelines provided to you by us and shall submit to us in the form specified by us a description of the site, including evidence reasonably satisfactory to us demonstrating that the site satisfies our site selection guidelines, together with such other information and materials as we may reasonably require, including, but not limited to, a letter of intent or other evidence satisfactory to us which confirms

your favorable prospects for obtaining the site. We shall have 15 days after receipt of this information and materials to accept or decline, in our sole discretion, the proposed site as the location for the Store.

4.5 We may, in our discretion, provide an on-site evaluation of the proposed location for the Store and you agree to pay our expenses, such as food, transportation, lodging and incidental costs for each site evaluation we conduct. No site may be used for the location of the Store unless it is first accepted in writing by us. You acknowledge and agree that our acceptance of a location for the Store is not a warranty or guaranty, express or implied, that you will achieve any particular level of success at the location or that your Store will be profitable. Our acceptance of a location for the Store only signifies that the location meets our then-current minimum criteria for an Everbowl Store that we have established solely for our own purposes. We reserve the right to approve deviations from our site selection standards based on the individual factors and components of a particular site, but any such approvals shall be granted in our sole discretion.

SECTION 5. TERM

5.1 **Term**. Unless sooner terminated in accordance with this Agreement, the term of this Agreement and all rights granted by us under this Agreement shall expire on the date on which the final Store to be developed hereunder has opened for business or the last day of the last day by which you are required under the Development Schedule to open Stores, whichever is earlier.

SECTION 6. YOUR DUTIES, REPRESENTATION AND WARRANTIES

You and your Controlling Principals, as applicable, make the following representations, warranties and covenants and accept the following obligations:

6.1 **Representations of Non-Individual**. If you are a corporation, limited liability company, partnership, or other form of non-individual legal entity, you and the Controlling Principals represent, warrant and covenant that:

6.1.1 You are duly organized and validly existing under the state law of your formation;

6.1.2 You are duly qualified and are authorized to do business in each jurisdiction in which your business activities or the nature of the properties owned by you require such qualification;

6.1.3 The execution of this Agreement and the performance of the transactions contemplated hereby are within your power as provided under your organizational and governing documents and have been duly authorized by you and your owners;

6.1.4 Your governing documents shall not be amended in any way that impacts your ability to comply with your obligations under this Agreement without our prior written consent;

6.1.5 Your owners, as of the Effective Date, are as reflected on the Data Sheet hereto and will not hereafter change unless done so in accordance with this Agreement;

6.1.6 You will maintain sufficient working capital to fulfill your obligations under this Agreement; and

6.1.7 The Controlling Principals and Operating Principal (defined below) shall, jointly and severally, assume and guarantee the performance of all of your obligations, covenants and agreements hereunder pursuant to the terms and conditions of the guaranty contained in Attachment A hereto.

6.2 **Operating Principal and Controlling Principals**.

6.2.1 The Controlling Principals are those of your owners who we reasonably determine from time to time, either because of the extent of their direct or indirect ownership interests in you or the nature of the authority you grant them, control you or any governing board, your management decisions, or your activities under this Agreement. On execution of this Agreement, you shall designate, subject to our approval, one of your owners holding at least a 10% direct or indirect ownership interest in you to serve as your Operating Principal (the "Operating Principal"). The Operating Principal shall, during the entire period he/she serves as such, meet and maintain the following qualifications:

(a) work on a full-time basis and devote substantially all of his or her time and best efforts to the supervision and conduct of the business contemplated by this Agreement;

(b) meet our reasonable standards and criteria for such individual, as set forth in the Manuals or otherwise in writing by us;

If the Operating Principal or any designee ceases to serve or to be qualified to serve in that capacity, you shall promptly notify us and designate a replacement within 60 days after that event occurs or the determination is made. The replacement the Operating Principal or such designee shall be subject to our approval and all other requirements listed above. You shall provide for interim management of the activities contemplated under this Agreement until such replacement is so designated, such interim management to be conducted in accordance with this Agreement.

6.2.2 You shall comply with all requirements of federal, state and local laws, rules, regulations, and orders.

6.3 You shall comply with all other requirements and perform such other obligations as provided hereunder. You and the Controlling Principals acknowledge and agree that the representations and warranties set forth above are continuing obligations of yours and the Controlling Principals, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. You will fully cooperate with us in any efforts taken by us to verify your compliance with such representations, warranties and covenants.

6.4 You will, at all times, maintain sufficient working capital reserves as necessary and appropriate to comply with your obligations under this Agreement. On our request, you will provide us with evidence of working capital availability. We reserve the right, from time-to-time, to establish certain levels of working capital reserves, and you will comply with such requirements. we may from time-to-time designate the maximum amount of debt that you and your Affiliates may service, and you will ensure that you will comply with such limits. You agree to apply for and diligently pursue any government-issued, government-sponsored, or governmental-guaranteed grants, non-recourse loans, and/or bail-outs for which you qualify and that are made available to small businesses as an economic stimulus.

SECTION 7. DEFAULT AND TERMINATION

7.1 **Automatic Termination – No Right to Cure**. You shall be deemed to be materially in default under this Agreement and all rights granted herein shall automatically terminate without notice to you, if you, or any of your Controlling Principals become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or a Controlling Principal, or such a petition is filed against and not opposed by you or a Controlling Principal; if you or a Controlling Principal is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you, a Controlling Principal, or your or its business or assets is filed and consented to by you or such Controlling Principal; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for 60 days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against your premises or equipment is instituted against you and not dismissed within 60 days; or if the real or personal property of the Store or your business shall be sold after levy thereupon by any sheriff, marshal, or constable.

7.2 **Termination on Notice – No Right to Cure**. You shall be deemed to be materially in default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default (except as otherwise provided below), effective immediately upon written notice to you, if:

7.2.1 you fail to meet your obligations under the Development Schedule;

7.2.2 you fail to execute each Franchise Agreement in accordance with Section 3.1 (or any extension thereof approved by us in writing);

7.2.3 you or your owners made any material misrepresentations or omissions in the Application Materials, breach any of your or their representations or warranties set forth in this Agreement, or are convicted of, or shall have entered a plea of *nolo contendere* to, a felony, a crime involving moral turpitude or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith or our interests therein;

7.2.4 a threat or danger to public health or safety results from the construction, maintenance or operation of any Store developed under this Agreement, following 24 hours' notice from us;

7.2.5 you fail to designate a qualified replacement Operating Principal within 60 days after any initial or successor Operating Principal ceases to serve as such, all as required under this Agreement;

7.2.6 you or a Controlling Principal engages in a Transfer without complying with the provisions of Sections 8.2 or 8.3 with respect to such Transfer;

7.2.8 an approved transfer upon death or permanent disability is not affected within the time and in the manner prescribed by Section 8.4;

7.2.9 you or any of the Controlling Principals misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or with the System or our rights therein;

7.2.10 you or any of your Affiliates fail, refuse or neglect promptly to (i) pay when due any monetary obligation owing to us or any of our affiliates or vendors under this Agreement, any Franchise Agreement or any other agreement, and you do not cure such default within five (5) days following notice from us (or such other cure period specified in such other agreement, unless no cure period is stated or such period is less than five (5) days, in which case the five (5) day cure period shall apply), or (ii) pay when due any monetary obligation owing to any other third-party in connection with your business, and do not cure such failure within any applicable cure period granted by such third-party; and

7.2.11 you or any Controlling Principal (or any person or entity affiliated with or controlled by you or any Controlling Principal) is determined by you to be either (i) in default for failure to comply with the requirements of any Franchise Agreement, other Area Development Agreement, or other agreement to which we (or an affiliate of ours) is a party (collectively, and as each may be amended from time to time, "**Other Agreements**"), whether or not such default is of the same or different nature and whether or not such default has been cured after notice by us, *or* (ii) in material default for failure to substantially comply with the requirements of any Other Agreement, we may terminate this Agreement by giving written notice of termination stating the nature of such default to you at least 30 days prior to the effective date of such termination.

7.3 **Notice of Termination – 30 Days to Cure**. We may terminate this Agreement, on notice to you, if you fail to comply with any provision of this Agreement, other than those referenced in Section 7.1 and 7.2 of this Agreement, and do not correct such failure within 30 days following our written notice of the failure.

7.4 **Termination Alternative**. Upon your default under Section 7.2 or 7.3, we may elect, in lieu of termination, to reduce or eliminate all or only certain of your rights under this Agreement (including, without limitation, reduce the size of the Development Area, reduce the number of Stores which you may establish under the Development Schedule, or accelerate the Development Schedule); and if we exercise said election, we shall not have waived our right to, in the case of future defaults, exercise all other rights and invoke all other provisions (including, without limitation, our option to terminate this Agreement) that are provided in law and/or set out under this Agreement.

7.5 **Rights Upon Expiration or Termination**. Upon termination or expiration of this Agreement, you shall have no right to establish or operate any Everbowl Store for which a Franchise Agreement has not been executed by us at the time of termination. Thereafter, we shall be entitled to establish, and to license others to establish, Everbowl Stores in the Development Area (except as may be otherwise provided under any Franchise Agreement that has been executed between us and you or your Affiliates). You acknowledge our right under Section 2.1 of this Agreement to retain all fees paid by you pursuant to the terms hereof.

7.6 **Cross-Defaults**. No default under this Agreement shall constitute a default under any Franchise Agreement between the parties hereto, unless the default is also a default under the terms of such Franchise Agreement.

7.7 **Non-Exclusive Remedies**. No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

7.8 **Continuing Obligations**. All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including, without limitation, all obligations relating to non-disparagement, non-competition, non-interference, confidentiality, and indemnification.

SECTION 8. TRANSFER OF INTEREST

8.1 **Transfer by Us**. We may, without restriction, assign this Agreement and all of our attendant rights and privileges, or delegate our performance hereunder, to any person, firm, corporation or other entity.

8.2 **Transfer by You**.

8.2.1 You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted rights under this Agreement in reliance on the business skill, financial capacity and personal character of you and, as applicable, your owners. Accordingly, neither you nor any owner, nor any successor or assign of you or any owner, shall sell, assign (including but not limited to by operation of law, such as an assignment under bankruptcy or insolvency laws, in connection with a merger, divorce or otherwise), transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in this Agreement or in you (each referred to herein as a "**Transfer**"), in each case without our prior written consent. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material event of default under this Agreement.

8.2.2 **Our Consent to Transfer**. If you or your owners wish to engage in a Transfer, the transferor and the proposed transferee shall apply to us for our consent. We will not unreasonably withhold our consent to a Transfer, but we will be entitled to reasonably condition our consent, including in some or all of the following ways:

(a) all the accrued monetary obligations of you and your Affiliates and all other outstanding obligations to us and our affiliates arising under this Agreement, any Franchise Agreement or other related agreement shall have been satisfied in a timely manner and you shall have satisfied all trade accounts and other debts, of whatever nature or kind, in a timely manner;

(b) you and your Affiliates are not in material default of any provision of this Agreement or any Other Agreement at the time of transfer (and you shall have substantially and timely complied with all the terms and conditions of such agreements during the terms thereof);

(c) you, the transferee, transferor, and their respective principals, as applicable, and shall have executed a general release, in a form reasonably satisfactory to us, of any and all prior claims against us and our affiliates, parents, officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, prior claims arising under or related to this Agreement, any Franchise Agreement, and any Other Agreement signed in connection therewith and governed by federal, state or local laws, rules, regulations or orders;

(d) the transferee shall demonstrate to our reasonable satisfaction that transferee meets the criteria considered by us when reviewing a prospective developer's application for development rights, including, but not limited to, our educational, managerial and business standards, transferee's good moral character, business reputation and credit rating, transferee's aptitude and ability to conduct the business contemplated hereunder (as may be evidenced by prior related business experience or otherwise), transferee's financial resources and capital for operation of the business, and the geographic proximity of other development areas with respect to which transferee has been granted development rights or of other Everbowl Stores operated by transferee, if any;

(e) the transferee shall execute an Area Development Agreement having material terms (including, without limitation, terms regarding the fees, development area, and development schedule) substantially similar in all material respects to this Agreement, together with such other ancillary agreements substantially similar to the forms attached hereto (and if the transferee is a corporation or partnership, transferee's shareholders, partners, or other investors, as applicable, shall also execute such agreements as transferee's principals, and guarantee the performance of all such obligations, covenants and agreements);

(f) the transferor shall remain liable for all the obligations to us in connection with this Agreement incurred prior to the effective date of the transfer and shall execute all instruments reasonably requested by us to evidence such liability;

(g) you shall pay us a transfer fee in an amount equal to $5,000 or (5%) of the purchase price, whichever is greater, plus $2,500, all to cover our expenses associated with the Transfer, including, for example, for document review and preparation, evaluation of the proposed transferee and training; and

(h) if transferee is a corporation, limited liability company, or partnership, transferee shall provide to us evidence satisfactory to us that the terms of Section 6 have been satisfied and are true and correct on the date of transfer.

