FRANCHISE DISCLOSURE DOCUMENT

Hawks Kids Inc.
A California corporation
1525 N Alvarado St Unit 26012
Los Angeles, California 90026
Telephone: 323-213-9763
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URL: www.hawkskids.com

Hawks Kids Inc., a California corporation, offers franchises for businesses that operate nature-based hiking day camps, summer camps, birthday parties, and other nature-based school enrichment programs for children ages 4-16 at various locations, including public and private green spaces, parks, gardens, nature centers and museums under the trade name and service mark "Hawks Kids". We offer the rights for 2 different franchises in this Disclosure Document:

Single Business Program. The total investment necessary to begin operations of one Hawks nature-based camp business ranges from $87,500 to $203,700 This includes $73,000 to $93,900 that must be paid to the franchisor or its affiliates.

Area Development Program. The total investment necessary to begin operations of your first Hawks nature-based camp business under the Area Development Program ranges from $98,500 to $218,700 This includes $83,000 to $103,900 that must be paid to the franchisor or its affiliates.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 payments to the Franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no government 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 our Chief Executive Officer, Emma Flanders, at 1525 N Alvarado St Unit 26012, Los Angeles, California 90026; (323) 213-9763; emma@hawkskids.com.

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 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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: AUGUST 16, 2024

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 I.
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 G 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 Affiliate-Owned and Franchised outlets.
Will my business be the only Hawks Franchised 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 a Hawks Franchisee?	Item 20 or Exhibit I 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 H.

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 litigation only in California. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to participate in litigation with us in California than in your home state.

2. 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 you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. Limited 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.

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.

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.

HAWKS KIDS INC.
FRANCHISE DISCLOSURE DOCUMENT
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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Hawks Kids Inc.

Hawks Kids Inc., a California corporation ("Franchisor"), was incorporated on July 1, 2024, and is the franchisor for Hawks camp businesses that offer nature-based hiking day camps, summer camps, birthday parties and other nature-based school enrichment programs for children ages 4-16 at various locations, including public and private green spaces, parks, gardens, nature centers and museums under the trade name and service mark "Hawks Kids". To simplify the language in this Disclosure Document, "Franchisor," "we" and "us" means Hawks Kids Inc. "You" or "Franchisee" means the business entity, person or persons who sign the Franchise Agreement.

Franchisor's Parents, Predecessors and Affiliates

We have no predecessors or parent companies. Our affiliate, Hawks Nature Programming, a California corporation (the "Operating Company"), was incorporated on November 9, 2022. The Operating Company operates one Hawks camp business in Los Angeles, California of the type being franchised under this Disclosure Document which started business in November 2022 (the "Affiliate-Owned Business").

The Operating Company is also the Approved Supplier of Hawks Branded Products and non-branded products, currently, branded and other retail inventory, including promotional items, merchandise and other retail items. The Operating Company will also provide and maintain the Hawks website and registration booking tool.

Neither we nor the Operating Company have ever offered franchises in this business or in any other line of business. We do not operate any Hawks camp businesses. We have offered our franchises for sale since the date of this Disclosure Document, and neither we nor the Operating Company conduct any other business activities. We do not do business under any other names. Our principal business address and the principal business address of the Operating Company is 1525 N Alvarado St., Unit 26012, Los Angeles, California 90026.

The Hawks Franchise

We and our affiliate have developed the Hawks system (the "Hawks System") for day camp businesses (each, a "Franchised Business") that offer nature-based hiking day camps, summer camps, birthday parties and other nature-based school enrichment programs for children ages 4-16 at various locations, including public and private green spaces, parks, gardens, nature centers and museum under the trade name "Hawks Kids" and other related trademarks, service marks, logos and commercial symbols (collectively, the "Hawks Marks"). You must provide all services for your students included in our Manuals and other Proprietary Materials ("Authorized Hawks Services") and offer and sell only the products we authorize ("Authorized Hawks Products"). Authorized Hawks Services include, without limitation, day camps, summer camps, birthday parties and other nature based school enrichment programs for children. Authorized Hawks Products include, without limitation, branded and other retail inventory, including promotional items, merchandise and other retail items.

The distinguishing characteristics of the Hawks System are its programs, manuals, written instructions, general information, routines, educational methods, techniques, curriculums, lesson plans and other materials that incorporate proprietary information and related written content, Franchisor's website, camp handbooks, camp guidelines, advertising materials, lists of approved suppliers, standard forms, standards and procedures for

operations, training and assistance and advertising and promotional programs time (collectively the "Hawks Proprietary Materials"), all of which we may change, improve and further own from time to time.

We offer 2 separate franchises in this Disclosure Document, though we may not necessarily allow you the opportunity to purchase under either of these programs. Our franchisees will not operate their Franchised Businesses from brick & mortar fixed locations under either program. Rather, franchisees will operate their Franchised Businesses at various public parks in their Protected Area.

Single Business Program. Under this program, you will sign a Franchise Agreement (Exhibit A) to operate one Franchised Business.

Area Development Program. Under this program, we will assign you a defined area (the "Development Area") within which you, as an area developer ("Area Developer"), must open and operate a minimum of 2 Franchised Businesses within a specified period of time. The Development Area may be one city, one or more counties, or some other defined geographic area. We may not always afford you the opportunity to own the number of Franchised Businesses that you request. You will sign an Area Development Agreement (Exhibit B), which will describe your Development Area and your development schedule and obligations. You and we will determine the Development Area and the number of Franchised Businesses that you will open and operate on a case-by-case basis before you sign your Area Development Agreement. You must sign a separate Franchise Agreement for each Franchised Business that you will open under the Area Development Agreement. The Franchise Agreement for your first Franchised Business will be in the form attached as Exhibit A to this Disclosure Document and must be signed when you sign your Area Development Agreement. The Franchise Agreements you will sign for your additional Franchised Businesses will be our then-current form of Franchise Agreement that we are then offering to new franchisees. These Franchise Agreements may contain terms and conditions that are materially different from the form of Franchise Agreement attached to this Disclosure Document as Exhibit A.

Under both of our franchise programs, franchisees or area developers may be individuals or entities who meet our then-current requirements for franchisees or area developers. These requirements may include the signing of personal guarantees (Exhibit C to Franchise Agreement) by some or all of the individuals holding an equity interest in the franchisee or area developer. In addition, you, and each affiliate who has a currently effective Franchise Agreement with us, must sign a General Release (Exhibit E), as a condition to entering into a new Franchise Agreement.

Renewals

If you are signing your Franchise Agreement for the renewal of an existing Franchise (a "Renewal Franchise"), some of the terms of your new Franchise Agreement may be modified or different from the terms of your existing Franchise Agreement. In addition, you, and each affiliate who has a currently effective Franchise Agreement with us, must sign a General Release (Exhibit E), as a condition to entering into a new Franchise Agreement.

Competition

You will compete with other businesses which offer after-school programs and camps for children 4-16. The general market for the franchise being offered is developed, relatively non-seasonal.

Special Industry Regulation

You must comply with all local, state, and federal laws that apply to your Franchised Business, including background checks of your educators, providing proof of background clearances for each of your educators, arrest notifications, fingerprinting through Live-Scan or other methods, and complying with the requirements of the National Council of Safety Instructors where you conduct programs. In addition, you must comply with all local, state, and federal laws that apply to your Franchised Business including EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Payment Card Industry Data Security Standard ("PCI DSS") requires all companies that process, store, or transmit credit or debit card information to maintain a secure environment. PCI DSS applies to all organizations or merchants, regardless of size or number of transactions, that accepts, transmits or stores any cardholder data.

You should consult with your attorney concerning these and other local laws and ordinances that may affect your Franchised Business.

ITEM 2
BUSINESS EXPERIENCE

Emma Flanders — Chief Executive Officer and Chief Revenue Officer

Emma Flanders is a co-founder of Hawks and has been our Chief Executive Officer in Los Angeles, California since July 2024. Ms. Flanders has served as the Chief Executive Officer of our Operating Company in Los Angeles, California since November 2022. From May 2021 to the present, Ms. Flanders has worked for Google in Los Angeles, California as a Lead, Business Strategy – Cloud. From June 2019 to April 2021, Ms. Flanders served as the Chief Operating Officer for Fleur Marche in Los Angeles, California. From July 2015 to July 2019, Ms. Flanders worked as a Strategy Manager at Accenture in Los Angeles, California.

Martha E. Flores — Chief Operating Officer

Martha E. Flores is a co-founder of Hawks and has been our Chief Operating Officer in Los Angeles, California since July 2024. Ms. Flores has served as the Chief Operating Officer of our Operating Company in Los Angeles, California since November 2022. From July 2016 to October 2022 Ms. Flores was self-employed as a freelance Media Consultant in Los Angeles, California.

Jacob Walker — Director of Field Operations

Jacob Walker has been our Director of Field Operations since July 2024 in Los Angeles, California. Mr. Walker has served as the Director of Field Operations of our Operating Company in Los Angeles, California since September 2023. Mr. Walker has served as an Outdoor Educator and Associate Director of Programing of our Operating Company in Los Angeles, California since November 2022. From February 2021 until October 2022, Mr. Walker served as a Lead Educator and Program Coordinator for an outdoor education organization, Biocitizen, in Los Angeles, California. From June 2018 to January 2021, Mr. Walker worked as the Assistant to President and Managing Partners at the Intellectual Property Group in Los Angeles, California.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Single Business Program

You must pay us an initial franchise fee (the "Initial Franchise Fee") of $49,500 for your Franchised Business when you sign the Franchise Agreement (Exhibit A). If you are signing the Franchise Agreement with the renewal of an existing Franchise, you will pay a renewal fee in lieu of an Initial Franchise Fee when you sign the renewal Franchise Agreement as provided in your existing Franchise Agreement.

Other Pre-Opening Fees in Connection with a Franchised Business.

In addition to the Initial Franchise Fee, the following amounts are paid to us at the time you execute your Franchise Agreement, unless we agree otherwise in writing. These amounts will be deemed fully earned and non-refundable upon payment.

Name of Fee or Payment	Amount
The fee we charge in connection with the provision of our Pre-Opening Initial Training Program (the "Initial Training Fee").	$10,000 to $15,000
We collect this amount to cover your initial advertising requirement, including digital advertising (the "Initial Advertising Requirement").	$5,000 to $7,500
Grand Opening Marketing Pop Up Kits	$1,500 to $2,500
We collect this amount to cover the initial technology services that we have currently designated for use in connection with the System and a Franchised Business (the "Initial Technology Fee").	$2,000

Area Development Program

You must pay us a development fee (the "Development Fee") of $10,000 for each Franchised Business you will open and operate under an Area Development Agreement, other than your first Franchised Business, when you sign the Area Development Agreement (Exhibit B). You must sign the Franchise Agreement for your first Franchised Business and pay us an Initial Franchise Fee of $49,500 when you sign the Area Development Agreement. When you sign a Franchise Agreement for your 2nd through 5th Franchised Businesses, you must pay us an Initial Franchise Fee of $37,500 for your 2nd through 5th Franchised Business. If you sign a Franchise

Agreement for more than 5 Franchised Businesses, you must pay us an Initial Franchise Fee of $35,000 for your 6th and any additional Franchised Business. Area Developers must open a minimum of 2 Franchised Businesses.

Opening Inventory Purchases from Our Affiliate

Before you begin to conduct your Franchised Business, you must purchase Hawks Branded Products and other non-branded products, currently, branded and other retail inventory, including promotional items, merchandise, and other retail items you will need to open and operate your Franchised Business. The purchase price for the opening inventory of these products ranges from $5,000 to $15,000. If you offer after-school enrichment programs, then you must use a van in the operation of your Franchised Business, and you must also purchase a van wrap from our affiliate. The cost of each van wrap is $2,400. These amounts will be deemed fully earned and non-refundable upon payment. You are not currently required to use a van in the operation of your Franchised Business unless you offer after-school enrichment programs, but we reserve the right to require you to use one in the future.

Refunds, Different Fees and Financing

Except as provided above in this Item, all fees discussed in this Item 5 are fully earned by us when paid and are not refundable under any circumstances, even if you, as an Area Developer, fail to open any Franchised Businesses. We use the proceeds from Initial Franchise Fee and Development Fee to defray a portion of our expenses in connection with the sale and establishment of franchises, such as: (i) costs related to developing and improving our services; (ii) expenses of preparing and registering this Disclosure Document; (iii) legal fees; (iv) accounting fees; (v) costs of obtaining and screening franchisees; and (vi) general administrative expenses. We may reduce, finance, defer or waive the Initial Franchise Fee or Development Fee if and when we determine it is warranted by a unique or compelling situation. We generally do not provide financing for the Initial Franchise Fee or Development Fee. We may do so if and when we determine it is warranted by a unique or compelling situation.

ITEM 6
OTHER FEES[1]

Name of Fee	Amount	Due Date	Remarks
Royalty Fees [2]	6% of Gross Revenue	15th day of each month on the Gross Revenue of the Franchised Business during the preceding month. [3]	Gross Revenue includes all revenue from your Franchised Business [2]

Name of Fee	Amount	Due Date	Remarks
Advertising Fund Fees	Currently the greater of 2% of Gross Revenue or $100 for the first 6 months you operate your Franchised Business and 2% of Gross Revenue beginning on the 7th month of operation and thereafter	15th day of each month on the Gross Revenue of the Franchised Business during the preceding month.	The Advertising Fund Fees will be in addition to your local advertising expenditure. We reserve the right to increase the Advertising Fund Fees up to 4% of Gross Revenue upon 90 days' written notice to you.
Local Advertising Expenditures	Currently, 5% of Gross Revenue of the Franchised Business	As Arranged	This amount is not paid to us. You must spend the required local advertising expenditure each calendar quarter on local advertising and promotion of the Franchised Business. We reserve the right to increase the local advertising expenditure up to 6% of Gross Revenue, upon 30 days' written notice to you.
Digital Marketing Requirement	Amount charged by our Approved Supplier, currently $500 per month or 5% of Gross Revenue, whichever is greater, up to $1,500 per month	As Arranged	This is an amount that is paid to our Approved Supplier, currently us, to provide digital marketing management and placement services as we determine appropriate and in accordance with our then-current System practices, standards and specifications.
Cooperative Advertising	As determined by each Co-Op Advertising Region; but not to exceed 2% of Gross Revenue.	Established by us	You must contribute to the Co-Op if we establish a Co-Op Advertising Coverage Area for the region where your Franchised Business is located. Any amount you must contribute to the co-op will be credited against the amount which you must spend on local advertising under Section 10.2 of your Franchise Agreement.
Technology Fees[4]	$750 per month	Monthly	Includes cost for support for your Computer system, loyalty program and online ordering, and our development and maintenance of

Name of Fee	Amount	Due Date	Remarks
			online management platforms, corporate intranet and other technology services provided to Hawks Franchisees. We may, on 30 days' written notice to you, increase the amount of the Technology Fees to an amount not to exceed $2,500 per month.
Late Charge [5]	$200 plus 1-1/2% on the amount outstanding per month, not to exceed the maximum interest rate allowed by law, which is currently 10% annually in California, from the date payment was due until paid in full	Continues to accrue until paid	Payable only if any check, draft, electronic or other payment is unpaid because of insufficient funds or if any sums due to us are not paid promptly when due.
Pre-Opening Initial Training Fee	$750 per day for each additional trainee that attends our Pre-Opening Initial Training Programs plus their transportation costs, food, lodging and similar costs for each of our representatives who provide training.	On demand	We will provide a Pre-Opening Initial Training Program for up to 2 supervisorial or managerial personnel you select. If you send more than 2 people to the Pre-Opening Initial Training Program, you must pay this additional Pre-Opening Initial Training Fee for each additional trainee.
Post-Opening Initial Training Fee	$5,000 for each of your employees who attends Post-Opening Initial Training Programs, plus our out-of-pocket expenses, including transportation, food and lodging.	On demand	If, following the opening date of your Franchised Business, you request us to provide additional Initial Training Programs for new or replacement supervisorial or managerial personnel, you must pay this Post-Opening Initial Training Fee for each additional trainee.

Name of Fee	Amount	Due Date	Remarks
Post-Opening Additional/Remedial Training Program Daily Fee	$750 per day for each of our employees who provide post-opening Additional/Remedial Training Programs, plus our out-of-pocket expenses, including transportation, food and lodging.	On demand	We may require you and your general manager to attend additional and remedial training programs, at our discretion.
Post-Opening On-Site Assistance	$750 per day for each of our employees who provide opening assistance, plus our out-of-pocket expenses, including transportation, food and lodging.	On demand	We will provide you with up to a 2-person opening assistance team to assist you for up to 1 week before and 1 week after the opening date of your first Franchised Business.
Consultation Fee	Currently $750 per day	On demand	We may provide regular consultation and advice to you in response to your inquiries regarding administrative and operating issues. You must pay all transportation costs, food, lodging and similar costs that may be incurred by us to provide these services.
Inspection Fee	$500 per re-inspection	On demand	Payable if we must revisit the Franchised Business for another inspection after you have already been notified of any deficiency or unsatisfactory condition at the Franchised Business, including quality, cleanliness, service, and health.
Insurance	Amount of unpaid premiums and our out of pocket costs	On demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Transfer Fee (Franchise Agreement and Area Development Agreement)	$15,000	Before transfer	Payable if you transfer/assign your Franchise Agreement or Area Development Agreement, subject to state law.

Name of Fee	Amount	Due Date	Remarks
Merchant Processing Fee	All costs associated with non-cash payment systems	As incurred	You must accept debit cards, credit cards, stored value gift cards or other non-cash payment systems we specify to enable customers to purchase authorized products.
Default Reimbursement	Our costs and expenses from your default	Within 5 days after you cure your default or on demand if the default is not cured	Payable only if you default under the Franchise Agreement.
Audit [5]	Cost of audit plus 1.5% interest per month (18% per year), but not exceeding the maximum legal rate.	On demand	Payable only if audit shows an understatement of 3% or more of Gross Revenue.
Interim Management Fee	To be determined	As incurred	If you are in default under the Franchise Agreement, and we elect to assume interim management of your Franchised Business during the pendency of any cure period or in lieu of immediately terminating your Franchise Agreement, we may charge you a reasonable fee for management services.
Renewal Fee & Extension Fees (Franchise Agreement)	$10,000	When you deliver a renewal notice to us for your Franchise Agreement	This $10,000 renewal fee will be in lieu of the Initial Franchise Fee payable when you "renew" your Franchise Agreement.
New Product and Supplier Testing	Actual cost of inspection and testing; not to exceed $500 per request.	As incurred with the $500 fee paid as a deposit before inspection	If you propose to purchase any goods or materials from a supplier that we have not previously approved, you must submit a written request to us for approval or you must request the supplier itself to do so. We have the right to require, as a condition of our approval, that our representatives are permitted to inspect the supplier's facilities, and

Name of Fee	Amount	Due Date	Remarks
			that you deliver to us and/or to an independent, certified laboratory designated by us, all information, specifications and samples that we designate for testing. You must pay us a fee which will not to exceed the actual cost of the inspection and testing.
Post-Termination Gross Revenue Fee	6% of all revenue derived from the operation of the Competitive Business.	15th day of each month on the Post Termination Gross Revenue of the Competitive Business during the preceding calendar month.	Payable if you operate a Competitive Business after the expiration, termination or assignment of your Franchise Agreement in violation of the covenants in your Franchise Agreement.
Franchise Conference Fee	$500	Upon demand at least 30 days before the date of the Annual Franchise Conference.	You must pay us a Franchise Conference Fee to reimburse us for a portion of our direct costs to provide the Annual Franchise Conference, whether or not you attend the conference.
Reimbursement for Payments Made to Approved Suppliers	Varies	As incurred	If we receive notice from an Approved Supplier that you are over 60 days past due on any payment owed to the Approved Supplier, and you have not previously provided notice to the Approved Supplier disputing the overdue amount, we will have the right, but not the obligation, to make payment to the Approved Supplier on your behalf and to reimburse our self for the amount we paid by electronic funds transfer from your bank account.
Private Offering Fee (Franchise Agreement and Area Development Agreement)	$10,000 or such greater amount as is necessary to reimburse us for our reasonable costs and expenses with reviewing the proposed offering.	Before offering	Payable for each proposed private offering of securities, partnership or other ownership interests in Franchisee and is in addition to any Transfer Fee under any Franchise Agreement and/or Area Development Agreement.

NOTES:

1. Unless otherwise noted above, all fees are uniformly imposed and are non-refundable under any circumstances once paid. All fees and other amounts due to us must be paid by electronic funds transfer or other automatic payment mechanism we designate. You must complete the EFT authorization in the form attached to the Franchise Agreement as Exhibit D. You are also required to complete the credit card authorization in the form attached to the Franchise Agreement as Exhibit E which allows us to charge your credit card for any past due amounts in the event an EFT payment cannot be withdrawn from your bank account. We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. If you enter into an Area Development Agreement to operate multiple Franchised Businesses, the fees included in the chart above are the fees charged and/or incurred for each Franchised Business. The amounts of the fees included in the chart above are current as of the issuance date of this Disclosure Document. Certain fees may increase over the term of the Franchise Agreement.

2. Each Royalty Fee payment must be accompanied by a statement of Gross Revenue for the preceding calendar month. "Gross Revenue" means the total of all revenues derived from sales of Authorized Hawks Services & Products of any nature or kind whatsoever by the Franchised Business during the Term, including all proceeds from the sale of coupons, gift certificates, or vouchers, as well as the proceeds from any business interruption insurance related to the non-operation of the Franchised Business, and whether evidenced by cash, services, property, barter, or other means of exchange. "Gross Revenue" excludes the amount of bona fide refunds paid to customers, the amount of any sales or use taxes actually paid to any Governmental Authority and the retail price of any coupons, gift certificates or vouchers when they are redeemed.

3. We reserve the right to change the collection date for your Continuing Royalty Fees, Technology Fees, Advertising Fund Fees and other recurring fees payable to us or our affiliates under your Franchise Agreement upon written notice to you. For example, we may collect these recurring fees on a weekly rather than monthly basis. Regardless, you must provide us with a monthly Gross Revenue report detailing your Gross Revenue from the preceding month, along with your calculation of the Royalty Fees, Technology Fees, Advertising Fund Fees (if appropriate) and other information that we reasonably require on the 15th day of each month for the previous month. We may also require you to use your computer system and/or related software to provide us with automatic access to your Gross Revenue reports.

4. We will provide you with certain advertising, operational and technical services in exchange for your monthly Technology Fees, which may change from time to time based on changes to the advertising, operational and technical services we provide and/or our costs to provide these services and/or the development of upgraded technologies including technology that does not currently exist. We reserve the right to license, sublicense, and create software and technology that Franchised franchisees must pay for and use. We can change the software, advertising services, operational services, and technology that must be used by our franchisees at any time, which may result in changes to the Technology Fees. The Technology Fee is intended to be a "pass through" of costs we incur to provider technology services to you. As a result, the Technology Fees will only consist of amounts that: (i) we are charged by vendors, suppliers and affiliates without mark-up; or (ii) we reasonably incur in creating, developing, implementing, administering and maintaining technology services to Hawk franchisees generally or that

you specifically request. We reserve the right to: (i) change or add approved suppliers of these services at any time, in our discretion; (ii) enter into a master license agreement with any software or technology supplier and sublicense the software or technology to you, in which case we may charge you for all amounts that we must pay to the licensor based on your use of the software or technology; and (iii) create proprietary software or technology that must be used by Hawk franchisees, in which case we may require you to enter into a license agreement with us and pay us reasonable initial and ongoing licensing, support and maintenance fees; and (iv) modify or increase the monthly Technology Fees to account for changes, additions and modifications to required hardware and software and for licensing and maintenance costs change the software and technology that must be used by Hawks franchisees at any time.

5. Interest begins from the date of the underpayment.

ITEM 7
ESTIMATED INITIAL INVESTMENT

SINGLE FRANCHISED BUSINESS

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee [1]	$49,500	$49,500	As Arranged	When you sign your Franchise Agreement for each Franchised Business	Us
Premises (3 Months' Rent) [2]	$0	$6,000	As Arranged	Before Opening	Landlord
Office Equipment[3]	$0	$2,400	As Arranged	As Incurred	Approved Supplier
Public Park Charges	$0	$1,000	As Arranged	As Incurred	Public Agencies
Initial Inventory[4]	$7,500	$23,000	As Arranged	Before Opening	Approved Supplier and our Affiliate
Grand Opening Marketing Pop Up Kits, Flyers, influencer seeding	$1,500	$2,500	As Arranged	As Incurred	Us
Computer System[5]	$3,500	$5,000	As Arranged	As Incurred	Approved Supplier

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Van[6]	$0	$50,000	As Arranged	As Incurred	Approved Supplier
Van Wrap[7]	$0	$2,400	As Arranged	As Incurred	Our Affiliate
Grand Opening Advertising [8]	$2,000	$5,000	As Arranged	30 Days Before and 30 Days After Opening	Approved Supplier
Initial Advertising Requirement (including Digital Marketing)[9]	$5,000	$7,500	As Arranged	Before Opening	Us
Insurance - Liability & Workers' compensation (initial deposit)	$2,500	$3,900	Cash	Monthly Premium	Insurance Carriers
Legal Fees/Organizational Expenses [10]	$1,000	$5,000	Cash	As Incurred	Legal & State
Initial Training Fee[11]	$10,000	$15,000	Lump Sum	At Signing	Us
Training Expenses [12]	$500	$3,500	As Arranged	As Incurred	Airlines, Hotels, Businesses
Initial Technology Fee[13]	$2,000	$2,000	Lump Sum	At Signing	Us
ADDITIONAL FUNDS (3 months) [14]	$2,500	$20,000	Cash	As Incurred	Approved Suppliers & Employees
Grand Total [15]	$87,500	$203,700			

AREA DEVELOPMENT AGREEMENT (A MINIMUM OF 2 FRANCHISED BUSINESSES)
YOUR ESTIMATED INITIAL INVESTMENT PER BUSINESS

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
INITIAL INVESTMENT FOR THE 1st HAWKS BUSINESS					
Initial Investment to Open 1st Franchised Business [16]	$87,500	$203,700	See Above	See Above	See Above

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Development Fees [1]	$10,000	$10,000	Cash	At Signing	Us
Additional Legal Fees [10]	$1,000	$5,000	Cash	As Incurred	Legal & State
GRAND TOTAL [15]	$98,500	$218,700			

Unless otherwise noted above, all fees are uniformly imposed by and payable to us by electronic funds transfer or other automatic payment mechanism we designate and are non-refundable. You authorize us to debit from your designated primary business checking or savings operating account for each month any funds due and payable to us for Royalty Fees, Advertising Fund Fees, Technology Fees and all other sums that you owe to us or our affiliates. We currently do not offer financing for any purpose, but reserve the right to do so in the future. We do not guarantee your note, lease or other obligation.

1. The Initial Franchise Fee and the Development Fee are described in Item 5 of this Disclosure Document. The Initial Franchise Fee and the Development Fee are uniform and not refundable under any circumstances. When you sign the Area Development Agreement for a minimum of 2 Franchised Businesses, you must pay us a Development Fee of $10,000 for each Franchised Business you will open, other than your first Franchised Business. You must also pay us the Initial Franchise Fee for your first Franchised Business when you sign the Area Development Agreement. When you sign a Franchise Agreement for your 2nd through 5th Franchised Businesses, you must pay us an Initial Franchise Fee of $37,500 for your 2nd through 5th Franchised Business. If you sign Franchise Agreements for more than 5 Franchised Businesses, you must pay us an Initial Franchise Fee of $35,000 for your 6th and each additional Franchised Business. Area Developers must open a minimum of 2 Franchised Businesses. If you are signing the Franchise Agreement to renew an existing Franchise, you will pay us a renewal fee in lieu of an Initial Franchise Fee when you sign the renewal Franchise Agreement as provided in your existing Franchise Agreement. The Initial Franchise Fee and Development Fee are uniform and not refundable under any circumstances. We generally do not provide financing for the Initial Franchise Fee or Development Fee. We may do so if and when we determine it is warranted by a unique or compelling situation.

2. We do not require you to lease or rent an office for your Franchised Business and you may operate your Franchised Business from your home. However, if you cannot or do not wish to operate your Franchised Business from your home, your office space must be at least 500 square feet in size and we must approve the location. Rent is estimated to be $500 to $2,000 per month depending on size, condition and location of leased premises. We assume the landlord will require the first and last month's rent and a security deposit equal to 1 month's rent. Payments will be made directly to the landlord according to the terms of the lease.

3. This estimates your costs to purchase a smart phone, digital camera, and other basic office supplies. You must obtain and use a phone number that is used exclusively for your Franchised Business.

4. You must purchase your opening inventory from the Operating Company and Approved Suppliers. You will purchase Hawks Branded Products and other non-branded products, currently, branded and other retail inventory, including promotional items, merchandise and other retail items you will need to open and operate your Franchised Business from the Operating Company, which will cost between $5,000 - $15,000, depending an

on the amount of products you purchase. You will purchase activity supplies, first aid kits, nature guides, outdoor safety supplies from our approved suppliers, which will cost between $2,500 and $8,000.

5. You will need to purchase or lease your computer hardware, software, data storage, and access fees. You will also need to purchase a high-speed Internet connection and any upgrades or replacement computer equipment necessary to operate the Franchised Business. This estimate includes the cost of 2 laptops, 1 iPad, 1 telephone with google voicemail access, and 1 Garmin device.

6. If you offer after-school enrichment programs, then you must purchase or lease a vehicle a Ford Transit 350, 15 passenger van (a "Vehicle") for your Franchised Business that is no more than seven years old. The cost estimate for your Vehicle varies based on the year of your Vehicle, and whether you currently own, lease or purchase your Vehicle. The low-end estimate assumes you will not be offering after school enrichment programs. The high assumes you purchase a new vehicle.

7. Your Vehicle must prominently display our required branded logo/wrap.

8. You must, during the period beginning 30 days before the scheduled opening of your Franchised Business and continuing for 30 days after your Franchised Business opens for business, spend between $2,000 to $5,000 to conduct grand opening advertising and promotion. Within 30 days of the grand opening for your Franchised Business, you must submit evidence to us of your grand opening expenditures.

9. We require that you pay us an Initial Advertising Requirement, which will cost between $2,500 to $5,000, as consideration for certain initial advertising and digital marketing management and placement services that are provided on behalf of your Franchised Business and the System and brand generally, including but not limited to Meta ads and Google ads. The amount of your Initial Advertising Requirement will be determined based on the location of your Protected Area.

10. This estimate includes legal review of your Franchise Agreement and accounting assistance in setting up your books. Additional legal costs in the Area Development chart above reflect additional legal costs you may incur as a result of signing an Area Development Agreement.

11. The Initial Training Fee is also payable upon execution of the Franchise Agreement, and this fee is deemed fully earned and is not refundable upon payment. The low estimate assumes you sent 1 person to our Initial Training Program and the high estimate assumes you send 2 people to our Initial Training Program.

12. This estimate includes the cost of sending your Principal Owner and Manager to attend our Initial Training Program in Los Angeles, California. You must arrange and pay for the transportation, meals and lodging for you and your supervisorial or managerial personnel who attend our Initial Training Program. You will be responsible for any salaries, meals, lodging, other living expenses and transportation costs incurred by your supervisorial or managerial personnel while attending the Initial Training Program. This estimate does not include the pre-opening training salaries for your Manager and employees at your Franchised Business. You will not be required to attend the Initial Training for your second or subsequent Franchised Businesses. The low estimate assumes you sent 1 person to our Initial Training Program and the high estimate assumes you send 2 people to our Initial Training Program.

13. This estimate is designed to cover the initial technology service fees you will be required to pay to our Approved Supplier (currently us) for certain initial technology services that we have currently designated for use in connection with the System and a Franchised Business.

14. You must, at all times, maintain adequate reserves and working capital sufficient for you to fulfill all your obligations under the Franchise Agreement and to cover the risks and contingencies of the Franchised Business for at least 3 months. The estimates provided above include estimated employee wages, including 2 weeks' pre-opening training for 2 supervisorial or managerial personnel, opening cash, and other miscellaneous expenses incurred before opening and during the first 3 months of operations. These estimates do not take into account any finance charges, interest and related costs you may incur if any portion for the initial investment is financed. These amounts are the minimum recommended levels to cover operating expenses, including employees' salaries for 3 months.

15. We relied on the Operating Company's experience in developing and opening the Affiliate-Owned Business to determine these estimates. You should review these estimates carefully with a business advisor before making any decision to purchase the franchise.

16. The Initial Investment to open your first Franchised Business is taken from the first chart in Item 7, entitled Estimated Initial Investment, Single Franchised Business.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as described below, you have no obligation to purchase or lease from us or from suppliers approved by us or according to specifications we issue:

Approved Suppliers. You may only use suppliers that we have accepted and approved ("Approved Suppliers") because they have demonstrated to us their ability to supply products and services for Franchised Businesses meeting our specifications as to brand names, models, contents, manner of preparation, quality, compliance with governmental standards and regulations, reliability with respect to delivery and consistency in the quality of their products or services. We will provide you with the names of our Approved Suppliers and specifications, standards and restrictions on your purchase of products and services after you sign your Franchise Agreement. We may update our list of Approved Suppliers from time to time. You must operate your Franchised Business in strict compliance with the standard procedures, policies, rules and regulations contained in the Manuals. All "Hawks Branded Products" and "Non-Proprietary Products" designated by us for use at or from the Franchised Business must be purchased from Approved Suppliers. "Hawks Branded Products" are products that bear any of the Hawks Marks, including products that are prepared, sold and/or manufactured in strict accordance with our, methods, standards and specifications, including clothing, souvenirs and novelty items. We and our affiliates may be Approved Suppliers or the sole Approved Supplier of Hawks Branded Products.

Approximately 100% of your start-up expenses and 100% of your ongoing expenses, other than fees disclosed in Items 5 and 6, will be for purchases from Approved Suppliers or purchases according to our specifications. If you purchase Hawks Branded Products from us or an affiliate, we or they may derive profits from these purchases. We have no franchisees as of the issuance date of this Disclosure Document, so we have not derived revenue from franchisees' purchases or leases of required products or services from us, but we may do so in the future. We will provide you with our Manuals, Proprietary Materials and various supplemental bulletins and notices that will

contain the specifications, standards and restrictions on your purchase of products and services. You must operate your Franchised Business in strict compliance with the standard procedures, policies, rules and regulations contained in the Manuals and the other Proprietary Materials.