8.2.3 You acknowledge and agree that each condition which must be met by the transferee is reasonable and necessary to ensure such transferee's full performance of the obligations hereunder.

8.3 **Our Right of First Refusal**. If you wish to transfer any or all of your interest in this Agreement or if a Controlling Principal wishes to transfer a controlling ownership interest in you (in either instance, such transferring party being referred to as the "**Seller**"), then such Seller shall first notify us in writing of each such intent (the "**Offer**"), and shall provide such information and documentation relating to the Offer as we may require. We shall have the right and option, exercisable within 30 days after receipt of such written Offer and copies of all documentation required by us, to send written notice to the Seller that we intend to purchase the Seller's interest on the terms and conditions stipulated in the written Offer, except that (a) we may substitute cash for any non-cash consideration proposed to be paid by the buyer, and (b) we may deduct from the purchase price any monies that are then owed to us or our affiliates under this Agreement or any other agreement. If we elect to purchase the Seller's interest, closing on such purchase must occur within the latter of (i) 30 days from the date of notice to the Seller of our election to purchase, (ii) 30 days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing.

If we reject or otherwise fail to accept the Offer, then Seller shall be free to transfer its interest in you or this Agreement, as applicable, upon the identical terms and conditions offered to us in the Offer ("**Third-Party Offer**"), subject to the requirements set forth in Section 8.2 of this Agreement. The closing of any transaction involving a Third-Party Offer shall be consummated no later than one hundred and eighty (180) days after the date on which the written Offer was first delivered to us. In the event a transaction involving a Third-Party Offer is not closed within the foregoing time, the proposed sale shall again be subject to our right of first refusal as described herein, unless such subsequent right is waived by us in writing. Any material change in the terms of any Third-Party Offer prior to closing shall constitute a new Offer to us and shall be subject to the same right of first refusal restrictions set forth above. Our failure or refusal to exercise the option afforded by this Section 8.3 shall not constitute a waiver of any other provision of this Agreement, including all the requirements of this Section 8 relating to a proposed transfer. Failure of you or a Controlling Principal to comply with the provisions of this Section 8.3 prior to the transfer of any interest in this Agreement or a controlling interest in you shall constitute a material event of default under this Agreement.

We may assign our rights under this Section 8.3 to any other person or entity, subject to Section 8.1 above.

8.4 **Death or Disability**.

8.4.1 Upon the death of you (if you are a natural person) or any Controlling Principal who has an interest in this Agreement or you (the "**Deceased**"), the executor, administrator or other personal representative of the Deceased shall transfer the Deceased's interest to either the beneficiary named in the Deceased's will or, if no such beneficiary has been designated, to the deceased's spouse, heirs, or other blood relatives through operation of law; *provided, however*, any such transferee(s) must be approved by us. If we, in our sole and absolute discretion, disapprove of such transferee(s), then such transferee(s) shall transfer the Deceased's interest to a third-party transferee approved by us within 12 months after the Deceased's death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us, which approval may not be unreasonably withheld or delayed. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within 12 months after the death of the Deceased.

8.4.2 Upon the permanent disability of you (if you are a natural person) or any Controlling Principal who has an interest in this Agreement or you, we may, in our reasonable discretion, require such interest to be transferred to a third party approved by us within six (6) months after notice to you (or your authorized representative). "**Permanent disability**" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least

90 consecutive days and from which condition recovery within 90 days from the date of determination of disability is unlikely. Permanent disability shall be determined upon examination of the person by a licensed practicing physician approved by us; or if the person refuses to submit to an examination, then such person shall be automatically deemed permanently disabled as of the date of such refusal for this Section 8.4.2. The costs of any examination required by this Section shall be paid by us. For purposes of clarification, you (or your authorized representative) will have the right to select the licensed physician for such examination. We only reserve the right to approve of the physician selected as we will be paying the costs. Our approval of a physician that you (or your authorized representative) select will not be unreasonably withheld, delayed, or conditioned. Our review and approval process of the selected physician will primarily include (i) whether the physician is in fact licensed to practice and is in good standing, and (ii) whether the costs charged by the physician are commensurate with the costs typically charged by other physicians in his/her field.

8.4.3 Upon the death or certification of permanent disability of you or any Controlling Principal, you or a representative of yours must promptly notify us of such death or claim of permanent disability. Any transfer upon death or certification of permanent disability shall be subject to the same terms and conditions as described in this Section 8 for any *inter vivos* transfer. If an interest is not transferred upon death or permanent disability as required in this Section 8.4, then such failure shall constitute a material event of default under this Agreement.

8.5 **No Waiver of Claims**. Our consent to a transfer of any interest in you or in this Agreement as described herein shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand material compliance with any of the terms of this Agreement by the transferee.

8.6 **Transfer Among Owners**. Notwithstanding the foregoing, transfers of direct or indirect ownership interests in you by one owner to another existing owner shall not require our prior written consent or be subject to our option to purchase the interests as long as the transfer, alone or together with any other transfers, does not result in the creation of a new Controlling Principal or causing a Controlling Principal to no longer be a Controlling Principal. You shall promptly notify us of such proposed transfer in writing and shall provide such information relative thereto as we may reasonably request prior to such transfer, together with payment of $1,000. Such transferee may not be a competitor of ours. Such transferee will be your owner and as such will have to execute a confidentiality agreement and ancillary covenants not to compete in the form then required by us, which form shall be in substantially the same form attached hereto as Attachment C.

SECTION 9. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

9.1 **No Fiduciary Relationship**. You understand and agree that you are and will be an independent contractor under this Agreement. Nothing in this Agreement may be interpreted as creating a partnership, joint venture, agency, employment or fiduciary relationship of any kind. Your employees are not our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or by implication, shall be considered our employee for any purpose, regardless of inclusion in mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or terminate the employment of your employees. You expressly agree, and will never claim otherwise, that our authority under this Agreement to determine that certain of your employees are qualified to perform certain tasks for you does not directly or indirectly vest in us the power to influence the employment terms of any such employee.

You agree that you alone are to exercise day-to-day control over all operations, activities and elements of your business, and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never claim otherwise, that the various restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Store, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Store.

9.2 **You are Not Authorized**. You understand and agree that nothing in this Agreement authorizes you or any of your owners to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name and that we shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of yours or any of your owners or any claim or judgment arising therefrom. It is understood that you may not, without our prior written approval, have any authority to obligate us for any

expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Unless otherwise explicitly authorized by this agreement, neither party will make any express or implied agreements, warranties, guarantees, or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and area developer. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of your business.

9.3 **Indemnification by You**.

9.3.1 You shall, at all times, indemnify and hold harmless to the fullest extent permitted by law us and our affiliates, successors and assigns, their respective partners and affiliates, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, independent contractors, servants and employees of each of them ("**Indemnitees**") from all "losses and expenses" (as defined in Section 9.6(b) below) incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or is based upon any of the following:

(a) the infringement, alleged infringement, or any other violation or alleged violation by you or your owners of any patent, mark, copyright or other proprietary right owned or controlled by third parties (except as such may occur with respect to any rights to use the Marks, any copyrights or other proprietary information granted to you under an Franchise Agreement);

(b) the violation, breach or asserted violation or breach by you or any of your owners of any federal, state or local law, regulation, ruling, standard or directive, or any industry standard;

(c) libel, slander or any other form of defamation of us, the System, or any developer or franchisee under the System, by you or by any of your owners;

(d) the violation or breach by you or any of your owners of any warranty, representation, agreement or obligation in this Agreement or in any Franchise Agreement or other agreement between you or any of your Affiliates and us or any of our affiliates, their respective partners, or the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of any of them; and

(e) acts, errors or omissions of you, any of your Affiliates and any of your owners and the officers, directors, shareholders, partners, agents, independent contractors, servants, employees and representatives of each in connection with the performance of the development activities contemplated under this Agreement or the establishment and operation of any Store pursuant to a Franchise Agreement.

9.4 **Notification of Action or Claim**. You agree to give us immediate notice of any such action, suit, proceeding, claim, demand, inquiry or investigation. At your expense and risk, we may elect to control (but under no circumstance are we obligated to undertake), and associate counsel of our own choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by us shall, in no manner or form, diminish your or any guarantor's obligation to indemnify the Indemnitees and to hold them harmless.

9.5 **We May Settle**. In order to protect persons or property or our reputation or goodwill, or the reputation or goodwill of others, we may, upon written notice to and written consent from you (which consent shall not be unreasonably withheld, delayed, or conditioned), consent or agree to settlements or take such other remedial or corrective action as we deem expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation.

9.6 **Losses and Expenses**.

(a) All losses and expenses incurred under this Section 9 shall be chargeable to and paid by you or your owners pursuant to your and their obligations of indemnity under this Section, regardless of any action, activity or defense undertaken by us or the subsequent success or failure of such action, activity or defense.

(b) As used in this Section 9, the phrase "losses and expenses" shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, legal fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

9.7 **Recovery from Third Parties**. Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses to maintain a claim against you or any of your owners. You and each of your owners agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable from you or any of your owners by the Indemnitees.

9.8 **Survival of Terms**. You, for yourself and your owners, expressly agree that the terms of this Section 9.8 shall survive the termination, expiration or transfer of this Agreement or any interest herein.

SECTION 10. APPROVALS

10.1 Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us and such approval or consent shall be obtained in writing.

10.2 By providing any waiver, approval, advice, consent or suggestion to you in connection with this Agreement (or by reason of any neglect, delay or denial of any request therefor), we make no warranties or guarantees upon which you may rely and assume no liability or obligation to you or any third-party to which we would not otherwise be subject.

SECTION 11. NON-WAIVER AND REMEDIES

11.1 **No Waiver**. No statement, questionnaire, or acknowledgment signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise. No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default under this Agreement shall constitute our waiver to enforce any such right, option, duty or power against you, or as to a subsequent breach or default by you. Our acceptance of any payments due to us hereunder after the time at which such payments are due shall not be deemed to be a waiver by us of any preceding breach by you of any terms, provisions, covenants or conditions of this Agreement.

11.2 **Rights and Remedies Cumulative**. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your Affiliates and us or any of our affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of our rights pursuant to Section 7 of this Agreement shall not discharge or release you or any of the Controlling Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement. Additionally, the non-prevailing party shall pay all court costs and reasonable attorneys' fees incurred by the prevailing party in obtaining any remedy available for any violation of this Agreement.

SECTION 12. NOTICES

12.1 **Notices**. Any and all notices required or permitted under this Agreement shall be in writing and shall be directed the respective parties at the addresses shown on the attached Data Sheet or these Terms, as applicable, unless and until a different address has been designated by written notice to the other party. Notices shall be deemed to have been delivered on the earlier of the date of actual delivery or one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery.

SECTION 13. SEVERABILITY AND CONSTRUCTION

13.1 **Severability of Provisions**. Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to or in conflict with any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

13.2 **No Rights or Remedies Except to the Parties**. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you and us, our officers, directors and personnel and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Section 8) any rights or remedies under or as a result of this Agreement.

13.3 **Captions**. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, or modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

13.4 **Joint and Several Obligations**. All references to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Controlling Principals under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by you in this Agreement shall be deemed jointly and severally undertaken by all the Controlling Principals.