Authorized Hawks Services and Products. You must provide all and only Authorized Hawks Services included in our Manuals and other Proprietary Materials and must offer and sell all and only Authorized Hawks Products according to our specifications. We will not be obligated to reveal our specifications for Hawks Branded Products to you or any third party. You must purchase, use, and maintain in stock a sufficient amount of Authorized Hawks Products and Hawks Branded Products to operate your Franchised Business.

Non-Proprietary Products. We may designate selected non-proprietary equipment, uniforms, supplies, forms, computer hardware, software, modems and peripheral equipment and other products, supplies, services and equipment, other than Hawks Branded Products, which you may or must use or sell at the Franchised Business ("Non-Proprietary Products"). You may use, offer or sell only those Non-Proprietary Products that we expressly authorize. You may purchase them from us or one of our affiliates (if we or they sell them) and Approved Suppliers. Each supplier we approve must comply with our usual and customary requirements regarding insurance, indemnification, and non-disclosure, and satisfy us that it will supply products meeting our specifications (which may include particular brand names, model, contents, quality, freshness and compliance with governmental standards), reliably deliver consistent quality products or services, and meet any other requirements we determine is in the best interest of the Hawks System. We may limit items to a particular brand or brands set by us. To purchase items from us or one of our affiliates, you must use the form of purchase order we provide. We may change our prices, delivery terms and other terms upon prior written notice, but our prices to you will be the same as the prices charged to similarly situated franchisees.

Computer Hardware and Software You must purchase, lease or license all computer hardware and software designated by us for the Franchised Business at your expense. You must maintain and update all computer hardware and software as required by us. (See Item 11).

Standards, Procedures and Curriculums

Your performance of every aspect of your Franchised Business is subject to our standards and procedures. You must comply with all mandatory standards and procedures and use the Proprietary Materials and our Manuals for every camp you conduct.

Recommended Suppliers. If you wish to procure any items from a supplier other than us or an Approved Supplier, you must obtain our approval in the manner described in Section 8.2 of the Franchise Agreement. You must identify the proposed supplier, its name and address, and the item(s) you desire to purchase from that supplier. We may require you to deliver a sample of their product. Our specifications and standards for supplier approval are generally available upon written request. If product specifications for the item are not in the Manuals, we will furnish the general, but not manufacturing, specifications for Non-Proprietary Products to you at your request. We may condition our approval on the supplier agreeing in writing not to disclose any confidential information regarding us or our operations, to comply faithfully with our specifications for the items it sells, to sell any materials bearing our marks only to our franchisees, and on the supplier demonstrating to our reasonable satisfaction that it is able to supply commodities meeting our specifications on a continuing basis, and that the supplier is, and will continue to be, of good standing in the business community with regard to its financial soundness and the reliability of its product and service. We also have the right to require, as a condition of

approval, that our representatives are permitted to inspect the supplier's facilities and that you deliver to us and/or to an independent, certified laboratory designated by us, all information, specifications and samples that we reasonably designate for testing. You must pay us a fee not to exceed the actual cost of the inspection and the testing. In addition to product testing, a facility audit may be required. You will be responsible for any additional costs and expenses, if any, associated with the inspection of the facility and shall pay us, in advance, a deposit of up to $500 before we begin any inspection. We will use our good faith efforts to notify you of our decision in writing of our approval or disapproval of a proposed supplier within 60 days after we receive your request for approval and all requested back-up information. You may not use a supplier unless we notify you of our approval in writing. We may revoke a supplier's approval for failure to comply with our requirements and specifications. We will disapprove or withdraw our approval of any supplier by written notice to you.

Presently there are no purchasing or distribution cooperatives.

Neither we nor our owners are the owners of any suppliers.

Rebates. We may, from time to time, receive rebates from Approved Suppliers based on the aggregate volume of items purchased by franchisees from Approved Suppliers. In addition, we may negotiate certain arrangements, including price terms, for the purchase of certain items, such as logoed paper products and cups for the benefit of our franchisees. We do not provide material benefits to franchisees (for example, renewal or granting additional franchises) based upon their purchase of particular products or services or use of particular suppliers. Your purchase of items from unapproved suppliers, however, constitutes a breach of your Franchise Agreement, which may lead to termination of your Franchise Agreement and other remedies under applicable law. We have no franchisees as of the issuance date of this Disclosure Document, so we have not received any rebates from any Approved Suppliers, but may do so in the future.

Insurance. You must obtain and maintain throughout the term of your Franchise Agreement the types and amounts of insurance required by us and you must provide us with proof of coverage and Certificates of Insurance for all policies of insurance. You must obtain worker's compensation insurance with limits in compliance with your state law and employer's liability insurance with $1,000,000 combined single limit coverage, as well as any other insurance that may be required by statute or rule of the state in which your Franchised Business is located or operated. Additionally, you must obtain: (i) comprehensive general liability insurance and product liability insurance with limits of $1,000,000 combined single limit coverage including the following: broad form contractual liability and personal injury coverage (employee and contractual inclusion deleted) insuring us and you against all claims, suits, obligations, liabilities and damages, including attorneys' fees, for actual or alleged personal injuries or property damage relating to your Franchised Business, provided that the required amounts may be modified periodically by us to reflect inflation or future experience with claims; (ii) automobile liability insurance on company vehicles, including owned, hired and non-owned vehicle coverage, with a combined single limit of at least $1,000,000; (iii) loss of income insurance (in an amount sufficient to cover the continuing license fee and other fees due under the Franchise Agreement for a period of at least 12 months); (iv) employee non-owned automobile insurance with limits of $1,000,000; (vi) cyber-liability insurance with limits of $50,000; and (vii) additional insurance including an umbrella policy with limits of $2,000,000 to $4,000,000. We reserve the right to 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 obtain any insurance as required, we have the right (but not the obligation) to purchase insurance on your behalf and you must reimburse us for our costs related to the purchase of insurance.

Credit Cards. You are required to honor all credit, charge, courtesy and cash cards approved by us in writing. To the extent you store, process, transmit or otherwise access or possess cardholder data in connection with selling Authorized Hawks Products, you are required to maintain the security of cardholder data and adhere to the then-current Payment Card Industry Data Security Standards ("PCI DSS"), currently found at www.pcisecuritystandards.org for the protection of cardholder data throughout the Term of your Franchise Agreement. You are responsible for the security of cardholder data in the possession or control of any of subcontractors you engage to process credit cards. All subcontractors must be identified to and approved by us in writing prior to sharing cardholder data with the subcontractor. You must, if requested to do so by us, provide appropriate documentation to us to demonstrate compliance with applicable PCI DSS requirements by you and all identified subcontractors.

Gift Cards, Loyalty and CRM Programs, Social Media Software. You may not create or issue any gift certificates or gift cards and may only sell gift certificates or gift cards that have been issued or approved by us that are accepted at all Franchised Businesses. You must participate in all gift certificate and/or gift card administration programs as we may designated from time to time. You must honor all coupons, gift certificates, gift cards and other programs or promotions we direct. You must fully participate in all guest loyalty, CRM or frequent customer programs now or in the future adopted or approved by us. You must not issue coupons or discounts of any type for use at the Franchised Business except as approved by us in writing. We may change the designated suppliers of these or similar services in our discretion. You must change, purchase or subscribe to the additional programs or software, as applicable, after we give you notice to do so.

There are no restrictions as to whom you may sell the goods or services.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and Area Development Agreement. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Obligation	Section(s) In Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Not Applicable	Items 8, 11 and 12
b. Pre-opening purchases/leases	Article 5 of the Franchise Agreement; Section 5.2 of the Area Development Agreement	Item 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 5 of the Franchise Agreement; Article 2, Sections 6.1 - 6.2 and Exhibit B of the Area Development Agreement	Items 7, 8 and 11
d. Initial and ongoing training	Sections 6.1-6.2, 7.2 - 7.6 of the Franchise Agreement	Items 6, 11 and 15
e. Opening	Article 5 of the Franchise Agreement	Item 11

Obligation	Section(s) In Agreement	Disclosure Document Item
f. Fees	Article 4 and Section 14.7 of the Franchise Agreement; Section 3.4, Article 4, Sections 9.4.7 and 9.6 and Exhibit B of the Area Development Agreement	Items 5, 6 and 7
g. Compliance with standards and policies/Manuals	Section 7.1, 7.15, 7.24 of the Franchise Agreement; Articles 6 and 16 of the Area Development Agreement	Item 11 and 16
h. Trademarks and proprietary information	Articles 9 and 11 of the Franchise Agreement; Articles 7 and 8 of the Area Development Agreement	Items 11, 13, 14 and 16
i. Restrictions on products/services offered	Article 8 of the Franchise Agreement; Section 6.2 of the Area Development Agreement	Items 8 and 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Sections 2.1 - 2.5, and 7.31 of the Franchise Agreement, and 6.1 of the Area Development Agreement	Item 12
l. Ongoing product/service purchases	Section 7.8, Article 8 and Section 10.5 of the Franchise Agreement	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	Not Applicable	Items 7 and 16
n. Insurance	Article 13 of the Franchise Agreement	Items 7 and 8
o. Advertising	Article 10 of the Franchise Agreement	Items 6 and 11
p. Indemnification	Section 18.4 of the Franchise Agreement; Section 14.4 of the Area Development Agreement	Items 12 and 17
q. Owner's participation/ management/staffing	Section 7.10 of the Franchise Agreement	Item 15
r. Records and reports	Article 12 of the Franchise Agreement	Items 6 and 17
s. Inspections and audits	Section 12.4 of the Franchise Agreement	Items 6 and 17
t. Transfer	Article 14 of the Franchise Agreement; Articles 9 and 10 of the Area Development Agreement	Items 6 and 17
u. Renewal	Sections 3.2-3.4 of the Franchise Agreement; Sections 3.2-3.4 of the Area Development Agreement	Items 6 and 17

Obligation	Section(s) In Agreement	Disclosure Document Item
v. Post-termination obligations	Article 17 of the Franchise Agreement; Article 12 of the Area Development Agreement	Items 6 and 17
w. Non-competition covenants	Article 15 of the Franchise Agreement; Article 13 of the Area Development Agreement	Item 17
x. Dispute resolution	Article 15 of the Franchise Agreement; Article 19 of the Area Development Agreement	Item 17
y. Taxes & Permits	Sections 4.10 and 4.12 of the Franchise Agreement	Items 1, 7 and 11
z. Computer hardware and software	Section 7.7 of the Franchise Agreement	Items 8 and 11
Other: Security Interest	Section 4.13 of the Franchise Agreement	Item 7

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligations.

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

Except as listed below, Hawks Kids Inc. is not required to provide you with any assistance.

Before Opening

Before you open your Franchised Business, we (or our designee) will provide the following assistance and services to you:

1. **Office**. We do not require you to lease or rent an office for your Franchised Business and you may operate your Franchised Business from your home. However, if you cannot or do not wish to operate your Franchised Business from your home, your office space must be at least 500 square feet in size and we must approve the location. The factors we take into account in considering a site for your office are the general location and neighborhood, the quality of the building, access, adequate parking, and the lease terms. We will approve or reject the sites you submit for your office location within 2 weeks after we receive all information necessary to evaluate the sites. (Franchise Agreement, Section 2.7).

2. Pre-Opening Initial Training Program. We will provide our Pre-Opening Initial Training Program at our corporate office or at a various public parks in your Protected Area and/or Development Area for up to 2 supervisorial or managerial personnel, selected by you, who must be the Principal Owner and Manager. You must pay our Initial Training Fee for our Initial Training Program. If you desire to send additional supervisorial or managerial personnel to our Pre-Opening Initial Training Program, you must pay us a Pre-Opening Additional Initial Training Fee of $750 per day for each additional trainee. (Franchise Agreement, Section 6.1). We may

provide any or all portions of the Pre-Opening Initial Training Program, and/or pre-opening on-site opening assistance remotely over a virtual communication platform designated by us. (Franchise Agreement, Section 6.2).

3. Manuals. After you sign your Franchise Agreement, we will provide you with access to our operations and training manuals ("Manuals") to use during the term of the Franchise Agreement. The Manuals contain our standard operational procedures, policies, rules and regulations with which you must comply. The Manuals currently contain 120 pages. We may, from time to time, update or change the Manuals in our sole discretion. (Franchise Agreement, Section 6.5). We will allow you to review our Manuals before you sign the Franchise Agreement. You must, however, sign a Confidentiality Agreement (attached to this Disclosure Document as Exhibit C) promising not to reveal any of the information contained in the Manuals in any form or in any way without our permission. You must operate your Franchised Business in compliance with the terms of your Franchise Agreement and the Manuals. You alone will exercise day-to-day control over all operations, activities and elements of your Franchised Business, including over your employees. Under no circumstance will we do so or be deemed to do so. The various requirements, restrictions, prohibitions, specifications and procedures of the Hawks System with which you must comply under the Franchise Agreement and the Manuals 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 Franchised Business, but only constitute standards to which you must adhere when exercising your control over the day-to-day operations of your Franchised Business consistent with our policies. (Franchise Agreement, Section 7.1).

4. Hawks Proprietary Materials. After you sign your Franchise Agreement, we will provide you with access to the Hawks Proprietary Materials. (Franchise Agreement, Section 6.3).

5. Approved Suppliers. We will designate our Approved Suppliers for you after you sign your Franchise Agreement for Hawks Branded Products, Hawks Branded Products and Non-Proprietary Products that we designate for use and sale at your Franchised Business must be purchased from Approved Suppliers. (Franchise Agreement, Section 8.1).

6. Training. We provide an initial training program described below (Franchise Agreement, Sections 6.1 and 7.2).We will not provide general business or operations training to your employees or independent contractors; however, we may provide limited training on the Hawks System and brand standards to your key employees. You will be responsible for training your employees and independent contractors, including any training on the day-to-day operations of the Franchised Business. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of the Franchised Business. We do not provide you with any assistance in hiring employees or training them.

7. Disclosure Document. If you sign a Development Agreement, we will give you a copy of our then-current Disclosure Document, if required by applicable law, together with a copy of our then-current Franchise Agreement for your Franchised Business. (Development Agreement, Section 18.22).

8. Virtual Training. We may provide any or all portions of the Initial Training Program, Additional & Refresher Training Program and/or pre-opening on-site opening assistance remotely over a virtual communication platform designated by us. (Franchise Agreement, Section 6.2).

Post-Opening Obligations

We have the following obligations to you during the operation of your Franchised Business:

1. Opening Assistance Team. We will provide you with up to a two-person opening assistance team experienced in the Hawks System for up to 1 week before and 1 week after the opening date of your Franchised Business. (Franchise Agreement, Section 6.1.2).

2. Products. We will designate Hawks Branded Products and Non-Proprietary Products which you may or must stock and promote. (Franchise Agreement, Sections 8.3).

3. Manuals. We will continue to provide you with access to our Manuals during the term of your Franchise Agreement which may include audio, video, compact disks, computer software, other electronic media and/or written materials. We may, from time to time, update or change the Manuals in our sole discretion. You will be given the opportunity to view the Manuals before you sign the Franchise Agreement. (Franchise Agreement, Section 6.5).

4. Hawks Proprietary Materials We will permit you to use the Hawks Proprietary Materials during the term of your Franchise Agreement. (Franchise Agreement, Section 6.3).

5. Hawks Marks and System. We will permit you to use the Hawks Marks and Hawks System during the term of your Franchise Agreement. (Franchise Agreement, Section 2.1).

6. Confidential Information. We will provide you with access to our confidential information during the term of your Franchise Agreement. (Franchise Agreement, Section 11.1).

7. Local Advertising. We will approve or disapprove samples of all local advertising materials and descriptions of all local advertising programs, not prepared or previously approved by us, before they are used. You may not use any advertising material or program or use the Hawks logo or trademarks in any public manner without our prior written approval. (Franchise Agreement, Section 10.2).

8. Post-Opening Consultation. We may provide regular consultation and advice to you in response to inquiries from you regarding administrative and operating issues that you bring to our attention. We may make recommendations that we deem appropriate to assist your efforts. However, you alone will establish all requirements, consistent with our policies, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom you will offer and sell your services and products; and (iii) the suppliers from whom you obtain any products or services used in or at the Franchised Business for which we have not established Approved Suppliers. (Franchise Agreement, Section 6.6).

9. Post-Opening Initial Training Programs. Following the commencement date of the Franchised Business, we may, if requested, and at our discretion, provide additional Initial Training Programs for new or replacement supervisorial or managerial personnel of yours. (Franchise Agreement, Section 6.2).

10. Post-Opening Additional and Remedial Training Programs. We may provide additional and remedial training programs. (Franchise Agreement, Section 6.2). We may provide all or any portions of the Post-Opening

Initial Training Programs, Post-Opening Additional Training Programs, post-opening on-site opening assistance, post-opening consultations and/or post-opening inspections remotely over a virtual communication platform designated by us. (Franchise Agreement, Section 6.2).

11. Post-Opening Reviews and Inspections. We may examine the Franchised Business to confer with your supervisorial or managerial employees, inspect and check operations, supplies, fixtures and equipment, and determine whether the Franchised Business is being operated in accordance with the Franchise Agreement, the Hawks System and the Manuals. (Franchise Agreement, Section 6.6).

12. Pricing Guidelines. We may provide pricing guidelines for Authorized Hawks Products, subject to applicable law. (Franchise Agreement, Section 7.27).

13. Toll Free Telephone Number. We may now or in the future establish a toll free telephone number for the purpose of accepting and confirming customer orders nationwide, customer service, and customer follow-up and satisfaction surveys. If we establish a toll free number, you must comply with our procedures for implementing the nationwide service as we specify in the Manuals or otherwise in writing. (Franchise Agreement, Section 6.7).

14. Hawks System. We may modify, update or change the Hawks System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new products, new menu items, new equipment or new technology. (Franchise Agreement, Sections 6.3, 6.5, 7.1).

15. Virtual Training and Inspections. We may provide all or any portions of the Additional & Refresher Training Program, post-opening on-site opening assistance, post-opening consultations and/or post-opening inspections remotely over a virtual communication platform designated by us. (Franchise Agreement, Section 6.2).

16. Annual Franchisee Conference. We may hold an Annual Franchisee Conference for Hawks Franchisees each year. (Franchise Agreement, Section 7.21).

17. Franchisee Advisory Council and Selection. We may form a franchise advisory council to provide advice and suggestions regarding specified matters to us. (Franchise Agreement, Section 6.9).

Length of Time to Open Franchised Businesses

You must begin operation of your Franchised Business within 6 months after signing your Franchise Agreement, unless we agree otherwise. (Franchise Agreement, Article 5). A Franchised Business usually opens for business 6 to 8 weeks after the Franchise Agreement is signed. Factors which may affect the length of time between signing of the Franchise Agreement and opening for business include the time necessary to: identify a Protected Area which we will accept; obtain any financing you need; obtain required permits and governmental agency approvals; fulfill local ordinance requirements; and complete the hiring and training of personnel. You may begin operation of your Franchised Business under the Area Development Agreement only by signing a Franchise Agreement. As noted above, we estimate the length of time between signing a Franchise Agreement and the beginning of operation of your Franchised Business is 12 weeks.

Computer Hardware and Software

You must purchase, lease or license all computer hardware and software we designate (the "Computer System") for your Franchised Business at your expense. The Computer System will manage the daily workflow of the Franchised Business, coordinate the customer ordering experience and other information. You must record all revenue on the Computer System. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the Gross Revenue of your Franchise and must run programs designated by us to allow us to extract the revenue and service mix information of your Franchise. You must also maintain a business class Internet connection for the Franchised Business. Business class Internet consists of a service with a service level agreement of minimal speed guarantee, uptime, and static IP, which guarantees service when needed. We estimate the cost of purchasing the Computer System will be approximately $3,500 to $5,000. During the term of your Franchise Agreement, you must maintain and update the Computer System as we required. (Franchise Agreement, Section 7.7). We anticipate that the cost of maintenance and/or upgrades will not exceed $1,000 per year.

Website

We have registered the Internet domain name www.hawkskids.com and have established a site using this domain name. You acknowledge that the domain name is our sole property. You may not use in any manner, any computer medium or electronic medium (for example, any Internet home page, e-mail address, website, domain name, URL, bulletin board, newsgroup or other Internet related medium or activity) that contains the Hawks Marks, or any other words, symbols or terms confusingly similar to the Hawks Marks without our express prior written consent. We may include on our Internet website interior pages that identify Franchised Businesses, including your Franchised Business. (Franchise Agreement Sections 10.7 and 10.8).

We have the sole right to market on the Internet and use the Hawks Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, cobranding and other arrangements, and in all other forms of electronic media. You may not separately register any domain name or any portion of a domain name containing the Hawks Marks or participate or market on any website or other form of electronic media (including social technology, social media and social networking platforms) using the Hawks Marks unless you first obtain written approval from us. Your general conduct on the Internet or other forms of electronic media, including your use of the Hawks Marks or any advertising, is subject to the terms and conditions of the Franchise Agreement and any other rules, requirements or policies that we may identify. (Franchise Agreement, Sections 2.3 and 10.7).

Social Media

In order to maintain a consistent image and message and to protect the Hawks Marks and Hawks System, you must not participate or market through the use of social technology, social media such as Facebook, Instagram, Pinterest and Twitter, social networking platforms or other forms of electronic media not yet developed ("Social Media Platforms") using the Hawks Marks, or in connection with your Franchised Business, without our prior written consent. If you separately register any Social Media Platform account (a "Social Media Account") containing the Hawks Marks or related to your Franchised Business, whether with our prior consent or not: (i) you must promptly notify us and provide us with all necessary information related to the Social Media Account we require or demand, without compensation to you; and (ii) the Social Media account will become our property,

without compensation to you. We will be the sole owner of all related intellectual property rights in all Social Media Accounts and all content posted on Social Media Accounts. (Franchise Agreement, Section 10.7).

Intranet

We do not currently operate an Intranet, but may establish one in future. We reserve the right to establish an Intranet in the future through which our franchisees may communicate with each other, and through which we may communicate with you and may disseminate the Manuals, updates and other confidential information to you. If implemented, we may discontinue the Intranet at any time in our sole discretion. If implemented, you may be required to establish and maintain an electronic connection with the Intranet that allows us to send messages to and receive messages from you and pay a fee for service. You may incur a fee for such service, which we estimate will be approximately $10 per month. We will have sole discretion and control over all aspects of the Intranet, including the content and functionality of the Intranet. You will have the privilege, but not the right, to use the Intranet, subject to your compliance with our policies. (Franchise Agreement Section 7.17).

Hawks Advertising Fund

We have established an advertising fund (the "Advertising Fund") to promote and enhance the image, brand identity and patronage of Franchised Businesses. (Franchise Agreement, Section 10.1). You must contribute to the Advertising Fund the amount of Advertising Fund Fees that we specify, which is currently the greater of 2% of your Gross Revenue or $100 for the first 6 months you operate your Franchised Business and 2% of Gross Revenue beginning on the 7th month of operation and thereafter. We reserve the right to increase the Advertising Fund Fees up to 4% of Gross Revenue upon 90 days' written notice to you. (Franchise Agreement, Section 4.4). Affiliate-Owned Businesses may, but are not required to, contribute to the Advertising Fund. If they do, they may not be required to contribute the same percentage as you and may stop contributing at any time without notice to you. (Franchise Agreement, Section 10.1).

The Advertising Fund will be administered by us and will be used to meet the costs of conducting advertising and promotional activities. The Advertising Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials employing advertising agencies, sponsorship of sporting, charitable or similar events, administering regional and multi-regional advertising programs including purchasing direct mail and other media advertising, and employing advertising agencies to assist with advertising efforts, supporting public relations, market research and other advertising and promotional activities, campaigns, test marketing, marketing surveys, public relations activities, website development/operation for portal, Internet, Intranet and URL services and for 800 or similar numbers. The Advertising Fund is intended to maximize general public recognition and acceptance of the Hawks Marks for the benefit of Hawks System. The administrator will not be obligated, in administering the Advertising Fund, to make expenditures for you in your Protected Area that are equivalent or proportionate to your contribution, or to ensure that you benefit directly or pro rata from the advertising or promotion conducted under the Advertising Fund. (Franchise Agreement, Section 10.1.2). Your Advertising Fund Fees will be held in an account separate from our other funds. Your Advertising Fund Fees will not be used to defray any expenses of ours or the administrator's, except for the reasonable costs and overhead, if any, as each may incur, such as the costs of personnel for creating and implementing promotional and advertising programs. Any unused monies in the Advertising Fund at the end of any year will be used in the next fiscal year. Our printed materials and website may also contain references stating that "Franchises Are Available" and/or that "Each Franchised Business Franchise Is Independently Owned and Operated" to promote the sale of franchises for Franchised Businesses. With this exception, no portion of the Advertising Fund will be used to solicit or to sell

Franchised Business franchises to prospective franchisees. (Franchise Agreement, Section 10.1.3). No more than once a year, we will prepare an annual unaudited accounting of the Advertising Fund and upon request distribute the accounting to Hawks Franchisees. The annual accounting will state the total amount of money collected and spent by the Advertising Fund during the previous year and will list, by general category, the manner in which we spent the money. The report will not be separately audited. (Franchise Agreement, Section 10.1.1).

Local Advertising and Digital Marketing

In addition to any Advertising Fund Fees, you are required to pay us, you must spend at least 5% of your Gross Revenue each calendar quarter on local advertising and promotion of your Franchised Business. Under the terms of the Franchise Agreement, we may, on 30 days' written notice to you, require you to spend up to 6% of your Gross Revenue each calendar quarter on local advertising and promotion of your Franchised Business. All advertising must meet our specifications in our Manuals. You must submit to us before use, samples of all local advertising materials, and descriptions of all local advertising programs, not prepared or previously approved by us, for our approval. You may not use any advertising material or program or use the Hawks logo or trademarks in any public manner without our prior written approval. (Franchise Agreement, Section 10.2). In addition, you must also pay our Approved Supplier for digital marketing services (the "Digital Marketing Requirement") that are provided on an ongoing basis. Currently, we are the only Approved Supplier for digital marketing services. Currently, you must pay our Approved Supplier $500 per month or 5% of Gross Revenue, whichever is greater, up to $1,500 per month. We reserve the right to require that the Digital Marketing Requirement funds be paid, in whole or in part, to any Approved Supplier we designate. (Franchise Agreement, Section 10.2).

Cooperative Advertising Programs

We may, in the future, establish programs for co-operative advertising ("Cooperative Advertising Programs") to coordinate advertising, marketing efforts and programs, to serve as a conduit for the collection and expenditure of the contributed funds and to maximize the efficient use of local and/or regional marketing media. If we create a Cooperative Advertising Program for a defined coverage area (an "Advertising Coverage Area") in which your Franchised Business is located, you (and, if we or an affiliate own a Franchised Business in the Advertising Coverage Area, then we and/or our affiliate), must become a subscriber and member of the Cooperative Advertising Program and must participate in the Cooperative Advertising Program in the manner we prescribe. The size and content of an Advertising Coverage Area will be binding upon you and all other similarly situated Franchised Franchisees. Each participating Hawks Franchisee will be entitled to one vote for each Franchised Business located within the Advertising Coverage Area as we may determine. (Franchise Agreement, Section 10.3).

You and all other members of the Advertising Coverage Area whose Franchise Agreements require their participation in the Cooperative Advertising Program, will contribute to the Cooperative Advertising Program the amounts that are determined by us and 50% or more of the participating Franchised Businesses in the Cooperative Advertising Program (not to exceed 2% of the Gross Revenue of each participating Franchised Business located in the Advertising Coverage Area). (Franchise Agreement, Section 10.3.1). Any amount you must contribute to the Cooperative Advertising Program will be credited against the amount which you must spend on local advertising under your Franchise Agreement. (Franchise Agreement, Section 103.1).

We will administer the Cooperative Advertising Program and determine the policies of the Cooperative Advertising Program and the use of the available funds for media time, production of media materials, radio,

television, newspapers, or local advertising materials such as flyers or posters, or for any other type of advertising or marketing use. We reserve the right to establish general standards concerning the operation of the Cooperative Advertising Program, advertising agencies retained by the Cooperative Advertising Program, and advertising conducted by the Cooperative Advertising Program. Any disputes (other than pricing) arising among or between you, other Hawks Franchisees, and/or the Cooperative Advertising Program will be resolved by us and our decision will be final and binding on all parties. (Franchise Agreement, Section 10.3.2).

Grand Opening Advertising and Promotion

You must, during the period beginning 30 days before the scheduled opening of your Franchised Business and continuing for 30 days after your Franchised Business opens for business, spend between $2,000 to $5,000 to conduct grand opening advertising and promotion. Within 30 days of the grand opening for your Franchised Business, you must submit evidence to us of your grand opening expenditures. You will also be required to pay us between $1,500 to $2,500 on Grand Opening Marketing pop up kits, flyers, influencer seeding. (Franchise Agreement, Section 10.4).

Fund Reimbursement Programs. If you are in good standing with us and our affiliates, we may, from time to time, but are not obligated to, grant you the right to receive reimbursement from the Advertising Fund for your actual paid expenditures for local advertising programs which we have pre-approved and utilized for the benefit of the Franchised Business, up to a maximum amount we will establish, until we terminate the Fund Reimbursement Program. Within 30 days after the end of each calendar year following the institution of any Fund Reimbursement Program, you must provide us with copies of all payments you have issued during the preceding calendar year which evidence your expenditures and payment for pre-approved local advertising programs utilized for the benefit of the Franchised Business. We will review the evidence of these expenditures and, if the same is satisfactory, cause the Advertising Fund to reimburse you, within sixty 60 days, for your expenditures, up to a maximum percentage of the Advertising Fees you paid to the Advertising Fund during the preceding calendar year, as we establish. If you are entitled to reimbursement from the Advertising Fund for pre-approved local advertising programs utilized for the benefit of the Franchised Business during the preceding calendar year but fail to make application for reimbursement with us within 30 days after the end of each calendar year following the institution of the Fund Reimbursement Program, the full amount of your potential reimbursement will remain in the Advertising Fund and you will no longer have any right to reimbursement for expenditures for the subject calendar year. We may terminate any Fund Reimbursement Program we establish at any time, upon 90 days' notice to you. (Franchise Agreement, Section 10.5).

Additional Advertising Expenditure. We may, from time to time, but shall not be obligated to, require you to temporarily spend all or a portion of the Advertising Fund Fees you pay into the Advertising Fund on local marketing, in addition to your local advertising expenditure (the "Additional Advertising Expenditure"). Within 30 days after the end of each calendar year following the institution of any required Additional Advertising Expenditure, you must provide us with copies of all payments you issued during the preceding calendar year which evidence the Additional Advertising Expenditure for pre-approved local advertising programs utilized for the benefit of the Franchised Business. If you make payments to the Advertising Fund, spend the Additional Advertising Expenditure on pre-approved local advertising programs utilized for the benefit of the Franchised Business and provide us with satisfactory evidence of payment for the same, we will reimburse you for the amount of the Additional Advertising Expenditure from the Advertising Fund up to the amount of the Advertising Fund Fees you paid into the Advertising Fund during the prior calendar year. If you fail to make your payments to the Advertising Fund, fail to provide us with satisfactory evidence of payment, or fail to spend

the required Additional Advertising Expenditure on pre-approved local advertising programs utilized for the benefit of the Franchised Business, you shall contribute any deficit to the Advertising Fund upon demand. (Franchise Agreement, Section 10.1.4).

Promotional Campaigns

We may conduct promotional campaigns on a national or regional basis to promote products or advertising themes. You must participate in all promotional campaigns which we may establish for the region in which your Franchised Business is located. (Franchise Agreement, Section 10.6).

Pre-Opening Initial Training Program

We will provide a Pre-Opening Initial Training Program in the Hawks System and methods of operation at our training facilities and/or your Protected Area, for up to 2 supervisorial or managerial persons selected by you who must be the Principal Owner and the Manager. If you send more than 2 people to the Initial Training Program, you must pay our then-current Pre-Opening Additional Initial Training Fee per additional trainee. Your supervisorial and managerial personnel must attend and complete the Pre-Opening Initial Training Program to our satisfaction. The Pre-Opening Initial Training Program will consist of approximately 5 days of training at our training facilities in Los Angeles, California prior to the opening of your first Franchised Business which must be completed a minimum of 30 days before the Franchised Business Opens for business, 5 days in your Protected Area, and our on-site opening assistance for up to 1 week before and 1 week after your Franchised Business opens for business. We will not be obligated to provide any initial training or the Pre-Opening Initial Training Program to you if you, your affiliates or Owners own a Franchised Business upon signing the Franchise Agreement or if the Franchise Agreement is signed as a renewal Franchise Agreement. However, we may, upon your request, and if we choose and believe it is necessary, provide you and/or your supervisorial and managerial personnel with 1-2 weeks of training in such circumstances. You must pay all travel, living, compensation, and other expenses incurred by you and your supervisorial and managerial personnel to attend the Pre-Opening Initial Training Program. (Franchise Agreement, Section 6.1).

PRE-OPENING INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction to Hawks Programs + Example Day + Native Plant Walk	16	8	Affiliate-Owned Business (Los Angeles, CA), your Protected Area or Virtual Communications Platform
Games & Arts & Crafts Overview + Introduction to Dealing with Behavior Issues + Native Animal Identification	16	8	Affiliate-Owned Business (Los Angeles, CA), your Protected Area or Virtual Communications Platform
Admin Day + Behavior Resources	8	0	Affiliate-Owned Business (Los Angeles, CA), your Protected Area or Virtual Communications Platform
Class Shadowing	0	8	Affiliate-Owned Business (Los Angeles, CA), your Protected

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
1-2 ASE Days or 1 Full Day Camp			Area or Virtual Communications Platform
Trail Scouting	0	16	Affiliate-Owned Business (Los Angeles, CA), your Protected Area or Virtual Communications Platform
TOTAL	40	40	

The entire training program consists of 5 days of pre-opening training in Los Angeles, 5 days in your Protected Area and our on-site opening assistance for up to 1 week before and 1 week after your Franchised Business opens for business. Training will be conducted as often as necessary to ensure that franchisees complete training before their Franchised Business opens. The primary instructional material for the Pre-Opening Initial Training Program will be the Manuals and Hawks Proprietary Materials. There will be no additional charge for training material. The Pre-Opening Initial Training Program will be conducted by Jacob Walker and Colette Bartel who have been with us since our inception and have 2-4 years of experience in the subjects taught.