13.5 **Terminology**. The term "**Controlling Principals**" shall include, collectively and individually, (i) all holders of ten percent (10%) or more of the total ownership interest in you or of any entity directly or indirectly controlling you, and (ii) any other person or entity controlling, controlled by or under common control with you. As used in this Section 13.5, the terms "**control**" and "**controlling**" shall mean the power to influence the management decisions of the specified person and shall in any case be deemed to exist where such person holds ten percent (10%) or more of the total ownership interest in you, serves on any board of directors or comparable body of you, or acts as an officer, general partner or manager thereof. If you are operating as a legal entity as contemplated hereunder, the persons holding an interest in your capital stock shall each be listed on the attached Data Sheet. All reference to "**your owners**" shall include your direct and indirect owners. The term "**including**" means including without limitation.

13.6 **Execution in Multiple Counterparts**. This Agreement may be executed in counterparts and each copy so executed shall be deemed an original. Photocopied signatures and those transmitted electronically will have the same full force and effect given originals.

SECTION 14. ENTIRE AGREEMENT; APPLICABLE LAW; DISPUTE RESOLUTION

14.1 **Entire Agreement**. This Agreement, the documents referred to herein and the attachments hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and shall supersede all prior related agreements between us and you. Except for those permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Agreement or in any related agreement or exhibit to this Agreement is intended to disclaim the representations we made in the franchise disclosure document.

14.2 **Arbitration**. Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, we and you agree that all controversies, disputes, or claims between us or our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between you (or any of your Controlling Principals) and us (or any of our affiliates); (2) our relationship

with you; (3) the scope or validity of this Agreement or any other agreement between you (or any of your Controlling Principals) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any standard which forms part of the System must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in San Diego, California, or, at our option, the city in which our (or our successor's or assign's) headquarters are then located (currently, Vista, California). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The decision of the arbitration shall be final and binding upon each party and may be enforced by any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid or, except as expressly provided in this Section, award any punitive, exemplary, or multiple damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive, exemplary, or multiple damages against any party to the arbitration proceedings).

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and our affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, affiliates, and employees) may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, or (iii) or brought on your behalf by any association or agency. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of the Agreements.

Despite our and your agreement to arbitrate, we and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that we and you must contemporaneously submit our dispute, controversy or claim for arbitration on the merits as provided in this Section.

The provisions of this Article are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Agreements.

Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

14.3 **Venue; Governing Law**. Except to the extent governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.), the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement and the relationships created hereunder will be interpreted under, and any dispute shall be governed by, the laws of the state in which your area developer business is operated or is to be located, which laws shall prevail in the event of any conflict of law. Subject to the obligation to arbitrate under Section 14.2 above, you and your Controlling Principal agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in the court nearest to San Diego, California, or, at our option, the court nearest to the city in which our (or our successor's or assign's) headquarters are then located (currently, Vista, California) and you (and each

owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction or venue in such courts.

14.4 **Waiver of Punitive Damages**. You, the Controlling Principals and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

14.5 **Waiver of Jury Trial.** Without negating the obligation to arbitrate disputes under Section 14.2 above, we and you irrevocably ***waive trial by jury*** in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of us against the other. Any and all claims and actions arising out of or relating to this Agreement, the relationship of you and us, or your operation of the Store, brought by either party hereto against the other, whether in arbitration or a legal action, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred. We and you agree that any action, proceeding, or counterclaim, whether at law or equity, will be conducted on an individual basis and that a proceeding between us and our affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, affiliates, and employees) may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other proceeding, or (iii) or brought on your behalf by any association or agency.

14.6 **Costs and Legal Fees**. If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

END OF TERMS

Attachment A to the Area Development Agreement
GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20 __, by __ _____.

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement (as amended, modified, restated or supplemented from time to time, the "**Agreement**") on this date by **EVERBOWL FRANCHISE, LLC** ("**us**"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement 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 and (b) 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.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Developer or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time 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 of the Agreement; and (5) at our request, the undersigned shall present updated financial information to us as reasonably necessary to demonstrate his or her ability to satisfy the financial obligations of Developer under the Agreement.

Each of the undersigned waives: (i) 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; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each of the undersigned represents and warrants that, if no signature appears below for such undersigned's spouse, such undersigned is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

If this guaranty is executed by and on behalf of a business entity, retirement or investment account, or trust, then such business entity, retirement or investment account, or trust acknowledges and agrees that if the Developer (or any of its affiliates) is delinquent in payment of any amounts owed to us (and/or our affiliates) that are guaranteed hereunder, then no dividends or distributions may be made by such business entity, retirement or investment account, or trust to its owners, accountholders or beneficiaries, for so long as such delinquency exists, subject to applicable law.

The provisions contained in the Agreement pertaining to dispute resolution, including Section 14.2 regarding arbitration are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the undersigned and us. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

[*Signature page follows*]

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

GUARANTOR(S)	SPOUSE(S)
#1: _____ Address: _____ _____ Sign: _____	**#1:** _____ Address: _____ _____ Sign: _____
#2: _____ Address: _____ _____ Sign: _____	**#2:** _____ Address: _____ _____ Sign: _____
#3: _____ Address: _____ _____ Sign: _____	**#3:** _____ Address: _____ _____ Sign: _____

EXHIBIT D

LISTS OF CURRENT FRANCHISEES AND AREA DEVELOPERS AND OF THOSE FRANCHISEES AND AREA DEVELOPERS WHO HAVE CEASED OPERATIONS

Lists of Current Franchisees and Area Developers

FRANCHISEES

Sl. No.	Name of franchisee	Address	City	State	Zip	Phone number
1.	WCFS BOWL OF PHX LLC	1 E Washington St #180	Phoenix	AZ	85004	480-637-0299
2.	EVERJOEL VENTURES, LLC	671 E. Apache Blvd #126**	Tempe	AZ	85281	480-241-0043
3.	BONITA NEW BOWL, LLC*	4374 Bonia Road #101	Bonita	CA	91902	619-513-1779
4.	WFS EVERGROUP, LLC	7670 El Camino Real	Carlsbad	CA	92009	760-351-6523
5.	WFS EVERGROUP, LLC	114 Encinitas Blvd	Encinitas	CA	92024	760-587-5569
6.	WFS EVERGROUP, LLC	1875-B S. Centre City Parkway	Escondido	CA	92025	760-912-6072
7.	WCFS Bowl 2 LLC	6250 Hollywood Blvd.	Hollywood	CA	90028	747-476-5054
8.	WFS EVERGROUP, LLC	30024 Haun Road	Menifee	CA	92584	760-695-2739
9.	WFS EVERGROUP, LLC	2535 Vista Way	Oceanside	CA	92054	760-442-0675
10.	WFS EVERGROUP, LLC	13538 Poway Road	Poway	CA	92064	858-405-1066
11.	WFS EVERGROUP, LLC	30461 Av. De Las Flores, Suite E	Rancho Santa Margarita	CA	92688	949-332-0467
12.	WFS EVERGROUP, LLC	13215-5 Black Mountain Road	San Diego	CA	92129	858-733-2159
13.	WFS EVERGROUP, LLC	9844 Hibert Street	San Diego	CA	92131	858-405-0046
14.	EVERJOEL VENTURES, LLC	5624 Mission Center Road, Unit C	San Diego	CA	92108	619-243-6139
15.	WFS EVERGROUP, LLC	12750 Carmel Country Plaza, #A112	San Diego	CA	92130	858-717-1563
16.	WFS EVERGROUP, LLC	5120 College Ave, Suite 124	San Diego	CA	92115	619-762-9057
17.	BENJAMIN BURKHALTER	15721 Bernardo Heights Pkwy	San Diego	CA	92128	760-840-6126
18.	WFS EVERGROUP, LLC	10615 S Tierasanta Blvd	San Diego	CA	92124	619-547-6003
19.	WCFS BOWL OF PHR LLC	5980 Village Way	San Diego	CA	92130	858-434-1575
20.	WFS EVERGROUP, LLC	170 O'Farrell St.	San Francisco	CA	94102	801-735-4656
21.	WFS EVERGROUP, LLC	710 S. Rancho Santa Fe Road	San Marcos	CA	92078	760-917-6204
22.	WFS EVERGROUP, LLC	1646 San Elijo Road, Suite 107	San Marcos	CA	92078	760-718-2830
23.	WCFS BOWL 2 LLC	9862 Mission Gorge Road	Santee	CA	92071	619-484-8587
24.	WFS EVERGROUP, LLC	32483 Temecula Pkwy., Suite E-111	Temecula	CA	92592	760-687-3151
25.	WFS EVERGROUP, LLC	39848 Winchester Road, Suite B	Temecula	CA	92591	760-880-4031
26.	WCFS BOWL 6 LLC	3835 Thousand Oaks Blvd	Thousand Oaks	CA	91362	805-778-5316
27.	EVERWALZ1, LLC	215 Ocean Front Walk	Venice	CA	90291	424-252-9655
28.	WFS EVERGROUP, LLC	32395 Clinton Keith Road	Wildomar	CA	92595	760-812-3287
29.	WCFS Bowl 3 LLC	23369 Mulholland Drive	Woodland Hills	CA	91364	530-379-2579
30.	SANUS VICTA	12101 University Blvd., Suite 207	Orlando	FL	32817	407-440-3855
31.	IMPACT QSR RETAIL, LLC*	14165 Cabela Parkway, Suite 111	Noblesville	IN	46060	
32.	EVER HUNTLEIGH, LLC*	1516 S Lindbergh Blvd	Ladue	MO	63131	314-756-2727
33.	WCFS BOWL 5 LLC	655 S Green Valley Pkwy, Suite 140	Henderson	NV	89052	702-829-3456
34.	WCFS BOWL 10 LLC	9151 West Sahara	Las Vegas	NV	89117	702-418-3789
35.	EBLV1, LLC	7175 W Lake Mead Blvd., Suite 140	Las Vegas	NV	89128	760-330-9001
36.	EBLV2, LLC	3030 W. Ann Rd., Suite 112	North Las Vegas	NV	89031	702-515-7561

Sl. No.	Name of franchisee	Address	City	State	Zip	Phone number
37.	WCFS BOWL OF BEAVERTON LLC	11727 SW Beaverton Hillsdale Hwy	Beaverton	OR	97005	971-247-9433
38.	NEXT LEVEL SUPERFOODS GROUP LLC	6005 Wade Hampton Blvd., Suite C	Taylors	SC	29687	864-469-6065
39.	WEALTHWEAPON INC.*	4481 Kingston Pike	Knoxville	TN	37919	865-345-2695
40.	WEALTHWEAPON INC.*	10909 Parkside Drive	Knoxville	TN	37934	865-390-2695
41.	EverTX Inc	200 Crescent Court, Suite 60	Dallas	TX	75201	972-925-9025
42.	WCFS BOWL OF FARMINGTON LLC	256 N. University Ave	Farmington	UT	84025	435-612-6200
43.	WCFS BOWL 17 LLC	1663 North State Street	Orem	UT	84057	385-438-4070
44.	WCFS BOWL OF PG LLC	855 West State St., #102	Pleasant Grove	UT	84062	385-352-9166
45.	WCFS BOWL 1 LLC	15 S. River Road, Suite 325	St . George	UT	84790	435-256-8073

*These franchisees have executed an area development agreement with us.