Your Principal Owner and Manager or other supervisorial or managerial personnel must faithfully attend all phases of the Pre-Opening Initial Training Program and complete it to our satisfaction, as certified by us in writing. Your failure to successfully complete any aspect of the Pre-Opening Initial Training Program, within 6 months after signing your Franchise Agreement, as we determine in our sole discretion, constitutes grounds for termination of your Franchise Agreement. (Franchise Agreement, Section 7.2). We may allow you to retake the Pre-Opening Initial Training Program in our sole discretion. You must pay expenses of travel, lodging, meals and wages incurred by you and your supervisorial and managerial personnel while attending any of our training programs.

On-Site Opening Assistance

For your first Franchised Business, we will provide a up to a 2-person on-site training and assistance to your supervisorial or managerial staff for up to 1 week before and 1 week after your Franchised Business begins operations. You must pay us our then-current daily fee each of our representatives that provides the on-site training and assistance. We will not provide any on-site assistance for your second and subsequent Franchised Businesses. We will select the representatives providing the on-site training and we may vary the length of time that on-site training is provided. (Franchise Agreement, Section 6.1.2). You must notify us at least 30 days in advance of the scheduled date (the "Commencement Date") that you will have all permits necessary to begin operation of the Franchised Business to allow us to schedule a date for our on-site opening assistance for your first Franchised Business. (Franchise Agreement, Section 7.3).

Post-Opening Additional Training Program

In our discretion, we may require you, your Principal Owner, Managers and/or other supervisorial or managerial personnel to attend additional and remedial training programs ("Post-Opening Additional Training Programs") from time to time. If we provide you with any Post-Opening Additional Training Programs, you must pay us our then-current daily fee each of our representatives that provides the Post-Opening Additional Training Programs to defray our direct costs of providing the Post-Opening Additional Training Programs. (Franchise Agreement, Sections 6.2 and 7.5). In addition, you must pay all transportation costs, food, lodging and similar costs incurred

in connection with your and their attendance at the Post-Opening Additional Training Programs. (Franchise Agreement, Section 7.5).

Virtual Training and Assistance.

We may provide all or any portions of the Pre-Opening Initial Training Program, Post-Opening Initial Training Programs, Post-Opening Additional Training Programs, post-opening on-site opening assistance and/or post-opening consultations remotely over a virtual communication platform designated by us. (Franchise Agreement, Section 6.2).

Franchise Advisory Council

We may establish a franchise advisory council (the "Council") to provide advice and suggestions regarding specified matters to us. If Council is formed, it will consist of Hawks Franchisees selected by us ("Franchisee Members"). Franchisee Members must be in good standing and are selected from any national or international regions that we decide. The Franchisee Members are not required to be from different regions. The Council may also consist of our corporate employees and/or members of a public relations firm selected by us. If a Council is formed, the purpose of the Council will be to provide constructive, open and two-way communications between Hawks Franchisees and us. In particular, the Council will provide a cooperative forum for the Council members to receive and discuss information, to provide input, advice and planning regarding various limited and specified matters and to encourage each franchise owner to remain in good standing as the Hawks System grows and develops through fostering communications between Hawks Franchisees and us. (Franchise Agreement, Section 6.9).

Annual Franchisee Conference

We may hold an Annual Franchisee Conference for Hawks Franchisees each year. Your Principal Owner and each Manager must attend the Annual Franchisee Conference. You must pay us a Franchise Conference Fee of $500 per person to reimburse us for a portion of the direct costs to provide the Annual Franchisee Conference. You must pay the Franchise Conference Fee upon demand at least 30 days before the date of the Annual Franchisee Conference, whether or not you attend the Annual Franchisee Conference. (Franchise Agreement, Section 7.21).

ITEM 12
TERRITORY

Franchise 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.

You will be granted a protected territory ("Protected Area") as described in the Franchise Agreement. Your Protected Area will be determined by us and designated before you sign your Franchise Agreement. Factors that we consider in determining the size of your Protected Area include the demographics, population size, age and income levels, road visibility and traffic patterns. Provided you are not in default under your Franchise Agreement, we will not own, operate, sell or issue a franchise to another franchisee in your Protected Area. There

are no other radius restrictions or minimum population requirements that limit where we can franchise or operate another Hawks Business.

We expressly reserve the exclusive, unrestricted right, in our sole and absolute discretion, directly and indirectly to: (i) own, own and operate, and to grant franchises to third parties to own, own and operate, Franchised Businesses outside the Protected Area, regardless of their proximity to your Franchised Business; (ii) own, own and operate, and to grant franchises to third parties to own, own and operate any other business, including a Business, other than a "Competitive Business," under marks and systems different from the Hawks Marks and the Hawks System within and outside the Protected Area; (iii) sell or distribute, at retail or wholesale, directly or indirectly, or license others to sell or distribute, Authorized Hawks Products within and outside the Protected Area, through the Internet, mail order catalogs, direct mail advertising and through other distribution methods; (iv) market on the Internet and use the Hawks Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements, and in all other forms of electronic media; (v) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Franchised Businesses and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; (vi) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any business providing products and services similar to those provided at Franchised Businesses, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses; and (vii) engage in all other activities that the Franchise Agreement does not expressly prohibit. We are not required to pay you any compensation if we exercise any of the rights specified above inside your Protected Area.

"Competitive Business" means any Business which offers a nature-based day camps, summer camps, birthday parties and/or other nature-based school enrichment programming and any business which looks like, copies, imitates, or operates with similar trade dress or décor to a Franchised Business.

No restrictions exist on us or any of our franchisees as to the areas (including those outside their Protected Areas) from which they may solicit or accept business and we and all of our franchisees are free to advertise or solicit business from any area desired, subject to the general controls on advertising contained in the Franchise Agreement. Under the Franchise Agreement, continuation of your location rights does not depend upon the volume of revenue generated or on your penetration of the market potential. You do not have the right to acquire additional franchises, options, rights of first refusal or similar rights to acquire additional franchises, although you may apply for the right to operate additional Franchised Business under separate Franchise Agreements.

You are not permitted to use and display the Hawks Marks or use the System outside your Protected Area. Other than the rights granted to you for your Protected Area, you do not have any right to exclude, control, or impose conditions on the location or development of any Franchised Business, other business, store or any other method of distribution under the Hawks trademark or any other trademark.

Right of First Refusal for Contiguous Territory

If you are in good standing under your Franchise Agreement, our Manuals and any other agreements between us, and we believe that you are qualified to operate a Franchised Business in an additional Protected Area at the time, in our sole discretion, you will have a limited right of first refusal to purchase additional franchises for territories contiguous to your Protected Area (a "Contiguous Territory") that are not National Accounts or subject to a Development Agreement. Before we sell a franchise for a Contiguous Territory to a third-party, we will

provide you with written notice with the proposed general terms and conditions of the sale and you will have 30 days to elect to purchase the franchise for the Contiguous Territory on the terms and conditions in the notice. If you elect to purchase the franchise for the Contiguous Territory, you must give us written notice of your decision to do so. You must comply with our then-current qualification and training requirements, sign our then-current Franchise Agreement for the Contiguous Territory and pay us our then-current Initial Franchise Fee, and sign a general release of all claims which you may have or believe to have against us. If you do not elect to purchase the franchise for the Contiguous Territory within the 30 day period, we can sell the franchise for the Contiguous Territory on the general terms and conditions we presented to you without any further offer to you.

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.

Under the Area Development Agreement, we grant you the right to own and operate a specified number of Franchised Businesses at venues in a specified development area ("Development Area"), subject to our approval. The Development Area may be one or more cities, counties, states, or some other defined area. During the term of the Area Development Agreement, we will not operate or grant a license or franchise to any other person to operate a Franchised Business in your Development Area. We will determine the Development Area when you sign an Area Development Agreement and the Protected Area under the Franchise Agreement at the time each Franchise Agreement is signed, and our then-current standards for determining Protected Areas will apply.

We expressly reserve the exclusive, unrestricted right, in our sole and absolute discretion, directly and indirectly to: (i) own, own and operate, and to grant franchises to third parties to own, own and operate, Franchised Businesses outside the Development Area, regardless of their proximity to the Development Area; (ii) own, own and operate, and to grant franchises to third parties to own, own and operate any other business, including a business, other than a competitive business, under marks and systems different from the Hawks Marks and the Hawks System within and outside the Development Area; (iii) sell or distribute, at retail or wholesale, directly or indirectly, or license others to sell or distribute, Authorized Hawks Products within and outside the Development Area, through the Internet, mail order catalogs, direct mail advertising and through other distribution methods; (iv) market on the Internet and use the Hawks Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements, and in all other forms of electronic media; (v) acquire, open and operate and grant licenses and franchises to third parties to own, open and operate, other businesses at any location within or outside of the Development Area regardless of their proximity to the Development Area; (vi) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Franchised Businesses or franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; (vii) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any business providing products and services similar to those provided at Franchised Businesses, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses; and (viii) engage in all other activities that the Area Development Agreement does not expressly prohibit. We are not required to pay you any compensation if we exercise any of the rights specified above.

If you fail to meet any of your obligations under the Area Development Agreement, including the development obligations, or commit a material breach of any Franchise Agreement signed by you under the Area Development Agreement, or a material breach of any other agreement between you and us, we may terminate your right to

open, own and operate new Franchised Businesses in the Development Area. The termination of your right to open, own and operate additional Franchised Businesses in your Development Area, however, will not terminate any rights granted under the Franchise Agreements then in effect between you and us, absent a breach of the Franchise Agreement itself. After the expiration of the term of your Area Development Agreement, we may own, operate, franchise or license others to operate additional Hawks businesses anywhere, without restriction, including in your Development Area, subject only to the territorial rights reserved to you in the individual Franchise Agreements.

You must, during the first 12 months following the effective date of your Franchise Agreement, enroll no less than 200 campers. During months 13 – 24 following the effective date, you must enroll no less than 500 campers. After the 24th month following the effective date, you must enroll no less than 500 campers each year during the remaining Initial Term. Your failure to do so will constitute a default under your Franchise Agreement and will permit us to (i) reduce or eliminate your territorial rights in the Development Area and develop, own and operate or grant licenses and franchises to other Hawks Franchisees to develop, own and operate, Franchised Businesses at any location within the Development Area; or (ii) terminate the Area Development Agreement.

Upon the termination or expiration of the Area Development Agreement; (i) you will have no further right to own additional Franchised Businesses in the Development Area and no further rights or obligations under the Area Development Agreement; (ii) you will have the right to continue to own and operate Franchised Businesses you opened prior to the expiration date under Franchise Agreements with us that remain in full force and effect on the expiration date; and (iii) we may, but are not required to, own, own and operate, and grant franchises to third parties to own, own and operate Franchised Businesses within or outside of the Development Area, without restriction, subject only to the territorial rights that are granted to you under your Franchise Agreements for your Franchised Businesses in the Development Area.

You are not granted any options, rights of first refusal or similar rights to acquire additional franchises within the Development Area. If you wish to further own Franchised Businesses in the Development Area, you must notify us in writing within 180 days before the expiration of your Area Development Agreement. If we believe that the renewal development obligation proposed by you is acceptable, we will deliver our then-current Area Development Agreement to you. If the proposed additional development obligation is not acceptable to us, we will agree to negotiate with you in good faith for 60 days to try to agree upon a mutually acceptable development schedule. If you do not exercise your right to sign a new Area Development Agreement, we may own, operate, franchise or license others to operate additional Franchised Businesses in your Development Area subject only to the territorial rights reserved to you in the individual Franchise Agreements.

We have not established other franchises or affiliate-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do anywhere and at any time.

Except for any other franchise program that we may own in the future, neither we nor any parent or affiliate has established, or presently intends to establish, other Hawks Franchised or affiliate-owned facilities which provide similar products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

National Accounts

We or our affiliates may, in our discretion, establish and maintain a "National Accounts" program under which we will attempt to create interest in, and develop relationships with, regional or national companies that desire use a coordinated national strategy rather than strategies that focus on specific locations who services and products provided by Hawks Franchised Businesses to consumers. If and when we create a National Accounts program, we will have discretion to determine the referral policies and fees for you to participate in the National Accounts program, which will be set forth in the Manual. As long as you are not in default under your Franchise Agreement and we determine, in our reasonable business judgment, that you have the necessary equipment, personnel, resources and training, we may offer you the opportunity to accept opportunities in a National Accounts program that we or our affiliates may implement. However, you acknowledge and agree in your Franchise Agreement that we do not represent or guaranty any volume of opportunities or revenue from our National Account program. If you accept a National Accounts opportunity, you must abide by all applicable policies and procedures with respect to the National Account program, including the pricing of Authorized Hawks Services & Products.

ITEM 13
TRADEMARKS

As a Franchisee, you are licensed to use and display the trade name "Hawks Kids", and the marks using it, during the term of your Franchise Agreement and only for the operation of the Franchised Business and the sale of products described on the Hawks standard menu. You may not license or sublicense any trademarks, service marks, trade names, logotypes or commercial symbols owned by us or our affiliates. The Operating Company has applied to register the following marks on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"):

Mark	Serial Number	Application Date
Hawks KIDS	98552916	May 15, 2024
NATURE HAWKS	98530207	May 1, 2024

The Operating Company does not yet have a federal registration for the above trademarks. Therefore, these marks do not have as many legal benefits and rights as a federally registered trademark. If our right to use these

trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

The Operating Company also claims common law rights to the trade and service marks we license to you. The Operating Company intends to file all required affidavits when they become due in the future, as prescribed by law.

The Operating Company has granted us an exclusive and perpetual license to use the Hawks Marks. The license does not limit our right to use or license the use of any of the trademarks in any manner material to the franchise. No other agreements are currently in effect which limit our use of the trademarks in any manner material to the franchise. The exclusive license may only be terminated for cause by the Operating Company, but we do not anticipate any issue with your use of the Hawks Marks because the Operating Company's members are principals of ours. If the license is terminated, you may have to switch to a different trademark, which may increase your expenses. There are no currently effective material determinations of the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any opposition or cancellation proceeding, or any pending litigation involving the trade name Hawks or the Hawks Marks.

You must use the trade name Hawks without any suffix or prefix attached to it to identify the Franchised Business. If the franchisee is an entity, you may not use the Hawks Marks, or our trade name, or any words or symbols which are confusingly phonetically or visually similar to the Hawks Marks, as all or part of the franchisee's name. You must obtain a fictitious or assumed business name registration as we require or under applicable law. You must identify yourself as the owner of your Franchised Business by placing your name on all checks, Invoices, receipts, contracts, stationary and other documents that bear the Hawks trade name, trademarks, or service marks.

You must notify us of any infringement of, challenge to, or unauthorized use of the licensed name or Hawks Marks which comes to your attention, including any claim, suit or demand against you. We may take actions we deem appropriate to protect our name or Hawks Marks but we are not obligated by the Franchise Agreement to do so.

We have the sole right to control any litigation involving our trade name or Hawks Marks and to compromise or settle any claim, in our discretion, at our sole cost and expense, using lawyers of our own choosing, and you must cooperate fully in defending any claim, and you may participate at your own expense in the defense or settlement. You may not make any demand against any alleged infringer, prosecute any claim or settle or compromise any claim by a third party without our prior written consent. You agree in the Franchise Agreement not to contest, directly or indirectly, our ownership, right, title, or interest in its names or Hawks Marks, or contest our sole right to register, use, or license others to use those names and Hawks Marks.

We may add to, delete, or modify any or all of the Hawks Marks. You must modify or discontinue the use of a Mark, at your expense, if we modify or discontinue it. We will not compensate you if we modify or discontinue the Hawks Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any rights in or to any patents. There are no pending patent or copyright applications that are material to the franchise. We have no registered copyrights, but we claim copyright protection for the Manuals

and all advertising material that may be distributed by us. We will loan you one copy of the Manuals for confidential use in the Franchised Business. You may not disclose, publish, sell, show, or reproduce the Manuals and you must return the Manuals to us intact upon termination or expiration of the Franchise Agreement or Area Development Agreement.

We regard our programs, Manuals, written instructions, general information, routines, educational methods, techniques, curriculums, lesson plans and other materials that incorporate proprietary information and related written content, our website, camp handbooks, camp guidelines, advertising materials, lists of approved suppliers, standard forms, standards and procedures for operations, training and assistance and advertising and promotional programs as proprietary information owned by us. You agree, as part of the Franchise Agreement, not to contest our exclusive ownership of our proprietary information to which we claim exclusive rights. You are not given any rights in other trade secrets or proprietary or confidential information developed by us in the future. You must implement any reasonable procedures we may adopt to protect our trade secrets including restrictions on disclosures to your employees and requiring employees who will have access to our trade secrets to sign employment agreements containing non-disclosure and non-competition provisions in substantially the form of Exhibit D. None of the provisions in the Confidentiality and Non-Disclosure Agreement are intended to prohibit or restrict any activity which prohibition or restriction violates your employees' rights to engage in protected concerted activity under the National Labor Relations Act.

There are no prior superior rights or infringing uses actually known to us that could materially affect your use of the copyrights, trade secrets, processes, methods, procedures, or other proprietary information described above. There are no agreements currently in effect that limit our rights to use or license the above-mentioned copyrights in any manner.