** This location was transferred from WFS EVERGROUP LLC to EVERJOEL VENTURES LLC in 2021.

List of Franchisees Who Have Signed Agreements But Not Yet Opened

Sl. No.	Name of Franchisee	Address	City	State	Zip	Phone number
1.	WCFS BOWL 4 LLC	2780 W CHANDLER BLVD, Suite 7	Chandler	AZ	85224	801-867-5204
2.	MAAZY LLC	5655 E River Rd,Tucson,Arizona,85750	Tuscon	AZ	85750	(520) 975-9114
3.	ARCOS & PALLISCO INVESTMENTS LLC	28130 Clinton Keith Rd Suite 300	Murrieta	CA	92563	(760) 504-2594
4.	ARCOS & PALLISCO INVESTMENTS LLC	3945 Bedford Canyon Road, Suite 102	Corona	CA	92883	(760) 504-2594
5.	Pockets Smitty EB LLC	521-C N. Hollywood Way	Burbank	CA	91505	tsmitty20@gmail.com
6.	JVC Collabs LLC	696 Loblolly Bay Drive	Santa Rosa Beach	FL	32459	732-644-5162
7.	NEXT LEVEL SUPERFOODS GROUP LLC	515 PeachTree PKWY 606	Cummings	GA	30041	(309) 453-3301
8.	TMH Investments LLC	4752 N. Linder Road Suite 100	Meridian	ID	83646	(208) 716-5830
9.	EVERELLIS SUPERFOODS, LLC	TBD	Idaho Falls	ID	83402	courtneyellis@isu.edu
10.	LUB LLC	TBD	Wake County	NC	27701	(919) 519-2457
11.	NAIJA ROOTZ LLC	TBD	Union County	NJ	07052	christinemolokwu@gmail.com
12.	LEGACY MARKETPLACE LLC	435 Sparks Boulevard, Suite 101	Sparks	NV	89434	(775) 287-7589
13.	LEGACY MARKETPLACE LLC	175 Moonshine Circle	Reno	NV	89523	(775) 287-7589
14.	LEGACY MARKETPLACE LLC	175 Moonshine Circle	Reno	NV	89523	(775) 287-7589
15.	BEGIN 2 LIVE INC.	11974 SW 72nd Ave, Suite 6	Tigard	OR	97223	(971) 344-5076

Sl. No.	Name of Franchisee	Address	City	State	Zip	Phone number
16.	WEALTHWEAPON INC.*	TBD	Rock Hill	SC	29730	(619) 606-0764
17.	M&N Legacy Group LLC	930 Kelly June Dr	Mt. Juliet	TN	37122	Will.Melton.intl @gmail.com
18.	EB DALLAS, LLC	2794 CROSS TIMBERS ROAD, SUITE 117	Flower Mound	TX	75028	sloan@sloan-capital.com
19.	EB DALLAS, LLC	2504 Wagon Trail Road	Cedar Rapids	TX	52403	sloan@sloan-capital.com
20.	EB FOOD TRUCK HOUSTON LLC[1]	1431 Mason Rd	Katy	TX	77450	832-612-4331
21.	Jax & Coop LLC	TBD	Chesapeake	VA	23320	201-953-2318

List of Franchisees Who Have Ceased Operations

Sl. No.	Name of franchisee	City	State	Zip	Phone number
1.	WFS EVERGROUP, LLC	Scottsdale	AZ	85004	(801) 735-4656
2.	WFS EVERGROUP, LLC	San Diego	CA	92104	(801) 735-4656

There are no franchisees who have not communicated with us within 10 weeks of the issuance date of this Disclosure Document

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

[1] This location commenced operations in 2022.

EXHIBIT E

FINANCIAL STATEMENTS

UNAUDITED FINANCIAL STATEMENTS

Income Statement

EVERBOWL FRANCHISE, LLC

For the Quarter ended 30 September 2022

		Q3		YTD
Revenue				
Brand Development	$	14,878	$	93,799
Marketing Pass-through	$	2,500	$	38,000
Opening Assistance	$	-	$	11,246
Royalties	$	94,541	$	612,163
Sales	$	80,000	$	1,281,487
Total Revenue	**$**	**191,919**	**$**	**2,036,696**
Less Cost of Sales				
Franchise Fee Pass-through	$	80,000	$	544,000
Franchisee Training - Office	$	-	$	1,774
Marketing - Pass-through	$	7,500	$	38,000
Royalty Share	$	9,873	$	40,813
Travel - Billed	$	1,114	$	15,624
Total Cost of Sales	**$**	**98,487**	**$**	**640,212**
Gross Profit	**$**	**93,432**	**$**	**1,396,484**
Operating Income / (Loss)	**$**	**93,432**	**$**	**1,396,484**
Other Income and Expense				
Bad Debt	$	-	$	(21)
Business License & Fees	$	-	$	(9,126)
Consumables	$	-	$	(1,268)
Dues & Subscriptions	$	(9,982)	$	(58,255)
Financial Service Fees	$	(160)	$	(2,255)
Insurance	$	(1,406)	$	(3,004)
Marketing - Brand Development	$	(36,863)	$	(371,814)
Marketing - Corporate	$	(19)	$	(17,005)
Meals & Entertainment	$	(171)	$	(4,177)
Merchant Service Fees	$	-	$	(126)
Office Expenses	$	(122)	$	(2,394)
Payroll Service Fees	$	(69)	$	(706)
Payroll Tax Expense	$	(2,925)	$	(25,768)
Professional Services - Accounting	$	-	$	(27,000)
Professional Services - Legal	$	-	$	(62,078)
Professional Services - Other	$	-	$	(23,551)
Rent Expense	$	(2,750)	$	(25,457)
Research and Development	$	-	$	(743)
Sales Tax Paid	$	-	$	(214)
Shipping and Freight	$	-	$	(2,225)
Store Buyback	$	-	$	(24,500)
Stripe Fees	$	-	$	(1,353)
Supplies	$	(188)	$	(225)
Telecom	$	-	$	(11,987)
Travel - Overhead	$	(1,684)	$	(18,932)
Wages & Salaries	$	(35,058)	$	(316,836)
Total Other Income and Expense	**$**	**(91,399)**	**$**	**(1,011,020)**
Net Income / (Loss) before Tax	**$**	**2,034**	**$**	**385,464**
Net Income	**$**	**2,034**	**$**	**385,464**
Total Comprehensive Income	**$**	**2,034**	**$**	**385,464**

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

Balance Sheet
EVERBOWL FRANCHISE, LLC
As at 30 September 2022

		30 Sep 2022
Assets		
Cash and Cash Equivalents		
Brand Development Checking Account	$	45,281
Primary Checking Account	$	820,110
Total Cash and Cash Equivalents	**$**	**865,392**
Current Assets		
Accounts Receivable	$	295,360
Employee Advances	$	250
Equipment	$	63,283
Inventory Asset	$	5,004
Prepayments	$	14,175
Vendor Deposits	$	3,671
Total Current Assets	**$**	**381,743**
Property, Plant and Equipment		
Computer & Office Equipment	$	(63,283)
Less-Accumulated Depreciation: Computer & Office Equipment	$	(26)
Vehicles	$	11,286
Total Property, Plant and Equipment	**$**	**(52,023)**
Total Assets	**$**	**1,195,112**
Liabilities and Equity		
Liabilities		
Current Liabilities		
Accounts Payable	$	204,155
Rounding	$	0
Total Current Liabilities	**$**	**204,155**
Total Liabilities	**$**	**204,155**
Equity		
Current Year Earnings	$	385,464
Owner (Contribution)/Distribution	$	(2,785,281)
Retained Earnings	$	3,390,774
Total Equity	**$**	**990,957**
Total Liabilities and Equity	**$**	**1,195,112**

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

AUDITED FINANCIAL STATEMENTS

everbowl Franchise, LLC

Financial Statements

December 31, 2021

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Notes to Financial Statements 6

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INDEPENDENT AUDITORS' REPORT

To the Member
everbowl Franchise, LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of everbowl Franchise, LLC (the Company), which comprise the balance sheet as of December 31, 2021, and the related statements of income, changes in member's equity and cash flows for the year then ended, 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 the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 available to be issued.

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Auditors' Responsibilities for the Audit 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 auditors' 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 an audit 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit 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 audit, significant audit findings and certain internal control-related matters that we identified during the audit.

BAKER TILLY US, LLP

Baker Tilly US, LLP

Los Angeles, California
March 31, 2022

EVERBOWL FRANCHISE, LLC
BALANCE SHEET
December 31, 2021

ASSETS

Current Assets		
Cash and cash equivalents	$	549,772
Accounts receivable		649,578
Inventory		5,004
Prepaid expenses and other		67,956
Total assets	$	1,272,310

LIABILITIES AND MEMBER'S EQUITY

Current Liabilities		
Accounts payable	$	94,893
Deferred revenue		16,920
Total current liabilities		111,813
Deferred revenue - net of current portion		384,478
Total liabilities		496,291
Commitments and Contingencies (Note 4)		
MEMBER'S EQUITY		
Member's equity		776,019
Total liabilities and member's equity	$	1,272,310

See accompanying notes to financial statements.

EVERBOWL FRANCHISE, LLC
STATEMENT OF INCOME AND CHANGES IN MEMBER'S EQUITY
For the Year Ended December 31, 2021

Revenues, net	
Franchise fees and royalties	$ 3,820,372
Brand development fees	79,507
Total revenues, net	3,899,879
Operating Expenses	
Cost of sales	125,805
Payroll and related taxes	201,136
Advertising and promotion	283,769
General and administrative	276,624
Total operating expenses	887,334
Income from Operations	3,012,545
Income Tax Expense	(800)
Net Income	3,011,745
Member's Equity, beginning of year	62,957
Adoption of ASC 606 (Note 1)	(13,650)
Distributions	(2,285,033)
Member's Equity, end of year	$ 776,019

See accompanying notes to financial statements.

EVERBOWL FRANCHISE, LLC
STATEMENT OF CASH FLOWS
December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	$ 3,011,745
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	(646,097)
Inventory	(5,004)
Prepaid expenses and other	(67,956)
Accounts payable	94,893
Accrued expenses	(1,090)
Deferred revenue	387,748
Net cash provided by operating activities	2,774,239
CASH FLOWS FROM FINANCING ACTIVITIES	
Related party payable	(1,048)
Distributions	(2,285,033)
Net cash used in financing activities	(2,286,081)
NET INCREASE IN CASH	488,158
CASH - beginning of year	61,614
CASH - end of year	$ 549,772

See accompanying notes to financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

everbowl Franchise, LLC (the "Company"), was formed as a single member LLC in California on September 20, 2018. Formerly named everbowl Management, LLC, the Company changed its name to everbowl Franchise, LLC on October 31, 2019. The Company's single member is everbowl Holdings, LLC, ("Holdings"), a Delaware LLC. The Company was formed to operate as the licensor of everbowl franchises to individual franchisees throughout the United States. At December 31, 2021, the Company had 50 franchised restaurants.

The Assignment of Membership Interest Agreement (the "Agreement") dated May 25, 2020 specifies, among other things, the term of the limited liability company (continue until the Company terminates under the terms of the Agreement) and the rights and powers of the Member. The Agreement limits the liability of the Member.

Revenue Recognition

Franchise fee revenue is recognized when the Company has performed the performance obligations to the franchisee, per the Franchise Agreement. The Company executes Franchise Agreements that set the terms of its arrangement with each franchisee. The Franchise Agreements may require the franchisee to pay initial, nonrefundable franchise fees for the use of the everbowl name for a term of ten years with renewal options. The franchise fees are non-refundable and generally due upon signing of the Franchise Agreement. As of January 1, 2021, franchise fee revenue from the sale of individual franchises is partly recognized over the term of the individual Franchise Agreement and partly upon distinct pre-opening performance obligations being satisfied. Unamortized non-refundable fees collected in relation to the sale of franchises is recorded as deferred revenue. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew its agreement upon its expiration. In the event a franchisee does not comply with their development timeline for opening a location, the franchise rights may be terminated, and franchise fee revenue is recognized for non-refundable deposits. Initial and renewal fees included in revenues for the year ended December 31, 2021 were $3,230,195.

Franchise royalties are recognized monthly. Franchise royalties revenue for the year ended December 31, 2021 amounted to $590,177.

Deferred revenue represents billings or collections in advance of the recognition of the revenue of franchisees' payments. The amount deferred as of December 31, 2021 was $401,398.

Accounts Receivable

Accounts receivable are stated net of an allowance for doubtful accounts. The Company estimates the allowance based on an analysis of specific customers and franchisees, taking into consideration the age of past due accounts and an assessment of the customer's or franchisee's ability to pay. The Company does not charge interest on past due accounts. Accounts are considered past due or delinquent based on contractual terms and how recently payments have been received. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Management has determined that all receivables are fully collectible and, accordingly, no allowance for doubtful accounts has been made.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising and Promotional Expenses

Advertising and promotion costs are expensed as incurred. Advertising and promotional expenses for the year ended December 31, 2021 amounted to $283,769. See Note 3 for discussion of the brand development fund.

Income Taxes

The Company has elected to be taxed as a disregarded entity. In lieu of corporation income taxes, the sole member everbowl Holdings, LLC is taxed on the Company's taxable income. Accordingly, no provision for income taxes has been reflected in the financial statements for the year ended December 31, 2021 except for the required minimum California state taxes applicable to limited liability companies of $800.

The Company has no unrecognized tax benefits as of December 31, 2021. The Company's federal and state income tax returns for 2019 and 2020 remain open and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If necessary, the Company recognizes interest and penalties associated with tax matters as part of income tax expense and include accrued interest and penalties with the related tax liability on the balance sheet. No interest and penalties were recognized for the year ended December 31, 2021.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, Revenue From Contracts With Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods and services to customers. The updated standard replaces most existing revenue recognition guidance in U.S. GAAP and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In June 2020, the FASB issued ASU 2020-05, which allowed certain entities that have not yet issued financial statements to defer application of the new recognition guidance by one additional year. The Company elected to defer application of this standard and adopted it on January 1, 2021 using the modified retrospective method.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Issued Accounting Pronouncements (continued)

In January 2021, the Financial Accounting Standards Board (FASB) issued ASU 2021-02, Franchisors—Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient. The amendments in ASU 2021-02 provide a practical expedient related to FASB Accounting Standards Codification (FASB ASC) 606, Revenue from Contracts with Customers, that permits franchisors that are not public business entities (PBEs) to account for pre-opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the ASU. Additionally, amendments in ASU 2021-02 provide an accounting policy election to recognize the pre-opening services as a single performance obligation. The Company elected to use the practical expedient and adopted this ASU during the year ended December 31, 2021. The Company recorded a decrease in member's equity and an increase to deferred revenue of $13,650 as of January 1, 2021 due to the cumulative impact of Adoption ASC 606, with the impact primarily related to deferring a portion of the initial franchise fees over the life of the related Franchise Agreements.

Changes to the opening balances in deferred revenue and member's equity resulting from the adoption of the new guidance were as follows:

	December 31, 2020	Impact of Adoption	January 1, 2021
Deferred revenue	$ -	$ 13,650	$ 13,650
Member's Equity	$ 62,957	$ (13,650)	$ 49,307

2. BUSINESS AND CREDIT CONCENTRATIONS

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company maintains its cash with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits. The concentration of credit risk with respect to accounts receivable is mitigated by the generally short payment terms. In addition, the Company closely monitors the extension of credit to its customers and franchisees while maintaining allowances for potential credit losses.

As of December 31, 2021, approximately 76% of accounts receivable were from 4 developers.

3. BRAND DEVELOPMENT FUND

During 2021, the Company established a brand development fund (the "Fund") for the creation and development of promotional marketing, advertising, public relations and related programs and materials for all everbowl stores. On behalf of the Fund, the Company acts as an agent and collects 1% of gross monthly revenues from participating franchisees, in accordance with the provisions of the franchise agreements. The use of amounts received by the Fund is restricted to promotional, marketing, advertising, and public relations purposes and for everbowl brand promotion. The Company has complete discretion over the usage of the funds. The Fund is accounted for separately from the Company's other funds and is not used to pay any of the Company's general operating expenses, except for reasonable salaries, administrative costs, travel expenses and overhead that is spent on activities administering the Fund and its programs. Fund revenue for the year ended December 31, 2021 amounted to $79,507. No management or administrative fees were charged to the Fund during the year ended December 31, 2021. Amounts received by the Fund are reported as restricted cash on the accompanying balance sheet. As of December 31, 2021, there is no such restricted cash.

4. COMMITMENTS AND CONTINGENCIES

Effects of the COVID-19 Outbreak

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the World. The global and domestic response to the COVID-19 outbreak continues to rapidly evolve. To date, certain responses to the COVID-19 outbreak have included mandates from international, federal, state and/or local authorities to mitigate the spread of the virus, which have included the closing of restaurants, and have adversely impacted global commercial activity and have contributed to significant volatility in financial markets. The COVID-19 outbreak and associated responses could result in a material impact to the Company's future results of operations, cash flows and financial condition; however, at this time the extent to which COVID-19 may impact the Company's financial condition and results of operations is uncertain.

5. SUBSEQUENT EVENTS

Management has evaluated subsequent events that have occurred from January 1, 2022 to March 31, 2022, which is the date that the financial statements were available to be issued, and determined that there were no subsequent events or transactions that required recognition or disclosure in the financial statements.

everbowl Franchise, LLC

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

EVERBOWL FRANCHISE, LLC

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Member of
everbowl Franchise, LLC
Vista, California

Opinion

We have audited the financial statements of everbowl Franchise, LLC (the "Company"), which comprise the balance sheet as of December 31, 2020, and the related statements of income and changes in member's equity, and cash flows for the year then ended, 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 everbowl Franchise, LLC as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit 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 an audit 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.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT - CONTINUED

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit 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 audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

MMC CPAs, LLC

Houston, TX
March 26, 2021

EVERBOWL FRANCHISE, LLC
BALANCE SHEET
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS:		
Cash and Cash Equivalents	$	61,614
Accounts Receivable		3,481
TOTAL ASSETS	$	65,095

LIABILITIES AND MEMBER'S EQUITY

CURRENT LIABILITIES:		
Accrued Expense	$	1,090
Related Party Payable		1,048
TOTAL LIABILITIES		2,138
COMMITMENTS AND CONTINGENCIES		-
MEMBER'S EQUITY		62,957
TOTAL LIABILITIES AND MEMBER'S EQUITY	$	65,095

See Accompanying Notes and Independent Auditor's Report

EVERBOWL FRANCHISE, LLC
STATEMENT OF INCOME AND CHANGES IN MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUE	$	155,954
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		88,764
INCOME BEFORE PROVISION FOR STATE INCOME TAX		67,190
PROVISION FOR STATE INCOME TAX		(875)
NET INCOME		66,315
ACCUMULATED DEFICIT, BEGINNING OF YEAR		(3,358)
MEMBER'S EQUITY, END OF YEAR	$	62,957

See Accompanying Notes and Independent Auditor's Report

EVERBOWL FRANCHISE, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOW FROM OPERATING ACTIVITIES:		
Net Income	$	66,315
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Changes in Operating Assets and Liabilities:		
Accounts Receivable		(3,481)
Other Liabilities		1,074
Net Cash Provided by Operating Activities		63,908
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances from Related Parties		1,746
Repayments to Related Parties		(4,040)
Net Cash Used In Financing Activities		(2,294)
NET CHANGE IN CASH AND CASH EQUIVALENTS		61,614
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		-
CASH AN CASH EQUIVALENTS, END OF YEAR	$	61,614

See Accompanying Notes and Independent Auditor's Report

NOTE 1 – ORGANIZATION STRUCTURE

everbowl Franchise, LLC (the "Company"), was formed as a single member LLC in California on September 20, 2018. Formerly named everbowl Management, LLC, the Company changed its name to everbowl Franchise, LLC on October 31, 2019. The Company's single member is everbowl Holdings, LLC, ("everbowl"), a Delaware LLC. The Company was formed to operate as the licensor of everbowl franchises to individual franchisees.

The Assignment of Membership Interest Agreement (the "Agreement") dated May 25, 2020 specifies, among other things, the term of the limited liability company (continue until the Company terminates under the terms of the Agreement) and the rights and powers of the Member. The Agreement limits the liability of the Member.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company is presented to assist in understanding the financial statements. The financial statements and notes to the financial statements are the representations of management, who is responsible for their integrity and objectivity. These accounting policies reflect industry practices which conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in banks, and all highly liquid investments with original maturities of three months or less at the time of purchase.

Revenue Recognition

The Company enters into non-cancellable franchise agreements with franchisees. The agreements have an initial term of ten years from the effective date and grant franchise owners the right to extend the agreement for up to two successive terms of five years each. Under the terms of those agreements, the Company is entitled to 3% of franchise store revenue. The Company recognizes its share of franchise store revenue as performance obligations are satisfied at a point in time. A performance obligation is a promise in a contract to transfer a distinct service to a franchise store. The Company's contracts have a single performance obligation to transfer services to a customer. The Company determines this requirement is met at the point in time when services are provided to stores, generally at month-end, evidence of an agreement exists, the price to the franchisee is fixed and determinable, and collectability is reasonably assured. Revenue is reported net of appropriate accruals for discounts and other allowances. A risk related to revenues exist for the collectability of franchisees' balances, but this risk is fully mitigated through the Company's standard estimation of the allowance of doubtful accounts. See accounts receivable accounting policy for more information.

Accounts Receivable

Accounts receivable represent amounts owed to the Company which are expected to be collected within the next twelve months. Management evaluates receivables on an ongoing basis by analyzing customer relationships and previous payment histories. An allowance for doubtful accounts is established when a receivable is considered uncollectible. Accounts are charged against the allowance after all collection efforts have failed. Management has determined that all receivables are fully collectible and, accordingly, no allowance for doubtful accounts has been made.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Advertising and Marketing Costs

Advertising and marketing costs include no direct response advertising costs and are charged to earnings as incurred. Advertising and marketing costs for the year ended December 31, 2020 totaled $5,673.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Considerations

Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements and Disclosures, defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and requires certain disclosures about fair value measurements. In general, fair values of financial instruments are based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality and the Company's creditworthiness, among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time.

At December 31, 2020, the Company had no financial instruments measured at fair value.

Contingencies

The Company may, from time to time, be involved in various claims, lawsuits and disputes with third parties. The Company is not currently involved in any litigation which would have a material, adverse effect on its financial condition or results of operations.

Income Taxes

The Company has elected to be taxed as a disregarded entity. In lieu of corporation income taxes, the sole member everbowl Holdings, LLC is taxed on the Company’s taxable income. Thus, no provision or liability for federal income taxes is included in this financial statement. The Company, as a California single member LLC, is subject to a California minimum franchise tax of $800 and is subject to a gross receipts fee. Income tax paid during the year ended December 31, 2019 was $875 which was included in general and administrative expenses.

The Company applies a more-likely-than-not recognition threshold for all tax uncertainties. Accordingly, only those tax benefits that have a greater than fifty percent likelihood of being sustained upon examination by the taxing authorities are recognized. The Company's management has reviewed the Company's tax positions and concluded that there are no significant uncertain tax positions requiring recognition in its financial statements. The Company’s evaluation was performed for the tax periods ended December 31, 2018 through December 31, 2020 for U.S. Federal and applicable state returns, the tax periods that remain subject to examination by major tax jurisdictions as of December 31, 2020.

NOTE 3 – RELATED PARTY TRANSACTIONS

All administrative activities of the Company are performed by everbowl. everbowl does not charge a fee for these services and there is no formal management services agreement. The Company estimates the value of services provided by everbowl during the year ended December 31, 2020 to be minimal.

At times, related parties with common ownership will pay for operating expenses on behalf of the Company. For the year ended December 31, 2020, total expenses incurred were $1,746, of which the Company repaid $4,040 for current and prior year expenses.

NOTE 4 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date the consolidated financial statements were available for issuance on March 26, 2021. Except as previously disclosed or in the following uncertainty paragraph, no matters were identified affecting the financial statements or related disclosures.