All ideas, concepts, techniques or materials created by you while you are a Hawks Franchisee, whether or not protectable intellectual property, must be promptly disclosed to us and will become our exclusive property and a part of the Hawks system as a work made for hire for us without compensation to you.

All data pertaining to your Franchised Business and all data you create or collect in connection with your operation of the Franchised Business, including, data pertaining to, or otherwise concerning, the Franchised Business's customers, or that you otherwise collect including data uploaded to, or downloaded from your computer system is Hawks data and is our sole property. We have the right to review and use the Hawks data in any manner that we deem appropriate without any compensation to you. You just provide us with copies and/or originals of the Hawks data within 5 days after our request for the Hawks data at no cost to us and at any time during the term of your Franchise Agreement and upon the expiration and/or termination of your Franchise Agreement. We license the use of the Hawks data to you during the term of your Franchise Agreement, at no cost to you, solely for your use in the operation of your Franchised Business. You must maintain the Hawks data as secret and confidential must not make any of the Hawks data available to any unauthorized person without our prior written consent of and then only in the manner we permit.

The goodwill associated with all phone and fax numbers, email addresses, domain names, social media and other Internet addresses used in operation of the Franchised Business is an asset that belongs to us. Upon cancellation, termination or expiration of the Franchise Agreement, you will be deemed to have assigned to us or our designee all right, title and interest in and to these and/or services associated with the same. You must sign the instruments we request to confirm the assignments and transfers to us.

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

You must designate a Principal Owner acceptable to us who will be involved in the day-to-day operations of the Franchised Business. Your Principal Owner must own a minimum of a 50% ownership interest in Franchisee and must devote his or her full time to the Franchised Business. You may, at your option and subject to our written consent, designate one or more Business Managers to supervise your Franchised Business operations under the Franchise Agreement and the Area Development Agreement (if applicable). Your Managers do not have to own an equity interest in you or the franchise. Even if we permit you to designate Managers to supervise your operations under the Franchise Agreement and Area Development Agreement (if applicable), your Principal Owner remains ultimately responsible for the Manager's performance. If you are an Area Developer, then you must appoint one or more Managers for each Franchised Business to manage the day-to-day affairs of each Franchised Business. Each Manager must devote his or her full time and best efforts to the supervision of your operations under the Franchise Agreement and Area Development Agreement. You must provide comprehensive Initial Training Programs and Additional Training Programs for your other employees.

Your Franchised Business must, at all times, be directly supervised by the Principal Owner or a Manager or other supervisorial or managerial personnel who have successfully completed our Pre-Opening Initial Training Program. You must provide comprehensive initial training programs, additional training programs and remedial training programs for your other employees and ensure that your Franchised Business is at all times under the direct control of the Principal Owner or a Manager and other employees fully trained by you. We may require each of your owners, Managers and other supervisorial and managerial personnel who will have access to any confidential information to sign a Confidentiality and Non-Disclosure Agreement in substantially the form of Exhibit D. None of the provisions in the Confidentiality and Non-Disclosure Agreement are intended to prohibit or restrict any activity which prohibition or restriction violates your employees' rights to engage in protected concerted activity under the National Labor Relations Act.

You must notify us promptly if your Principal Owner or Manager cannot continue to serve or no longer qualifies as a Principal Owner or a Manager. You will have thirty (30) days from the date of the notice (or from any date that we independently determine the Principal Owner or Manager no longer meets our training and operating standards) to take corrective action. During that thirty (30) day period, you must provide for interim management of your operations in compliance with the Franchise Agreement Area Development Agreement (if applicable).

If you are an entity, all present and future Owners of the equity or your voting rights, including spouses (and family members who live in the same household, excluding minor children) must execute a written guarantee in a form we prescribe, personally, irrevocably and unconditionally guaranteeing, jointly and severally, with all other guarantors, the full payment and performance of your obligations to us and to our Affiliates. Upon each transfer or assignment of your interest in the Franchise Agreement, or other change in your ownership interests, and at any other time we request, these holders must re-execute a written guarantee in a form we prescribe.

All employees you hire or employ at your Franchised Business will be your employees and your employees alone, and will not, for any purpose, be deemed to be our employees or subject to our direct or indirect control, most particularly with respect to any mandated or other insurance coverage, taxes or contributions, or requirements regarding withholdings, levied or fixed by any governmental authority. You will file your own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers' compensation insurance payments for your employees and operations. We will not have the power to hire or fire your employees. Our authority

under the Franchise Agreement to train and approve your supervisorial or managerial personnel for qualification to perform certain functions at your Franchised Business does not directly or indirectly vest us with the power to hire, fire or control any of your personnel. You and you alone will be solely responsible for all hiring and employment decisions and functions relating to the Franchised Business, including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether you have received advice from us on these subjects or not. Any guidance we may give you regarding employment policies should be considered merely examples. You will be responsible for establishing and implementing your own employment policies, and should do so in consultation with local legal counsel experienced in employment law.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Except as described below, you must offer and sell all, and only, those services and products that we approve (See Item 8). We may add, delete, and change the services and products that you may or must offer, in our unrestricted discretion, and this may require you to purchase additional equipment. There are no limits on our right to make changes. The Franchised Business must, at all times, be directly supervised by a Manager who has successfully completed our initial training program. You may not operate any co-branding system without our prior written consent, which may be withheld unless we recognize the co-branding chain as an approved co-brand for operation within Franchised Businesses. "Co-branding" includes the operation of an independent business, product line or operating system owned or licensed by another franchisor that is featured or incorporated within your Franchised Business and is operated in a manner likely to cause the public to perceive that it is related to your Franchised Business.

We may, on occasion, require you to test market services and/or products at your Franchised Business. You must cooperate with us in conducting these test marketing programs and must comply with all rules and regulations established by us.

You are not permitted to use or display the Hawks Marks or use the System at any location other than within your Protected Area nor do you have the right to use other channels of distribution to make sales outside of your Protected Area. Please see Item 12.

You cannot sell Authorized Products on the Internet, establish an account, or participate in any social networking sites, crowdfunding campaigns or blogs or mention or discuss the Hawks franchise system, us or any of our affiliates, without our prior approval.

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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.

FRANCHISE AGREEMENT

Provision	Section in Franchise Agreement (Exhibit A)	Summary
a. Length of the term of the franchise	Section 3.1	10 years
b. Renewal or extension of the term	Section 3.2	Two 5 years terms
c. Requirements for Franchisee to renew or extend	Section 3.3	You must have complied with your obligations during the term of your Franchise Agreement; not have committed 3 or more defaults during any 12 month period during the Term; sign our then-current form of Franchise Agreement that may contain terms and conditions materially different from those in your original Franchise Agreement; satisfy our then-current training requirements; pay a renewal fee and sign a general release. Your continuing royalty and advertising fee payments under your renewal Franchise Agreement will be at the rates then applicable to new franchisees.
d. Termination by Franchisee	Not Applicable	Not Applicable
e. Termination by Franchisor without cause	Not Applicable	Not Applicable
f. Termination by Franchisor with cause	Sections 16.1 – 16.3 and 16.5	We can terminate the Franchise Agreement if you default under your Franchise Agreement, any other individual Franchise Agreement, any Area Development Agreement (other than solely for your failure to meet your development obligation), or any other agreement between you and us (subject to state law).
g. "Cause" defined – curable defaults	Section 16.3	You have 5 days to cure non-payment of fees and 10 days to cure non-compliance with laws and defaults not listed in Section 16.2 (subject to state law).
h. "Cause" defined non-curable defaults	Sections 16.1 and 16.2	Non curable defaults include: bankruptcy, foreclosure, and insolvency; abandonment; unapproved transfers; repeated defaults, even if cured; misrepresentations in acquiring your license; health or safety violations; trademark misuse;

Provision	Section in Franchise Agreement (Exhibit A)	Summary
		conviction of a felony; failure, for a period of 10 days after notification of noncompliance, to comply with any state or local law or regulation applicable to the operation of the Franchised Business; knowingly maintaining false books or records or submitting false reports or knowingly underreporting Gross Revenue; materially misusing the Hawks Marks; making an unauthorized use of the trade secrets or confidential information; failing to purchase appropriate inventory; sell or attempt to sell any services or products other than Authorized Hawks Services & Products and fail to cease to do so within 3 days of notice to cease sales; purchasing products or using services from non-approved suppliers; failure to make timely payments on funds we have advanced on your behalf or on any amounts we guarantee on your behalf; default upon or breach of the provisions of any promissory note or indebtedness or agreement relating to the Franchise Agreement; use of abusive language with your employees or customers; denigration of the System or unflattering portrayal of us on the Internet or otherwise; failure to meet performance obligations during the term; and a breach of your obligations under the Franchise Agreement or other Agreement between you and us that is not capable of being cured by you (subject to state law).
i. Franchisee's obligations on termination/ nonrenewal	Sections 17.1, 17.2, 17.4, 17.7 and 17.8	You must cease use of our trademarks, de-identify the Franchised Business, pay all amounts due to us, and return the Manuals. We may, at our option, assume all Electronic Communications and Media for the Franchised Business. You must, at our option, cancel or assign to us your rights to any Electronic Communications and Media or assumed, fictitious or corporate names which contain the Hawks Marks. See also "r" below.
j. Assignment of contract by Franchisor	Section 14.1	No restriction on our right to assign.
k. "Transfer" by Franchisee - definition	Section 14.2	Includes transfer of the agreement or change in ownership of the business entity which owns it.
l. Franchisor's approval of transfer by Franchisee	Section 14.2	Transfers require our prior written consent, which will not be unreasonably withheld.
m. Conditions for Franchisor's approval of transfer	Sections 14.2-14.4	The proposed transferee must qualify, successfully complete our initial training program, sign our then-current Franchise Agreement (provided, that the term of the new Franchise Agreement will be the remaining term of the existing Franchise

Provision	Section in Franchise Agreement (Exhibit A)	Summary
		Agreement) and you must be in good standing, sign a general release and pay the transfer fee. See also "r" below. If the Franchise Agreement has been signed under an Area Development Agreement, except as described below, you must concurrently assign all other existing Franchise Agreements to the same assignee.
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 14.3	We can match any offer for your business.
o. Franchisor's option to purchase Franchisee's business	Section 17.5	When your Franchise Agreement expires or is terminated, we have the option to purchase the assets of the Franchised Business and all of your assets related to the Franchised Business.
p. Death or disability of Franchisee	Section 14.5	Your spouse, heirs or personal representative has 180 days to purchase your interest or complete an assignment of your interest to a qualified, approved third party, subject to the transfer provisions.
q. Non-competition covenants during the term of the franchise	Section 15.1	You are prohibited from: diverting any present or prospective Hawks customer to any competitor, or performing any other act injurious or prejudicial to the goodwill associated with the Hawks Marks and the Hawks System, or (ii) owning or having any interest in a competitive business to the Franchised Business (subject to state law).
r. Non-competition covenants after the franchise is terminated or expires	Sections 15.2 and 15.3	For 2 years following the expiration or termination of your Franchise Agreement, you cannot own or have any interest in a competitive business located in your Protected Area or within 20 miles of any Franchised Business or its Protected Area. If you violate the post-term covenant not to compete, you must pay us, throughout the 2 year period following the termination, transfer, or expiration of your Franchise Agreement, 6% of the Gross Revenue of any business which provides similar services or products in the Protected Area or any site within 20 miles of any Franchised Business or its Protected Area (subject to state law).
s. Modification of the agreement	Sections 6.5 and 21.5	The Manuals are subject to change. You must comply with any changes set forth in the Manuals.
t. Integration/ merger clause	Section 21.5	Only the terms of the Franchise Agreement and its exhibits are binding (subject to state law). Nothing in the Franchise

Provision	Section in Franchise Agreement (Exhibit A)	Summary
		Agreement is intended to disclaim the representations made in the Disclosure Document. Any representations or promises outside of the Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by mediation or arbitration	Not Applicable	None
v. Choice of forum	Section 19.1	All proceedings will be held in the Superior Court of the State of California, County of Los Angeles, or the United States District Court in and for the Central District of California. See the State Specific Addenda (Exhibit F) attached to this Disclosure Document.
w. Choice of law	Section 19.1	California, subject to the exception provided in Section 19.1 of the Franchise Agreement and applicable state law. See the State Specific Addenda (Exhibit F) attached to this Disclosure Document.

AREA DEVELOPMENT AGREEMENT

Provision	Section in Area Development Agreement (Exhibit B)	Summary
a. Length of the term of the Area Development	Section 3.1	5 years
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for Area Developer to renew or extend	Not Applicable	Not Applicable
d. Termination by Area Developer	Not Applicable	Not Applicable
e. Termination by Franchisor without cause	Not Applicable	Not Applicable
f. Termination by Franchisor with "cause"	Section 11.1	We can terminate if you default under your Area Development Agreement, an individual Franchise Agreement, or any other agreement between you or your affiliate and us (subject to state law).
g. "Cause" defined - curable defaults	Section 11.3	You have 30 days to cure defaults under your Area Development Agreement, and in the case of a breach or default in the performance of your obligations under any Franchise Agreement or other agreement between you and us, the notice and cure provisions of the

Provision	Section in Area Development Agreement (Exhibit B)	Summary
		Franchise Agreement or other agreement will control (subject to state law).
h. "Cause" defined –non-curable defaults	Sections 11.1 and 11.2	Non-curable defaults include: bankruptcy, insolvency; unapproved transfers; failure to meet your development obligations; any breach of the covenants not to compete set forth in Section 13; repeated defaults, even if cured; unapproved transfers; termination of any of your Franchise Agreements; conviction of a felony; disclosure of confidential information; and a breach of your obligations under the Area Development Agreement or other agreement between you and us that is not capable of being cured by you (subject to state law).
i. Area Developer's obligation on termination/non-renewal	Section 12.1	You will have no further right to own or operate additional Franchised Businesses which are not, at the time of termination, the subject of a then validly existing Franchise Agreement between you and us. You may continue to own and operate all Franchised Businesses under then validly existing Franchise Agreements.
j. Assignment of contract by Franchisor	Section 9.1	No restrictions on our right to assign.
k. "Transfer" by Area Developer – defined	Section 9.2	Includes transfer of the agreement or changes in ownership of the business entity which owns it. No shares of an Area Developer which is a business entity may be offered for sale through the public offering of securities. Shares may be offered by private offering with our prior written consent.
l. Franchisor's approval of transfer by Area Developer	Section 9.2.1	Transfers require our prior written consent, which will not be unreasonably withheld.
m. Conditions for Franchisor's approval of transfer	Sections 9.2.1 and 9.4	Except as described below, you may not transfer any Franchise Agreement signed under the Area Development Agreement except with our written consent and a simultaneous assignment of the Area Development Agreement and all of the Franchise Agreements signed under the Area Development Agreement to the same assignee. The proposed buyer must sign our then-current form of Franchise Agreement for each of your Franchised Businesses then developed or under development. The proposed transferee must qualify as a franchisee and sign our then-current Area Development Agreement and you must be in good standing, sign a general release and pay the transfer fee. See also "r" below.
n. Franchisor's right of first refusal to acquire Area Developer's business	Section 9.3	We may match any offer to purchase your business.
o. Franchisor's option to purchase Area Developer's business	Sections 9.1.1 and 9.1.2	Upon the occurrence of a merger, acquisition, refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring (collectively, a "Capital Event"), we will have the right to compel you to sell the assets of any or all of your Franchised Businesses at the same value attributable to Franchised Businesses

Provision	Section in Area Development Agreement (Exhibit B)	Summary
		owned and operated by us or our affiliates at the close of the Capital Event, whether or not they are open or under construction.
p. Death or disability of Area Developer	Section 9.5	Your spouse, heirs or personal representative has 180 days to purchase your interest or complete an assignment of your interest to a qualified, approved third party, subject to the transfer provisions.
q. Non-competition covenants during the term of the franchise	Section 13.1	You are prohibited from: (i) diverting any present or prospective Hawks customer to any competitor, or performing any other act injurious or prejudicial to the goodwill associated with the Hawks Marks and the Hawks System, or (ii) owning or having any interest in a competitive business to the Franchised Business (subject to state law).
r. Non-competition covenants after the franchise is terminated or expires	Section 13.2	For 2 years following the expiration or termination of your Franchise Agreement, you cannot own or have any interest in a competitive business, except under another effective Franchise Agreement with us, or any location within 20 miles of any Franchised Businesses or its Protected Area (subject to state law).
s. Modification of the Area Development Agreement	Section 18.5	The Area Development Agreement can be modified or amended only by written agreement of all of the parties.
t. Integration/merger clause	Section 18.5	All agreements between the parties are in the Area Development Agreement and its exhibits (subject to state law). Nothing in the Area Development Agreement is intended to disclaim the representations made in the Disclosure Document. Any representations or promises outside of the Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by mediation or arbitration	Not Applicable	None
v. Choice of forum	Section 15.1	All proceedings will be held in the Superior Court of the State of California, County of Los Angeles, or the United States District Court in and for the Central District of California. See the State Specific Addenda (Exhibit F) attached to this Disclosure Document.
w. Choice of law	Section 15.1	California, subject to the exception provided in Section 15.1 of the Area Development Agreement and applicable state law. See the State Specific Addenda (Exhibit F) attached to this Disclosure Document.

ITEM 18
PUBLIC FIGURES

No public figures are involved in the actual management or control of Franchisor.

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 of a particular location or under particular circumstances.

Written substantiation for the financial performance representations made in this Item 19 will be made available to you upon reasonable request.

Some Hawks Businesses have earned these amounts. Your individual results may differ. There is no assurance you'll earn as much.

TABLE 1
GROSS SALES, COST OF GOODS SOLD, GROSS PROFIT, OTHER OPERATING EXPENSES AND NET INCOME AT 1 AFFILIATE-OWNED HAWKS BUSINESS DURING THE PERIOD JANUARY 1, 2023 THROUGH DECEMBER 31, 2023 (SEE NOTES 1 – 6)

Affiliate-Owned Hawks Business (Notes 1, 2)		
Gross Sales (Note 2)	$626,836	100%
Cost of Goods Sold (Note 3)	$298,280	48%
Gross Profit (Note 4)	$328,556	52%
Other Operating Expenses (Note 5)		
Sales and Marketing	$12,447	2%
Salary and Benefits	$100,000	16%
General and Administrative Expenses	$50,927	8%
Total Other Operating Expenses (Note 5)	$165,374	26%
Net Income (Note 6)	$165,182	26%

TABLE 2
IMPUTED ROYALTY FEE AND IMPUTED ADVERTISING FUND FEE
FOR 1 AFFILIATE -OWNED HAWKS BUSINESS
DURING THE PERIOD JANUARY 1, 2023 THROUGH DECEMBER 31, 2023
(NOTES 1, 2, 7)

Affiliate-Owned Hawks Business (Notes 1, 2)		
Imputed Royalty Fee (Note 7)	$37,610	6%
Imputed Advertising Fund Fee (Note 7)	$12,537	2%
Net Income After Deduction of Royalty Fee and Advertising Fund Fee (Note 7)	$115,035	18%

TABLE 3
SOURCE OF GROSS SALES AS A PERCENTAGE OF GROSS SALES
AT 1 AFFILIATE-OWNED HAWKS BUSINESS
DURING THE PERIOD JANUARY 1, 2023 THROUGH DECEMBER 31, 2023
(NOTES 1, 2, 8)

Source of Gross Sales (Notes 1, 8)	% of Gross Sales (Note 2)
Summer Camp (Notes 1, 8)	40%
After School Enrichment Services (Notes 1, 8)	26%
Day Camps (not during summer) (Notes 1, 8)	34%

TABLE 4
TOTAL, AVERAGE AND MEDIAN CUSTOMER ORDER FOR SERVICES
FOR 1 AFFILIATE -OWNED HAWKS BUSINESS
DURING THE PERIOD JANUARY 1, 2023 THROUGH DECEMBER 31, 2023
(NOTES 1, 9)

Total Customer Orders for Services (Notes 1, 9)	Average Customer Order for Services (Notes 1, 9)	Median Customer Order for Services (Notes 1, 9)
1,671	$437	$625

NOTE 1:

There was 1 Affiliate-Owned Hawks Business owned and operated by the Operating Company for the 12 months ending December 31, 2023. The Affiliate-Owned Hawks Business included in Tables 1 through 4 is located in Los Angeles, California and its operations are similar to the franchise offered in this Disclosure Document. The Affiliate-Owned Hawks Business opened for business in November 2022.

NOTE 2:

For purposes of Tables 1, 2 and 3, Gross Sales means the aggregate of the total of all revenues derived from sales of any nature or kind whatsoever from the Affiliate-Owned Hawks Business included in Tables 1, 2 and 3. Gross Sales excludes the amount of bona fide refunds paid to customers, the amount of sales taxes actually paid to governmental authority and the retail price of any coupons, gift certificates and vouchers when redeemed.

Percentages (%) to the immediate right of each category in Tables 1, 2 and 3 represent that category's value as a percentage of Gross Sales.

NOTE 3:

For purposes of Table 1, Cost of Goods Sold means the Operating Company's expenses for direct labor to hold the camps and enrichment services, supplies for the camps and enrichment services, and other curriculum expenses.

NOTE 4:

For purposes of Table 1, Gross Profit means Gross Sales less Cost of Goods Sold.

NOTE 5:

For purposes of Table 1, Other Operating Expenses means the Operating Company's expenses for all other expenses related to the operation of Hawks Business (other than expenses for Costs of Goods Sold), such as sales and marketing, salary and benefits, and other general and administrative expenses.

NOTE 6:

For purposes of Table 1, Net Income means Gross Profit less Other Operating Expenses.

NOTE 7:

Based upon the Gross Revenue of the Affiliate-Owned Hawks Business, we have included Table 2 to include imputed Royalty Fees that a franchisee would incur at 6% of Gross Revenue and imputed Advertising Fund Fees that a franchisee would incur at 2% of Gross Revenue, which the Affiliate-Owned Hawks Business did not incur. For purposes of this Item 19, we did not have any franchisees as of December 31, 2023 and we have no reasonable basis to conclude that there will be material financial and operational differences between the Affiliate-Owned Hawks Business and operational franchised outlets, other than the Royalty Fees and Advertising Fund Fees that a franchisee would incur.

NOTE 8:

For purposes of Table 3, Sources of Gross Sales means three categories of services provided by the Affiliate Owned Hawks Business for the fiscal year ended December 31, 2023: Summer Camps, After School Enrichment and Day Camps (not during summer).

NOTE 9:

For purposes of Table 4, Total Customer Orders for Services means the total customer orders for three categories of services provided by the Affiliate Owned Hawks Business for the fiscal year ended December 31, 2023: Summer Camp, After School Enrichment and Day Camps (not during summer).

For purposes of Table 4 , Average Customer Order for Services means the total dollar value of all Customer Orders for Services for the fiscal year ended December 31, 2023 divided by the total number of Customer Orders for Services made during the period for the fiscal year ended December 31, 2023.

For purposes of Table 4, Median Customer Order for Services means the midpoint dollar value of all Customer Orders for Services for the Affiliate-Owned Hawks Business for the fiscal year ended December 31, 2023. The Median for a period with an odd number of data points will be the center number in that set. The Median for a period with an even number of data points is determined by taking the mean (average) of the two middlemost values in that period, which is calculated by adding those two values together and then dividing the aggregate by two.

Other than the preceding financial performance representation, 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. 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 Emma Flanders at 1525 N Alvarado St Unit 26012, Los Angeles, California 90026; emma@hawkskids.com; Telephone (323) 213-9763; the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEM-WIDE BUSINESS SUMMARY
FOR FISCAL YEARS 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised				
	2021	0	0	0
	2022	0	0	0
	2023	0	0	0

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Affiliate-Owned				
	2021	0	0	0
	2022	0	1	+1
	2023	1	1	0
Total Outlets				
	2021	0	0	0
	2022	0	1	+1
	2023	1	1	0

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
OTHER THAN HAWKS FRANCHISEES
FOR FISCAL YEARS 2021 to 2023

State	Year	Number Of Transfers
California		
	2021	0
	2022	0
	2023	0
Totals		
	2021	0
	2022	0
	2023	0

TABLE NO. 3
STATUS OF HAWKS FRANCHISED OUTLETS
FOR FISCAL YEARS 2021 to 2023

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
California								
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Totals								
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

TABLE NO. 4
STATUS OF AFFILIATE-OWNED OUTLETS
FOR FISCAL YEARS ENDING 2021 to 2023

State	Year	Outlets At Start Of The Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold To Franchisee	Outlets At End Of The Year
California							
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
Totals							
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2023

State	Franchise Agreements Signed But Outlets Not Opened	New Franchised Outlets In The Next Fiscal Year	Projected New Affiliate-Owned Outlets In The Next Fiscal Year
California	0	1	0
Total	0	1	0

We have no franchisees (Exhibit I) as of the issuance date of this Disclosure Document.

We have not signed confidentiality clauses with current or former franchisees since our formation. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. No outlets have been terminated, not renewed, or ceased operations for other reasons.

We have not created, sponsored, endorsed or received a request to include in this Disclosure Document, a trademark specific franchisee organization.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit G is our audited balance sheet, income statement, members' equity and cash flows as of August 15, 2024. We have not been franchising for a period of at 3 years and, as such, we are not in a position to disclose our audited financial statements over the past three 3 years. Our fiscal year ends on December 31 of each year.

ITEM 22
CONTRACTS

Attached as Exhibit A is our current form of Franchise Agreement.
Attached as Exhibit B is our current form of Area Development Agreement.
Attached as Exhibit C is our current form of Confidentiality Agreement for Prospective Franchisees.
Attached as Exhibit D is our current form of Non-Disclosure and Confidentiality Agreement for Employees of Franchisee.
Attached as Exhibit E our current form of General Release.
Attached as Exhibit F is our current form of State Specific Addenda.

ITEM 23
RECEIPTS

2 copies of an acknowledgment of your receipt of this Disclosure Document appear as Exhibit J. Please return 1 copy to us and retain the other for your records.

HAWKS KIDS INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT A
FRANCHISE AGREEMENT

HAWKS KIDS INC.

FRANCHISE AGREEMENT

EXHIBIT A

HAWKS KIDS INC.
FRANCHISE AGREEMENT

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EXHIBITS

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HAWKS KIDS INC.
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into as of the "Effective Date" set forth on Exhibit A, by and between HAWKS KIDS INC., a California corporation ("Franchisor"), on the one hand, and the individuals or Entity identified as "Franchisee" on Exhibit A, on the other hand, who are individually referred to in this Agreement as a "Party", and collectively referred to in this Agreement as "Parties", with reference to the following facts:

A. Franchisor and its Affiliate have developed a camp business that offers nature-based hiking day camps, summer camps, birthday parties and other nature-based school enrichment programs (the "Hawks System") for children ages 4-16 at various at various locations, including public and private green spaces, parks, gardens, nature centers and museums under the trade name and service mark " Hawks Kids" and other related trademarks, service marks, logos and commercial symbols (collectively, the "Hawks Marks"). The Hawks Marks used to identify the Hawks System may be modified by Franchisor from time to time. The Parties acknowledge and agree that Franchisor and its Affiliate have established substantial goodwill and business value in the Hawks Marks and the Hawks System.

B. The distinguishing characteristics of the Hawks System include, without limitation, programs, manuals, written instructions, general information, routines, educational methods, techniques, curriculums, lesson plans and other materials that incorporate proprietary information and related written content, Franchisor's website, camp handbooks, camp guidelines, marketing materials, lists of approved suppliers, standard forms, standards and procedures for operations, training and assistance and advertising and promotional programs (collectively the "Hawks Proprietary Materials"), all of which may be changed, improved, and further developed by Franchisor from time to time. Franchisor continues to invest time, skill, effort and money to further develop, test and use the Hawks Proprietary Materials and the Hawks System in order to maintain the Hawks System's high standards of quality, skill and service.

C. Franchisor grants qualified individuals and Entities a license and franchise for the right to independently own and operate one Hawks nature-based camp business (a "Franchised Business") utilizing the Hawks Marks, the Hawks Proprietary Materials and the Hawks System. Franchisee desires to obtain a license and franchise to develop, own and operate one Franchised Business under the Hawks Marks and in strict accordance with the Hawks System and the standards established by Franchisor, and Franchisor is willing to grant Franchisee such a license and franchise under the terms and conditions of this Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS.

The following capitalized terms in this Agreement are assigned these definitions:

"Abandon" means (i) Franchisee's failure, at any time during the Term, to keep the Franchised Business open and operating for business for a period of five (5) consecutive days, except as provided in the Manuals; (ii) Franchisee's failure to keep the Franchised Business open and operating for any period after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the Franchised Business, unless the failure to operate is due to Force Majeure (subject to Franchisee's continuing compliance with this Agreement); (iii) Franchisee's failure to actively and

continuously maintain and answer the telephone listed by Franchisee for the Franchised Business solely with the Hawks name; or (iv) a closure of the Franchised Business required by Applicable Law.

"Action" means any complaint, action, claim, suit, arbitration, audit, examination, investigation, charge, litigation, hearing or proceeding (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, and whether public or private), in each case commenced, brought, conducted or heard by or before any Governmental Authority, court, or arbitrator.

"Additional Training Program Daily Fee" means the $750 daily fee that Franchisee shall pay Franchisor for each of Franchisor's representatives who provides Additional Training Programs for Franchisee.

"Advertising Fund" means the fund that Franchisor has established to promote the Hawks Marks and Hawks Franchised Businesses.

"Advertising Fund Fees" means the monthly advertising fund fees that Franchisee shall pay Franchisor as a percentage of the Gross Revenue of the Franchised Business during the preceding month, which shall initially be the greater of two percent (2%) of Gross Revenue or $100 for the first six (6) months of operations and 2% of Gross Revenue beginning on the seventh month of operation and thereafter. Franchisor shall have the right to adjust the amount of the Advertising Fund Fees at any time and from time to time during the Term upon ninety (90) days' prior written notice from Franchisor to Franchisee, to an amount not to exceed four percent (4%) of Gross Revenue.

"Affiliate" or "Affiliates" mean any Person or Entity that controls, is controlled by, or is under common control with, a Party to this Agreement. Control of a Person or Entity means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person or Entity whether by contract or otherwise.

"Applicable Law" means and includes applicable common law and all statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority with jurisdiction over the operation of the Franchised Business that are in effect on or after the Effective Date, as they may be amended from time to time.

"Approved Suppliers" means suppliers of Hawks Branded Products and Non-Proprietary Products, and ancillary services, supplies and equipment for Hawks Franchised Businesses that have been accepted and approved by Franchisor because they have demonstrated to Franchisor their ability to supply services and products for Hawks Franchised Businesses meeting Franchisor's specifications as to brand names, models, contents, quality and reliability with respect to delivery and consistency in the quality of their products or services. Franchisor and its Affiliates may be Approved Suppliers.

"Authorized Hawks Products" means, without limitation, branded and other retail inventory, including promotional items, merchandise and other retail items.

"Authorized Hawks Services" means, without limitation, nature-hiking day camps, summer camps, birthday parties and other school enrichment programs for children.

"Business Judgment" means that Franchisor is allowed to exercise its judgment however Franchisor believes is appropriate in a given circumstance without limitation, subject to the use of that discretion in any reasonable way as more fully described in Section 21.17.

"Camps" means the nature-based hiking day camps, summer camps, birthday parties and other nature-based school enrichment programs provided to Campers by Franchisor's Affiliates and Hawks Franchisees.

"Campers" means children ages 4-16 who are provided with Hawks Services & Products by Franchisor's Affiliates and Hawks Franchisees.

"Co-Branding" means the operation of an independent business, product line or operating system owned or licensed by another Entity (not Franchisor) that is featured or incorporated within the Franchised Business and operated in a manner likely to cause the public to perceive it is related to the Franchised Business. An example would be an independent retailer selling products to Campers of the Franchised Business.

"Commencement Date" means the day that (i) Franchisee receives written authorization from Franchisor to commence operations of the Franchised Business, and (ii) Franchisee actually begins to offer Hawks Services & Products for sale to the public from the Franchised Business, whichever occurs last.

"Competitive Business" means a nature-based hiking camp business that provides day camps, summer camps, birthday parties and/or other nature-based school enrichment programming for children and any business which looks like, copies or imitates a Hawks Franchised Business.

"Constituents" means past, present and future Affiliates, parents, subsidiaries, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, parents, predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing.

"Contiguous Territory" means a geographic area adjacent to the Protected Area.

"Crisis Management Event" means any event that occurs at or about the Franchised Business that has or may cause harm or injury to customers or employees, including, without limitation, food contamination, contagious diseases, natural disasters, terrorist acts, shootings, epidemics, pandemics or any other circumstance which may damage the Hawks System, the Hawks Marks, or the image or reputation of Franchisor and its Affiliates.

"Default" means any breach of, or failure to comply with, any of the terms or conditions of an agreement.

"Electronic Signature" means any electronic symbol and/or process attached to or logically associated with a document and executed by a Party with the intent to sign such document, including facsimile, email, or other electronic signatures.

"Entity" means any limited liability company, partnership, trust, association, corporation or other entity, which is not an individual. If Franchisee is an Entity, the Entity shall conduct no other business than the operation of the Franchised Business.

"Equity" means capital stock, membership interests, partnership rights or other equity ownership interests of an Entity.

"Expiration Date" means the fifth anniversary of the Effective Date.

"Extension Fee" means the $10,000 fee that Franchisee must pay Franchisor to extend the Renewal Term for the Extension Term.

"Extension Term Expiration Date" means the fifth (5th) anniversary of the commencement date of the Extension Term.

"Force Majeure" means any event (i) that was reasonably unforeseeable as of the Effective Date; (ii) that is beyond the reasonable control, directly or indirectly, of a Party; (iii) that could not reasonably have been prevented or avoided by that Party with the exercise of reasonable efforts and due diligence; (iv) that does not result from the fault or negligence of that Party or its agents; employees or contractors; and (v) that causes performance by that Party to be delayed, in whole or in part, or unable to partially or wholly perform its obligations under this Agreement. Subject to the satisfaction of the foregoing criteria, "Force Majeure" includes (a) acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); (b) strikes, lockouts or other industrial disturbances; (c) war, terrorist acts, riot, or other civil disturbance; (d) unilateral governmental action impacting Franchised Businesses generally; and (e) epidemics, transportation shortages, inadequate supply of labor, material or energy, or a party foregoing the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or public government or any department or agency. Neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with Franchisee by any lender or other Person, or Franchisee's financial inability to perform or Franchisee's insolvency, shall be an event of Force Majeure hereunder, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. An event of Force Majeure will not affect or change Franchisee's obligation to pay Royalty Fees, Advertising Fund Fees, Technology Fees or any other fees owed to Franchisor when due.