Uncertainty

There is unprecedented uncertainty still surrounding the duration of the coronavirus disease (COVID-19) global pandemic, its potential economic ramifications, and any governmental actions to mitigate it. While management cannot quantify any financial and other impacts to the Company as of March 26, 2021, management believes that a material impact on the Company's future financial position and results of future operations is reasonably possible.

everbowl Franchise, LLC

FINANCIAL STATEMENTS

For The Year Ended December 31, 2019

everbowl Franchise, LLC
December 31, 2019

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Lou Anna Dickerson, CPA
Certified Public Accountant

Nancy A. Rix, CPA
Certified Public Accountant

To the Board of Directors of
everbowl Franchise, LLC
Carlsbad, California 92010

Independent Auditor's Report

We have audited the financial statements, which consist of the Balance Sheet of everbowl Franchise, LLC ("Company") as of December 31, 2019 and the related Statement of Income, Statement of Member's capital, and Statement of Cash flows for the year then ended, and the notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the everbowl Franchise, LLC and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Dickerson Rix and Company LLP

San Diego, California
March 19, 2020

everbowl Franchise, LLC
Balance Sheet
As of December 31, 2019

Assets		
Current assets		
Cash and cash equivalents	$	-
Total current assets		-
Total assets	$	-
Liabilities and Member's Capital		
Current liabilities		
Due to member (Note 1)	$	3,342
Other current liabilities		16
Total current liabilities		3,358
Member's capital		
Member's capital		-
Accumulated deficit		(3,358)
Total member's capital		(3,358)
Total liabilities and member's capital	$	-

See accompanying Notes to Financial Statement

everbowl Franchise, LLC
Statement of Income
For the Year Ended December 31, 2019

Revenues	$	-
General and administrative		3,358
Total expenses		3,358
Loss from operations		(3,358)
Other non-operating		
Other (income)/losses, net		-
Interest expense		-
Total other expense		-
Net loss	$	(3,358)

See accompanying Notes to Financial Statement

everbowl Franchise, LLC
Statement of Member's Capital
For the Year Ended December 31, 2019

	Accumulated Deficit	Total Member's Capital
Balance at December 31, 2018	-	-
Net loss	(3,358)	(3,358)
Distributions	-	-
Balance at December 31, 2019	$ (3,358)	$ (3,358)

See accompanying Notes to Financial Statements

everbowl Franchise, LLC
Statement of Cash Flows
For the Year Ended December 31, 2019

Cash flows from operating activities		
Net loss	$	(3,358)
Adjustments to reconcile net income to net cash used by operating activities		
Increase/(Decrease) in the current liabilities:		
Bank overdraft liability		16
Net cash from operating activities		(3,342)
Cash flows from financing activities		
Advances from member		153,342
Repayments to member		(150,000)
Net cash from financing activities		3,342
Net change in cash		-
Cash and cash equivalents, beginning of period		-
Cash and cash equivalents, end of period	$	-

See accompanying Notes to Financial Statements

everbowl Franchise, LLC
Notes to the Financial Statement
Year Ended December 31, 2019

1. Nature of Operations

everbowl Franchise, LLC (the "Company"), was formed as a single member LLC in California on September 20, 2018. Formerly named everbowl Management, LLC, the Company changed its name to everbowl Franchise, LLC on October 31, 2019. The Company's single member is everbowl, LLC ("everbowl"), a Delaware LLC. The Company was formed to operate as the licensor of everbowl franchises to individual franchisees.

2. Summary of Significant Accounting Policies

Basis of Presentation – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include only the accounts of this entity.

Use of Estimates – The preparation of these financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of sales and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Company's cash and cash equivalents includes holdings in a checking account. The carrying amounts of cash and cash equivalents are at cost on the balance sheet which approximates fair value.

Income Taxes – Effective for the year ended December 31, 2018, the Company elected to be taxed as a disregarded entity. In lieu of corporation income taxes, the sole member everbowl, LLC is taxed on the Company's taxable income. Thus, no provision or liability for federal income taxes is included in this financial statement. The Company, as a California single member LLC, is subject to a California minimum franchise tax of $800 and is subject to a gross receipts fee. Income tax paid during the year ended December 31, 2019 was $1,600 which was included in general and administrative expenses.

Revenue Recognition – The Company recognizes franchise fee revenue on a straight-line basis over the life of the related franchise agreement and any exercised renewal periods. Franchise fee revenue was $0 for the year ended December 31, 2019.

Current Liabilities – The Company maintains an intercompany note from its single member, everbowl, LLC representing short-term advances to pay for operating expenses. This note arrangement is not supported by a written agreement, nor is there specific interest or principal repayment terms. Additionally, certain expenses have been paid by its Parent company and treated as advances on this arrangement. Advances and repayments on this note during the year ended December 31, 2019 were $153,342 and $(150,000) respectively. This obligation is considered current.

3. Related Party Transactions

All administrative activities of the Company are performed by everbowl. Everbowl does not charge a fee for these services and there is no formal management services agreement. The Company estimates the value of services provided by everbowl during the year ended December 31, 2019 to be minimal.

4. Risks and Uncertainties

The Company is reliant on the activities and success of everbowl for driving licensing revenue and for management services. Everbowl has been adversely impacted by the Covid-19 outbreak in the United States. In addition, the Company operates under state franchise laws and has not yet been granted approval to operate in all of the states where it has applied for a license.

5. Subsequent Events

Subsequent events were considered for disclosure through March 19, 2020, the date the financial statements were available to be issued. As a result of the spread of the Covid-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the operations of everbowl, upon which the Company is reliant.

EXHIBIT F

SAMPLE GENERAL RELEASE

EVERBOWL FRANCHISE, LLC

GRANT OF FRANCHISOR CONSENT AND RELEASE

EVERBOWL FRANCHISE, LLC ("we," "us," or "our") and the undersigned franchisee, _____ ("you" or "your"), currently are parties to that certain [franchise agreement/area development agreement] (the "**Agreement**") dated _____, 20___. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation]_____

_____

_____

_____. We have the right under the Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, managers, directors, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge us and our current and former officers, directors, owners, managers, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the "Released Parties") of and from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, "Claims"), whether at law or in equity, that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Released Parties, including without limitation, any and all Claims in any way (1) arising out of or related to any of the Released Parties' obligations under the Agreement, or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the Released Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Released Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

IF THE FRANCHISE YOU OPERATE UNDER THE AGREEMENT IS LOCATED IN CALIFORNIA OR ANY OF THE RELEASING PARTIES IS A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY YOU OR THE RELEASING PARTIES. YOU RECOGNIZE THAT YOU OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST ANY OF THE RELEASED PARTIES OF WHICH YOU, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST ANY OF THE RELEASED PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

If the franchise you operate under the Agreement is located in Maryland or if any of the Releasing Parties is a resident of Maryland, the following shall apply:

All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland franchise registration and disclosure law.

Nothing in this Agreement will amount to release of claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Release on the effective date stated below.

EVERBOWL FRANCHISE, LLC	**FRANCHISE OWNER:**
	_____
	[Name]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
EFFECTIVE DATE:_____	Date: _____

EXHIBIT G

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EXHIBIT H

STATE ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT AND AGREEMENT RIDERS

ADDITIONAL DISCLOSURES FOR THE FRANCHISE DISCLOSURE DOCUMENT OF EVERBOWL FRANCHISE, LLC

The following are additional disclosures for the Franchise Disclosure Document of Everbowl Franchise, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

CALIFORNIA

1. 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.

2. 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.

3. OUR WEBSITE, www.everbowl.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfpi.ca.gov.

4. The following is added at the end of Item 3:

Neither we, our parent, predecessor or affiliates nor any person in Item 2 of the Disclosure Document 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. Sections 78a et seq., suspending or expelling such persons from membership in that association or exchange.

5. The following is added at the end of Item 6:

The maximum interest rate in California is 10% annually.

6. The following paragraphs are added at the end of Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement or Area Development Agreement contain a provision that is inconsistent with the law, and the law applies, the law will control.

The Franchise Agreement and Area Development Agreement contain a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement and Area Development Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

Except to the extent governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.), the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, the Franchise Agreement and Area Development Agreement and the relationships created thereunder will be interpreted under, and any dispute shall be governed by, the laws of the state in which your Store is operated or is to be located, which laws shall prevail in the event of any conflict of law. This provision may not be enforceable in California if your Store is not located in California.

The Franchise Agreement and Area Development Agreement require application of the laws of the state in which your Store or business is located or operating in. This provision may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement and Area Development Agreement require binding arbitration. The arbitration will be conducted at a suitable location chosen by the arbitrator in San Diego, California, or, at our option, in the city in which our headquarters are then located (currently Vista, California). In any arbitration, the prevailing party will be entitled to recover from the other party all damages, costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in connection with such arbitration. 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 or Area Development Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement and Area Development Agreement require you to sign a general release of claims upon renewal or transfer. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

THE REGISTRATION OF THIS FRANCHISE OFFERING BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER.

HAWAII

1. The following Risk Factor is added to the "Special Risks to Consider About *This* Franchise" page:

   THE FRANCHISOR HAS A NET WORTH OF $776,019 AS OF DECEMBER 31, 2021. As a result, for each franchise sold in Hawaii, the State of Hawaii has required us to defer the receipt of initial franchise fees and other payments to us and our affiliates until we have met all of our pre-opening obligations and you have opened your franchise business.

2. The following paragraph is added to the end of Items 5 & 7:

We will defer collection of the initial franchise fees you owe us under the Franchise Agreement and Area Development Agreement until you have commenced doing business under the applicable Agreement. The State of Hawaii imposed this deferral requirement due to Franchisor's financial condition.

ILLINOIS

1. The following language is added to the end of Item 17:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement and the Area Development Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement or area development agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement or area development agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Your rights upon termination and non-renewal of a franchise agreement or area development agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

MARYLAND

1. The following is added to the end of the "Summary" sections of Item 17(c), entitled "Requirements for franchisee to renew or extend" and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

2. The following is added to the end of the "Summary" section of Item 17(h), entitled "'Cause' defined – non-curable defaults":

The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The following sentence is added to the end of the "Summary" sections of Item 17(v), entitled "Choice of forum":

A franchisee may bring suit in Maryland for claims arising under the Maryland Franchise Registration Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. The following language is added to the end of the chart in Item 17:

This Franchise Agreement and Area Development Agreement provide that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

MINNESOTA

1. Liquidated Damages:

The Item 6 line entitled Liquidated Damages will not be enforced to the entered prohibited by applicable law.

2. Trademarks. The following sentence is added to the end of Item 13:

Provided you have complied with all provisions of the Franchise Agreement and Area Development Agreement applicable to the Marks, we will protect your rights to use the Marks and we also will indemnify you from any loss, costs or expenses from any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C.12 Subd. 1(g).

3. Renewal, Termination, Transfer and Dispute Resolution. The following is added at the end of the chart in Item 17:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) might prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document, Franchise Agreement, or Area Development Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statutes, Section 80C.14, Subd. 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 for non-renewal of the Franchise Agreement.

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

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

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 OR AREA DEVELOPMENT TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to us, our parent, affiliates, the persons identified in Item 2, or an affiliate offering franchises under our principal trademark:

A. No such party 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. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 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.

C. No such party 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 a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither we, our affiliate, predecessor, officers, or general partners or any other individual who will have management responsibility relating to the sale or operation of franchises offered by this Disclosure Document have, during the 10-year period immediately preceding the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) 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 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

We apply the initial franchise fee to defray our costs for franchisee screening and training, legal compliance, salary, and general administrative expenses and profits.

5. The following is added to the end of Item 17:

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 New York State 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.

6. The following is added to Item 17(d):

You may terminate the Franchise Agreement on any ground available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), entitled "Assignment of contract by franchisor":

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement or Area Development Agreement.

8. The following is added to Item 17(v) and 17(w):

However, the governing choice of law and choice of forum 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.

NORTH DAKOTA

1. The following paragraphs are added to Item 6:

The Item 6 line item entitled Liquidated Damages will not be enforced to the extent prohibited by applicable law.

Sections of the Disclosure Document requiring you to pay all costs and expenses incurred by us in enforcing the agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

2. The following language is added to Item 17(r):

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

3. The following language is added to Item 17(u):

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

4. The following language is added to Item 17(v):

However, subject to your arbitration obligation, and to the extent required by North Dakota Franchise Investment Law, you may bring an action in North Dakota.

5. The following language is added to Item 17(w):

, except as otherwise required by North Dakota law.

6. The following language is added to the end of Item 17(s) and Item 17(m):

However, any release required as a condition of assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

RHODE ISLAND

1. The following language is added to the end of Item 17:

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."

VIRGINIA

1. The following language is added to the end of the "Summary" section of Items 17(e) and 17(h), entitled "Termination by franchisor without cause" and "'Cause' defined – non-curable defaults," respectively :

> 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 grounds for default or termination stated in the Franchise Agreement or Area Development Agreement do 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 to the end of Items 5 and 7:

> The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled it initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the franchisor has material pre-opening obligations with respect to each franchised business the franchisee opens under the Area Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.

2. The Securities Division of the State of Washing Department of Financial Institutions requires the following language be added at 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.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT

RIDER TO THE EVERBOWL FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN HAWAII

THIS RIDER (this "**Rider**") is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___, (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. In the event of conflict between the terms of the Franchise Agreement and this Rider, this Rider shall govern such inconsistency. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) your Store is or will be operated in the State of Hawaii, and/or (b) you are domiciled in the State of Hawaii.

2. **CERTAIN FEES**. The following language is added as Section 4.1 ("Initial Franchise Fee") to the Franchise Agreement:

> Notwithstanding anything to the contrary in this Agreement, we will defer the collection of initial franchise fees you owe us under this Agreement until we fulfill all of our pre-opening obligations to you and your Store is open for business in accordance with the terms of this Agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:
EVERBOWL FRANCHISE, LLC
a California limited liability company

By:_____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS AN INDIVIDUAL

Individual Name:

Sign:_____
Date:_____

RIDER TO THE EVERBOWL FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___, (the "**Franchise Agreement**") that has been signed concurrently with the signing of this rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the activities you conduct under the Franchise Agreement will be conducted in Illinois, and/or (b) you are domiciled in Illinois.

2. **ENTIRE AGREEMENT**. The following sentence is added to the end of Section 18.2 ("Entire Agreement") of the Franchise Agreement:

> Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the express representations made in the Franchise Disclosure Document.

3. **ILLINOIS FRANCHISE DISCLOSURE ACT**. The following language is added to the end of the Franchise Agreement:

> Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.
>
> Section 4 of the Illinois Franchise Disclosure Act provides that any provision in an area development agreement that designates jurisdiction or venue outside the State of Illinois is void. However, an area development agreement may provide for arbitration outside of Illinois.
>
> Section 41 of the Illinois Franchise Disclosure Act provides that 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.
>
> Your rights upon termination and non-renewal of an area development agreement are subject to Sections 19 and 20 of the Illinois Franchise Disclosure Act.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:
EVERBOWL FRANCHISE, LLC
a California limited liability company

By:_____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS AN INDIVIDUAL

Individual Name:

Sign:_____
Date:_____

RIDER TO THE EVERBOWL FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN MARYLAND

THIS RIDER is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___, (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. 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 Maryland; or (b) your Everbowl Business will be operated in the State of Maryland; or (c) the offer to sell is made in the State of Maryland; or (d) the offer to buy is accepted in the State of Maryland.

2. **RELEASES.** The following is added to the end of Sections 2.5 ("Relocation"), 3.1.4 ("Term and Successor Franchises") and 13.3.3 ("Our Consent to Transfer") of the Franchise Agreement:

> However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. **TERMINATION**. The following sentence is added to the end of Section 16.1 of the Franchise Agreement:

> This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **VENUE; GOVERNING LAW**. The following sentence is added to the end of Section 18.6 of the Franchise Agreement:

> You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **LIMITATION OF CLAIMS**. The following language is added to the end of Section 18.7 ("Waiver of Punitive Damages; Waiver of Jury Trial") of the Franchise Agreement:

> You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you the franchise.

6. **RELEASES**. The Franchise Agreement is further amended to state that "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:
EVERBOWL FRANCHISE, LLC
a California limited liability company

By:_____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS AN INDIVIDUAL

Individual Name:

Sign:_____
Date:_____

RIDER TO THE EVERBOWL FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA

THIS RIDER is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___, (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Everbowl Restaurant that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **NOTIFICATION OF INFRINGEMENT OR CLAIM**. The following sentence is added to the end of Section 8.4 of the Franchise Agreement:

> Provided you have complied with all provisions of this Agreement applicable to the Marks, we will protect your right to use the Marks and will indemnify you from any loss, cots or expenses arising out of any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

3. **RELEASES.** The following is added to the end of Sections 2.5 ("Relocation"), 3.1.4 ("Term and Successor Franchises") and 13.3.3 ("Our Consent to Transfer") of the Franchise Agreement:

> 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.

4. **NON-RENEWAL AND TERMINATION**. The following is added to the end of Sections 3.2 ("Refusal to Renew Franchise Agreement") and 16.5 ("Our Right to Discontinue Services to You") 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.

5. **INJUNCTIVE RELIEF**. The following sentence is added to the end of Sections 17.1 ("On Expiration or Termination of this Agreement") and 18.5 ("Arbitration") of the Franchise Agreement:

> A court will determine if a bond is required.

6. **LIQUIDATED DAMAGES**. The following sentence is added to the end of Section 17.3 of the Franchise Agreement:

> We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provisions to the extent the law allows.

7. **VENUE; GOVERNING LAW**. The following statement is added at the end of Section 18.6 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.

8. **CONSENT TO JURISDICTION**. The following language is added to the end of Section 18.6 ("Venue; Governing Law") of the Franchise Agreement:

> Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) 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.

9. **WAIVER OF PUNITIVE DAMAGES; WAIVER OF JURY TRIAL**. The following language is added to the end of Section 18.7 of the Franchise Agreement:

> ; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

10. **MINNESOTA LAW**. Notwithstanding anything to the contrary contained in the Area Development Agreement, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring you to waive your rights to a jury trial or to waive your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties or judgment notes

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:
EVERBOWL FRANCHISE, LLC
a California limited liability company

By:_____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS AN INDIVIDUAL

Individual Name:

Sign:_____
Date:_____

RIDER TO THE EVERBOWL FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN NEW YORK

THIS RIDER is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___, (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in the State of New York and the Everbowl Restaurant Business that you will operate under the Franchise Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in New York.

2. **TRANSFER BY US**. The following language is added to the end of Section 13.1 of 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.

3. **RELEASES.** The following is added to the end of Sections 2.5 ("Relocation"), 3.1.4 ("Term and Successor Franchises") and 13.3.3 ("Our Consent to Transfer") of the Franchise Agreement:

> Notwithstanding the foregoing all rights enjoyed by you 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 to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

4. **TERMINATION BY YOU**. The following language is added to the end of Section 16 ("Termination") 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. **VENUE; GOVERNING LAW**. The following sentence is added to the end of Section 18.6 of the Franchise Agreement:

> This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law as amended, and the regulations issued thereunder.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:
EVERBOWL FRANCHISE, LLC
a California limited liability company

By:_____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS AN INDIVIDUAL

Individual Name:

Sign:_____
Date:_____

RIDER TO THE EVERBOWL FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA

THIS RIDER is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___, (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) an offer to sell is made in the State of North Dakota; or (b) an offer to buy is accepted in the State of North Dakota; or (c) if you are domiciled in the State of North Dakota, your Restaurant is or will be operated in the State of North Dakota.

2. **NON-COMPETITION.** The following language is added to the end of Section 9.4 of the Franchise Agreement:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

3. **RELEASES.** The following is added to the end of Sections 2.5 ("Relocation"), 3.1.4 ("Term and Successor Franchises") and 13.3.3 ("Our Consent to Transfer") of the Franchise Agreement:

> 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.

4. **LIQUIDATED DAMAGES.** The following language is added to the end of Sections 17.3 the Franchise Agreement:

> We and you acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, we and you agree to enforce the provision to the extent the law allows.

5. **ARBITRATION**. The following language is added to the end of Section 18.5 of the Franchise Agreement:

> Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

6. **VENUE; GOVERNING LAW**. The first sentence of Section 18.6 of the Franchise Agreement is deleted in its entirety and replaced with the following language:

> Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, and except as otherwise required by North Dakota law, this Agreement, the franchise, and all claims arising from the relationship between us and you will be governed by the laws of the state in which your franchise business is operated or is to be located, without regard to its conflict

of laws rules, except that any state law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

7. **WAIVER OF PUNITIVE DAMAGES; WAIVER OF JURY TRIAL**. To the extent required by the North Dakota Franchise Investment Law, Section 18.7 of the Franchise Agreement is deleted.

8. **LIMITATION OF CLAIMS**. The following language is added to the end of Section 18.7 ("Waiver of Punitive Damages; Waiver of Jury Trial") of the Franchise Agreement:

The statutes of limitations under North Dakota law applies with respect to claims arising under the North Dakota Franchise Investment Law.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:
EVERBOWL FRANCHISE, LLC
a California limited liability company

By:_____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS AN INDIVIDUAL

Individual Name:

Sign:_____
Date:_____

RIDER TO THE EVERBOWL FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND

THIS RIDER is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20____, (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Rhode Island and the Everbowl Restaurant Business that you will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **VENUE; GOVERNING LAW**. The following language is added to the end of Section 18.6 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 on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:
EVERBOWL FRANCHISE, LLC
a California limited liability company

By:_____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS AN INDIVIDUAL

Individual Name:

Sign:_____
Date:_____

RIDER TO THE EVERBOWL FRANCHISE, LLC
FRANCHISE AGREEMENT AND RELATED-AGREEMENTS
FOR USE IN WASHINGTON

THIS RIDER is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20____, (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer is directed into the State of Washington and is received where it is directed; or (b) you are a resident of the State of Washington; or (c) the Everbowl Restaurant that you develop under your Franchise Agreement is or will be located or operated, wholly or partly, in the State of Washington.

2. **CERTAIN FES**. The following language is added as Section 4.1 ("Initial Franchise Fee") to the Franchise Agreement:

> The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business.

3. **STEP-IN RIGHTS**. The following language is added to the last sentence of the second paragraph of Section 18.16 of the Franchise Agreement ("Step-In Rights"):

> ; however, your obligation to indemnify us and our representatives shall not extend to our acts or omissions amounting to gross negligence, willful misconduct, or fraud.

4. **INDEMNIFICATION BY YOU**. The following language is added to the end of Section 14.1 of the Franchise Agreement ("Indemnification by You"):

> Your obligation to indemnify does not extend to an Indemnitee's acts or omissions amounting to gross negligence, willful misconduct, or fraud.

5. **CONFIDENTIALITY AND NON-COMPETITION AGREEMENT**. The following language is added to the end of Section 9 of the Franchise Agreement ("Confidentiality and Non-Competition Covenants"):

> This Section 7 may not be enforceable under Washington law, specifically Chapter 49.62 RCW.

6. **INDEMNIFICATION**. The following language is added to the end of Section 14 of the Franchise Agreement:

> Franchisee's obligation to indemnify does not extend to an Indemnitee's acts or omissions amounting to gross negligence, willful misconduct, or fraud.

7. **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 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.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:
EVERBOWL FRANCHISE, LLC
a California limited liability company

By:_____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date:_____

IF FRANCHISEE IS AN INDIVIDUAL

Individual Name:

Sign:_____
Date:_____

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE AREA DEVELOPMENT AGREEMENT

RIDER TO THE EVERBOWL FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN HAWAII

THIS RIDER (this "**Rider**") is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ _____ a(n) _____, having its principal business address at _____ ("you").

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. In the event of conflict between the terms of the Area Development Agreement and this Rider, this Rider shall govern such inconsistency. This Rider is being signed because (a) your Store is or will be operated in the State of Hawaii, and/or (b) you are domiciled in the State of Hawaii.

2. **DEVELOPMENT FEE**. The following is added at the end of Section 2.1 ("Development Fee") of the Area Development Agreement**:**

> Notwithstanding anything to the contrary in this Agreement, we will defer the collection of the Development Fee. Instead paying the Development Fee in lump sum for all the Stores you are required to open under the Development Schedule, you must pay us the Development Fee for each Store as on the date such Store opens of business.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

FRANCHISOR:

EVERBOWL FRANCHISE, LLC
a California limited liability company

By: _____
Name: _____
Title: _____
Date*:_____
(*This is the Effective Date**)**

AREA DEVELOPER:

By: _____
Name: _____
Title: _____
Date:_____

RIDER TO THE EVERBOWL FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

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 Development Agreement occurred in Illinois and the activities you conduct under the Area Development Agreement will be conducted in Illinois, and/or (b) you are domiciled in Illinois.

2. **ENTIRE AGREEMENT**. The following sentence is added to the end of Section 14.1 ("Entire Agreement") of the Area Development Agreement:

> Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the express representations made in the Franchise Disclosure Document.

3. **ILLINOIS FRANCHISE DISCLOSURE ACT**. The following language is added to the end of the Area Development Agreement:

> Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.
>
> Section 4 of the Illinois Franchise Disclosure Act provides that any provision in an area development agreement that designates jurisdiction or venue outside the State of Illinois is void. However, an area development agreement may provide for arbitration outside of Illinois.
>
> Section 41 of the Illinois Franchise Disclosure Act provides that 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.
>
> Your rights upon termination and non-renewal of an area development agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

FRANCHISOR:

EVERBOWL FRANCHISE, LLC
a California limited liability company

By: _____
Name: _____
Title: _____
Date*:_____
(*This is the Effective Date**)**

AREA DEVELOPER:

By: _____
Name: _____
Title: _____
Date:_____

RIDER TO THE EVERBOWL FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN MARYLAND

THIS RIDER is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

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 annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland; or (b) your Area Developer Business will be operated in the State of Maryland; or (c) the offer to sell is made in the State of Maryland; or (d) the offer to buy is accepted in the State of Maryland.

2. **AUTOMATIC TERMINATION – NO RIGHT TO CURE**. The following sentence is added to the end of Section 7.1 of the Area Development Agreement:

> This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

3. **VENUE; GOVERNING LAW**. The following sentence is added to the end of Section 14.3 of the Area Development Agreement:

> You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **LIMITATION OF CLAIMS**. The following sentence is added to the end of Section 14.5 ("Waiver of Jury Trial") of the Area Development Agreement:

> You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you the franchise.

5. **RELEASES.** The Area Development Agreement is further amended to state that "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

FRANCHISOR:

EVERBOWL FRANCHISE, LLC
a California limited liability company

By: _____
Name: _____
Title: _____
Date*:_____
(*This is the Effective Date**)**

AREA DEVELOPER:

By: _____
Name: _____
Title: _____
Date:_____

RIDER TO THE EVERBOWL FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN MINNESOTA

THIS RIDER is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ _____ a(n) _____ _____, having its principal business address at _____ ("you").

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 Area Developer Business that you will operate under the Area Development Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Area Development Agreement occurred in Minnesota.

2. **RELEASES.** The following is added to the end of Sections 8.2 ("Transfer By You") of the Area Development Agreement:

> 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.

3. **NON-RENEWAL AND TERMINATION**. The following is added to the end of Sections 3.4 ("Expiration of Development Rights") and 7 ("Default and Termination") of the Area Development 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.

4. **INJUNCTIVE RELIEF.** The following language is added to the end of Sections 3.3 ("Failure to Comply with Development Schedule") and 14.2 ("Arbitration") of the Area Development Agreement is:

> A court will determine if a bond is required.

5. **NOTIFICATION OF ACTION OR CLAIM**. The following sentence is added to the end of Section 9.4 of the Area Development Agreement:

> Provided you have complied with all provisions of this Agreement applicable to the Marks, we will protect your right to use the Marks and will indemnify you from any loss, cots or expenses arising out of any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

6. **VENUE; GOVERNING LAW**. The following statement is added at the end of Section 14.3 of the Area Development 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.

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) 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.

7. **LIMITATION OF CLAIMS**. The following language is added to the end of Section 14.5 ("Waiver of Jury Trial") of the Area Development Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

8. **WAIVER OF PUNITIVE DAMAGES; WAIVER OF JURY TRIAL**. If and then only to the extent required by the Minnesota Franchises Law, Sections 14.4 ("Waiver of Punitive Damages") and 14.5 ("Waiver of Trial") of the Area Development Agreement are deleted.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

FRANCHISOR:

EVERBOWL FRANCHISE, LLC
a California limited liability company

By: _____
Name: _____
Title: _____
Date*:_____
(*This is the Effective Date**)**

AREA DEVELOPER:

By: _____
Name: _____
Title: _____
Date:_____

RIDER TO THE EVERBOWL FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN NEW YORK

THIS RIDER is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ _____ a(n) _____ _____, having its principal business address at _____ ("you").

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 this Rider. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) you are domiciled in the State of New York and the Area Developer Business that you will operate under the Area Development Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Area Development Agreement occurred in New York.

2. **TRANSFER BY US**. The following language is added to the end of Section 8.1 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.

3. **RELEASES.** The following is added to the end of Sections 8.2 ("Transfer By You") of the Area Development Agreement:

> Notwithstanding the foregoing all rights enjoyed by you 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 to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

4. **TERMINATION BY YOU**. The following language is added to the end of Section 7 ("Default and Termination") 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. **VENUE; GOVERNING LAW AND CONSENT TO JURISDICTION**. The following sentence is added to the end of Section 14.3 of the Area Development Agreement:

> This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law as amended, and the regulations issued thereunder.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

FRANCHISOR:

EVERBOWL FRANCHISE, LLC
a California limited liability company

By: _____
Name: _____
Title: _____
Date*:_____
(*This is the Effective Date**)**

AREA DEVELOPER:

By: _____
Name: _____
Title: _____
Date:_____

RIDER TO THE EVERBOWL FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN NORTH DAKOTA

THIS RIDER is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

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) an offer to sell is made in the State of North Dakota; or (b) an offer to buy is accepted in the State of North Dakota; or (c) if you are domiciled in the State of North Dakota, your Area Developer Business is or will be operated in the State of North Dakota.

2. **RELEASES.** The following is added to the end of Sections 8.2 ("Transfer By You") of the Area Development Agreement:

> 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. **ARBITRATION**. The following language is added to the end of Section 14.2 of the Area Development Agreement:

> Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

4. **VENUE; GOVERNING LAW**. The first sentence of Section 14.3 of the Area Development Agreement is deleted in its entirety and replaced with the following language:

> Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, and except as otherwise required by North Dakota law, this Agreement, the franchise, and all claims arising from the relationship between us and you will be governed by the laws of the state in which your area developer business is operated or is to be located, without regard to its conflict of laws rules, except that any state law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.
>
> Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

5. **LIMITATION OF CLAIMS**. The following language is added to the end of Section 14.5 ("Waiver of Jury Trial") of the Area Development Agreement:

> The statutes of limitations under North Dakota law applies with respect to claims arising under the North Dakota Franchise Investment Law.

6. **WAIVER OF PUNITIVE DAMAGES; WAIVER OF JURY TRIAL**. To the extent required by the North Dakota Franchise Investment Law, Sections 14.4 ("Waiver of Punitive Damages") and 14.5 ("Waiver of Jury Trial") of the Area Development Agreement are deleted.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

FRANCHISOR:

EVERBOWL FRANCHISE, LLC
a California limited liability company

By: _____
Name: _____
Title: _____
Date*:_____
(*This is the Effective Date**)**

AREA DEVELOPER:

By: _____
Name: _____
Title: _____
Date:_____

RIDER TO THE EVERBOWL FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN RHODE ISLAND

THIS RIDER is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ _____ a(n) _____ _____, having its principal business address at _____ ("you").

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) you are domiciled in Rhode Island and the Area Developer Business that you will operate under the Area Development Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Area Development Agreement occurred in Rhode Island.

2. **VENUE; GOVERNING LAW**. The following is added at the end of Section 14.3 of the Area Development Agreement:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "a provision in a franchise 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.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

FRANCHISOR:

EVERBOWL FRANCHISE, LLC
a California limited liability company

By: _____
Name: _____
Title: _____
Date*:_____
(*This is the Effective Date**)**

AREA DEVELOPER:

By: _____
Name: _____
Title: _____
Date:_____

.

RIDER TO THE EVERBOWL FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT AND RELATED-AGREEMENTS
FOR USE IN WASHINGTON

THIS RIDER is made and entered into by and between **EVERBOWL FRANCHISE, LLC**, a California limited liability company with its principal business address at 1300 Specialty Drive, #100, Vista, California 92081 ("we") and _____ _____ a(n) _____ _____, having its principal business address at _____ ("you").

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 is directed into the State of Washington and is received where it is directed; or (b) you are a resident of the State of Washington; or (c) the Area Developer Business that you develop under your Area Development Agreement is or will be located or operated, wholly or partly, in the State of Washington.

2. **DEVELOPMENT FEE**. The following language is added to the end of Section 2.1 of the Area Development Agreement:

> The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Area Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.

3. **INDEMNIFICATION BY YOU**. The following is added to the end of Section 9.3 ("Indemnification by You") of the Area Development Agreement:

> Your obligation to indemnify does not extend to an Indemnitee's acts or omissions amounting to gross negligence, willful misconduct, or fraud

4. **WASHINGTON LAW**. The following paragraphs are 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 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.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

FRANCHISOR:

EVERBOWL FRANCHISE, LLC
a California limited liability company

By: _____
Name: _____
Title: _____
Date*:_____
(*This is the Effective Date**)**

AREA DEVELOPER:

By: _____
Name: _____
Title: _____
Date:_____

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:

California	July 27, 2022; as amended _____, 2022
Hawaii	Pending
Illinois	April 27, 2022; as amended _____, 2022
Indiana	April 26, 2022; as amended October 31, 2022
Maryland	August 23, 2022; as amended _____, 2022
Michigan	April 26, 2022; as amended November 1, 2022
Minnesota	May 19, 2022; as amended _____, 2022
New York	August 9, 2022; as amended _____, 2022
North Dakota	May 6, 2022; as amended _____, 2022
Rhode Island	April 28, 2022; as amended _____, 2022
South Dakota	April 27, 2022; as amended November 1, 2022
Virginia	April 27, 2022; as amended _____, 2022
Washington	July 15, 2022; as amended _____, 2022
Wisconsin	April 26, 2022; as amended November 1, 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.

EXHIBIT I

RECEIPTS

RECEIPT
(OUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Everbowl Franchise, LLC 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, Everbowl Franchise, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If Everbowl Franchise, LLC 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 the appropriate state agency identified on Exhibit A.

Issuance Date: April 26, 2022; as amended November 1, 2022

The franchisor is Everbowl Franchise, LLC, 1300 Specialty Drive, #100 Vista, California 92081. Tel: (760) 330-9001. The franchise seller for this offering is:

❑ Jeff Fenster Everbowl Franchise, LLC 1300 Specialty Drive, #100 Vista, California 92081 (760) 330-9001	❑ Erik Hansen Everbowl Franchise, LLC 1300 Specialty Drive, #100 Vista, California 92081 (760) 330-9001	❑ Brian Augustine Everbowl Franchise, LLC 1300 Specialty Drive, #100 Vista, California 92081 (760) 330-9001	❑_____ Everbowl Franchise, LLC 1300 Specialty Drive, #100 Vista, California 92081 (760) 330-9001

See Exhibit A for Everbowl Franchise, LLC's registered agents authorized to receive service of process.

I have received a disclosure document dated April 26, 202; as amended November 1, 2022 that included the following Exhibits:

Exhibit A	State Agencies/Agents for Service of Process	Exhibit F	Form of General Release
Exhibit B	Franchise Agreement	Exhibit G	Table of Contents to the Operations Manual
Exhibit C	Area Development Agreement	Exhibit H	State Specific Addenda/Rider
Exhibit D	Lists of Franchisees & Those Franchisees Who Have Left the System or Not Communicated with Franchisor	Exhibit I	Receipts
Exhibit E	Financial Statements		

Date	Signature	Printed Name
Date	Signature	Printed Name

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or email to Everbowl Franchise, LLC, 1300 Specialty Drive, #100 Vista, California 92081. Email: franchise@everbowl.com

RECEIPT
(YOUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Everbowl Franchise, LLC 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, Everbowl Franchise, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If Everbowl Franchise, LLC 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 the appropriate state agency identified on Exhibit A.

Issuance Date: April 26, 2022; as amended November 1, 2022

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Exhibit D	Lists of Franchisees & Those Franchisees Who Have Left the System or Not Communicated with Franchisor	Exhibit I	Receipts
Exhibit E	Financial Statements		

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

PLEASE SIGN THIS COPY OF THE RECEIPT, PRINT THE DATE ON WHICH YOU RECEIVED THIS DISCLOSURE DOCUMENT AND KEEP IT FOR YOUR RECORDS.