"Fund Reimbursement Program" means any program under which Franchisor, in its Business Judgment, may grant Franchisee the right to receive reimbursement from the Advertising Fund for Franchisee's annual expenditures for pre-approved local advertising programs utilized by Franchisee for the benefit of the Franchised Business as more fully described in Section 10.5.

"General Release" means the form of general release prescribed by Franchisor of any and all known and unknown obligations, liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, against Franchisor and its Constituents. A General Release will cover future consequences of acts, omissions events and circumstances predating the date of the General Release, but will not release, in advance, future acts, omissions or events which have not occurred at the time the General Release is executed.

"Good Standing" means Franchisee is in substantial compliance with the material requirements of this Agreement, the Manuals and all other agreements then in effect between Franchisor, or its Affiliates, and Franchisee, and has substantially cured each curable Default for which Franchisor has issued a Notice of Default to Franchisee within the time periods set forth in Article 16.

"Governmental Authority" means all Federal, state, county, public and local governmental and quasi-governmental agencies, commissions and authorities.

"Gross Revenue" means the total of all revenues derived from sales of Hawks Services & Products of any nature or kind whatsoever by the Franchised Business during the Term, including all proceeds from the sale of coupons, gift certificates, or vouchers, as well as the proceeds from any business interruption insurance

related to the non-operation of the Franchised Business, and whether evidenced by cash, services, property, barter, or other means of exchange. "Gross Revenue" excludes the amount of bona fide refunds paid to customers, the amount of any sales or use taxes actually paid to any Governmental Authority and the retail price of any coupons, gift certificates or vouchers when they are redeemed.

"Hawks Branded Products" means any product now existing or developed in the future that bears any of the Hawks Marks, including products that are prepared, sold and/or manufactured in strict accordance with Franchisor's standards and specifications, including clothing, souvenirs and novelty items.

"Hawks Franchise Agreements" means Franchise Agreements between Franchisor and third party Hawks Franchisees for Hawks Franchised Businesses.

"Hawks Franchisees" means third parties who enter into Hawks Franchise Agreements with Franchisor to develop, own and operate Franchised Businesses.

"Hawks Franchised Business" or "Hawks Franchised Businesses" means Hawks franchised businesses developed, owned and operated by third party Hawks Franchisees.

"Hawks Services & Products" means Authorized Hawks Services and Authorized Hawks Products as specified and approved by Franchisor from time to time.

"Hawks System" means the Hawks Proprietary Materials, Franchisor's operating methods and business practices related to Hawks Franchised Businesses, and the relationship between Franchisor and its franchisees, including specifications for equipment, specified pricing and promotions, restrictions on ownership, standard operating and administrative procedures, management and technical training programs, marketing and public relations programs, Franchisor's website, all as Franchisor may modify from time to time.

"Hawks Trade Secrets" means the Hawks Proprietary Materials, and other proprietary and Confidential Information, including procedures, policies, concepts, systems, know-how, plans, software, strategies and methods and techniques of operating a Hawks Franchised Business and providing Hawks Services & Products, excluding information that is or becomes a part of the public domain through publication or communication by third parties not bound by any confidentiality obligation or that Franchisee can show was already lawfully in Franchisee's possession before receipt from Franchisor.

"Incapacity" means any physical, emotional or mental injury, illness or Incapacity that would prevent a Person from performing the obligations set forth in this Agreement or in the Principal Owner's Guarantee attached as Exhibit C for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely.

"Initial Advertising Requirement" means the $5,000 to $7,500 Franchisee must pay to Franchisor as consideration for certain initial advertising and digital marketing management and placement services that are provided on behalf of the Franchised Business and the System and brand generally, including but not limited to Meta ads and Google ads.

"Initial Franchise Fee" means the initial fee that Franchisee must pay Franchisor for the right to operate the Franchised Business under this Agreement in the amount set forth in Exhibit A.

"Initial Term" means the ten (10) year period commencing on the Effective Date and ending on the Expiration Date.

"Initial Technology Fee" means the initial fee that Franchisee must pay Franchisor in connection with the initial technology services that Franchisor has currently designated for use in connection with the System and a Franchised Business, in the amount set forth in Exhibit A.

"Initial Training Fee" means the means the initial fee that Franchisee must pay Franchisor for Franchisor's Pre-Opening Initial Training Program, in the amount set forth in Exhibit A.

"Managers" means one or more individuals who are responsible for overseeing the operation of the Franchised Business in the absence of the Principal Owner.

"Manuals" means Franchisor's operations and training manuals and any other written directives related to the Hawks System, as they may be amended, issued and revised from time to time, including all bulletins, supplements and ancillary and additional manuals and written directives established by Franchisor as in effect and amended that permit Franchisee to benefit from new knowledge, information, methods and technology adopted and used by Franchisor in the operation of the Hawks System.

"NACHA" means the National Automated Clearing House Association, an organization that establishes the standards and rules followed by financial institutions for transferring payments.

"National Accounts" means regional or national companies that use a coordinated national strategy in a number of sales territories rather than strategies that focus on specific locations that desire to provide Hawks Authorized Services at each location.

"Non-Proprietary Products" means the computer hardware, software, modems and peripheral equipment and other products, supplies, services and equipment, other than Hawks Branded Products, that Franchisee may or must use at the Franchised Business.

"Owner" means each of the individuals listed on Exhibit B and each future direct or indirect shareholder, member, general or limited partner, trustee or other Equity owner of Franchisee. Each Owner and each Owner's spouse shall jointly and severally guarantee Franchisee's performance of its obligations in this Agreement under a Guarantee in the form of Exhibit C.

"Payment Network" means Visa, MasterCard and any credit or debit card network issuing credit or debit cards and/or their duly authorized entities, agents or affiliates.

"Payment Processors" means all credit card, debit card and/or ACH processors whose services Franchisor may require Franchisee to utilize, as well as payment gateway service providers.

"Payment Rules" means the operating rules and regulations of Payment Processors and any applicable Payment Network, as in effect from time to time.

"Permits" means and include all applicable franchises, licenses, building permits, city permits, registrations, certificates and other operating authority required by Applicable Law.

"Person" means an individual, firm, corporation, partnership, limited liability company, incorporated or unincorporated association, joint venture, joint stock company, trust or other Entity or organization of any kind, including a Governmental Authority.

"Post-Opening Initial Training Fee" means the $5,000 fee that Franchisee shall pay Franchisor for each trainee if Franchisee requests Franchisor to provide its Initial Training Program for new or replacement employees of Franchisee following the Commencement Date of the Franchised Business.

"Pre-Opening Additional Initial Training Fee" means the $750 daily fee that Franchisee shall pay Franchisor for each additional trainee if Franchisee requests Franchisor to provide its Initial Training Program to more than two (2) Persons selected by Franchisee prior to the Commencement Date of the Franchised Business.

"Principal Owner" means the individual designated by Franchisee on Exhibit B, and accepted by Franchisor, to serve as primary operator of the Franchised Business, to serve as the authorized representative of Franchisee, who shall act as Franchisee's representative in all matters with Franchisor, as Franchisee's liaison with Franchisor and the Owners, and shall have the authority to act on behalf of Franchisee during the Term without the participation of any other Owner. The Principal Owner shall own a minimum of a fifty percent (50%) ownership interest in Franchisee throughout the term of this Agreement.

"Protected Area" means the exclusive area granted to the Franchised Business in which Franchisor shall not develop, own or operate, or issue a franchise to any third party to develop, own or operate any Hawks Franchised Business during the Initial Term of this Agreement as designated on Exhibit A.

"Recommended Suppliers" means suppliers of Non-Proprietary Products who are recommended by Franchisee to become Approved Suppliers.

"Renewal Fee" means the $10,000 fee that Franchisee must pay Franchisor for the Renewal Term upon the expiration of the Initial Term.

"Renewal Term Expiration Date" means the fifth anniversary of the commencement date of the Renewal Term.

"Restricted Persons" means Franchisee, and each of its Owners and Affiliates, and the respective officers, directors, managers and Affiliates of each of them, and the spouse of each of the foregoing who are individuals.

"Technology Fee" mean the $750 monthly fee Franchisee must pay Franchisor to and maintain the Computer System at the Hawks Franchised Business. Franchisor shall have the right to adjust the amount of the Technology Fee at any time and from time to time during the Term upon thirty (30) days' prior written notice from Franchisor to Franchisee, to an amount not to exceed $2,500 per month.

"Term" means the Initial Term and, if Franchisee renews this Agreement after the expiration of the Initial Term, the Renewal Term and Extension Term, as applicable.

"Then-Current" means the form of agreement then-currently provided by Franchisor to similarly situated prospective Hawks Franchisees, which may contain terms and conditions that are materially different from this Agreement, or if not then being so provided, then a form of agreement selected by Franchisor in its discretion which previously has been delivered to and executed by a Hawks Franchisee of Franchisor, or, as the context of this Agreement indicates, the fees then-currently charged by Franchisor for services provided by Franchisor.

"Transfer Fee" means the $15,000 fee that Franchisee must pay Franchisor as a fee to apply against Franchisor's administrative and other costs to process the transfer of Franchisee's rights under this Agreement.

2. GRANT.

2.1 Grant. Franchisor hereby awards Franchisee, and Franchisee hereby accepts, the right, license and obligation, during the Initial Term, to use and display the Hawks Marks and to use the Hawks System to continuously operate one (1) Franchised Business upon the terms and subject to the provisions of this Agreement and all ancillary documents binding Franchisor and Franchisee. Franchisee shall not sublicense, sublease, subcontract or enter any management agreement providing for the right to operate the Franchised Business or to use the Hawks System granted pursuant to this Agreement.

2.2 Protected Area. During the Initial Term, and provided that Franchisee is not in Default of this Agreement or any other agreement between Franchisor, its Affiliates, and Franchisee, Franchisor shall not own, operate, sell, or issue a franchise for any other Hawks Franchised Business within the Protected Area. Franchisee's rights in the Protected Area may be reduced or terminated by Franchisor if Franchisee fails to achieve the Performance Requirements set forth in Section 7.31. Except as provided in this Section 2.2 and in Section 2.5, Franchisee shall have no territorial or protective rights with respect to the Franchised Business, and Franchisor shall have the right to place other Hawks Franchised Businesses anywhere it desires outside the Protected Area. Franchisee shall not receive an exclusive territory.

2.3 Rights Reserved by Franchisor. Franchisor and its Affiliates expressly reserve all other rights with respect to the Hawks System, the Hawks Proprietary Materials, the Hawks Marks and Hawks Franchised Businesses, including the exclusive right, in their discretion, directly or indirectly, without paying Franchisee any compensation or granting Franchisee any rights in the same, to (i) develop, own and operate, and to grant licenses and franchises to third parties to develop, own and operate, Hawks Franchised Businesses at any location outside of the Protected Area, regardless of its proximity to the Protected Area; (ii) develop, own and operate, and grant licenses and franchises to third parties to develop, own and operate, Hawks Franchised Businesses and other nature-based businesses at any location outside of the Protected Area, regardless of their proximity to the Protected Area; (iii) develop, own and operate, and grant licenses and franchises to third parties to develop, own and operate, any other businesses other than a Competitive Business, under marks and systems different from the Hawks Marks and the Hawks System at any location within or outside of the Protected Area, regardless of their proximity to the Franchised Business; (iv) sell or distribute, at retail or wholesale, directly or indirectly, and license others to sell or distribute, Hawks Branded Products from any location within or outside of the Protected Area, regardless of proximity to the Protected Area, through the Internet, mail order catalogs, direct mail advertising and through other distribution methods; (v) market on the Internet and use the Hawks Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements, and in all other forms of electronic media; (vi) offer for sale and sell, develop, own or operate and grant licenses or franchises to third parties to develop, own or operate National Accounts within and outside of the Protected Area regardless of their proximity to the Protected Area; (vii) acquire the assets or ownership interests of one or more businesses providing services or products similar to those provided at Hawks Franchised Businesses or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; (viii) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any business providing services and products similar to those provided at Hawks Franchised Businesses, or by another business, even if the business operates, franchises and/or licenses Competitive Businesses; and (ix) engage in all other activities that this Agreement does not expressly prohibit.

2.4 Right of First Refusal for Contiguous Territory. If Franchisor approves Franchisee as qualified to operate an additional Franchised Business when an opportunity (excluding National Accounts and rights sold by Franchisor under an Area Development Agreements) arises in a Contiguous Territory during the Term,

which approval Franchisor may grant or withhold in Franchisor's sole and absolute discretion, Franchisee shall have a limited right of first refusal to purchase an additional Hawks Franchise for the Contiguous Territory.

2.4.1 If Franchisor desires to accept any bona fide offer from a third party to purchase a Hawks Franchise for a Contiguous Territory, Franchisor shall notify Franchisee of the offer at least thirty (30) days before the sale is proposed to close and shall provide Franchisee with the information relating to the offer as Franchisee may reasonably require. Franchisee shall have the right and option, exercisable within thirty (30) days after receipt of written notification of the proposed sale, to send written notice to Franchisor that Franchisee intends to purchase the Hawks Franchise for the Contiguous Territory on the same terms and conditions offered by the third party. If Franchisee elects to purchase a Hawks Franchise for the Contiguous Territory, the closing of the purchase shall occur within thirty (30) days after the date a Franchise Agreement for the Contiguous Territory is delivered to Franchisee by Franchisor. If Franchisee declines to purchase a Hawks Franchise for the Contiguous Territory, Franchisor shall have ninety (90) days from the later of: (i) receipt of a notice from Franchisee declining to exercise its right of first refusal, or (ii) sixty (60) days after Franchisee's receipt of Franchisor's written notification of the proposed sale, to close the sale of the Hawks Franchise for the Contiguous Territory to the third party. Failure to effect a sale with the third party within the ninety (90) day period, or any material change in the terms of the offer prior to closing, shall constitute a new offer subject to the same rights of first refusal by Franchisee as in the case of the third party's initial offer.

2.4.2 Franchisee may exercise its right of first refusal only if all of the following conditions precedent are satisfied at the time the purchase of the Hawks Franchise for the Contiguous Territory is scheduled to close: (i) Franchisee shall have fully performed all of its obligations under this Agreement and all other agreements binding the Parties and shall be in Good Standing on the date of Franchisor's notice and on the date of Franchisor's execution of a Hawks Franchise Agreement for the Contiguous Territory; (ii) Franchisee shall not have committed three (3) or more Defaults during any twelve (12) month period which were subject to notices of Default issued by Franchisor, whether or not the Defaults were cured; (iii) Franchisee shall satisfy Franchisor's Then-Current financial requirements for new Hawks Franchisees and Franchisor's Then-Current training requirements; (iv) Franchisee shall execute and deliver a General Release in a form satisfactory to Franchisor;(v) Franchisee shall execute and deliver Franchisor's Then-Current Franchise Agreement for the Contiguous Territory to Franchisor; and (vi) each Owner and each Owner's spouse shall execute and deliver a Guarantee of the Franchise Agreement for the Contiguous Territory in the form of Exhibit C to Franchisor.

2.5 National Accounts.

2.5.1 Franchisor or its Affiliates may, in their discretion, establish and maintain a National Accounts program under which Franchisor or its Affiliates will attempt to create interest in, and develop relationships with, regional or national companies that desire to provide Hawks Authorized Services at various locations. Franchisor and its Affiliates shall have discretion to determine the referral policies and fees for Franchisee to participate in the National Accounts program, which shall be set forth in the Manuals. As long as Franchisee shall have fully performed all of its obligations under this Agreement and all other agreements binding the Parties and shall be in Good Standing and, in Franchisor's reasonable business judgment, have the necessary skills, personnel, resources and training, Franchisor shall offer Franchisee the opportunity to accept National Account opportunities within the Protected Area that will offer the Hawks Authorized Services.

2.5.2 Franchisor shall attempt to allocate referrals for the Hawks Authorized Services in an orderly manner so that Franchisee and Franchisor's Affiliates will receive a comparable number of referrals. However, Franchisee acknowledges and agrees that Franchisor does not represent or guaranty that the number of

referrals to Franchisee or the aggregate Gross Revenue from those referrals will be equal to the number of referrals or Gross Revenue derived by other Hawks Franchisees or Franchisor's Affiliates. Neither Franchisor nor its Affiliates shall be liable to Franchisee for allocation of referral decisions made in the exercise of their reasonable Business Judgment. Franchisee shall not be required to accept any National Account referred to Franchisee under this Section 2.5; provided, however, that if Franchisee refuses a National Account opportunity, Franchisee shall not be entitled to a referral of a replacement opportunity at the time of Franchisee's refusal. If Franchisee accepts a National Account opportunity referred by Franchisor or its Affiliates, Franchisee shall abide by any discounted pricing or other special requirements negotiated and agreed upon for the Hawks Services & Products by the National Account and Franchisor or its Affiliates.

2.6 Entity Franchisee

2.6.1 If Franchisee is an Entity, Franchisee shall not use the Hawks Marks, or Franchisor's trade name, or any words or symbols which are confusingly phonetically or visually similar to the Hawks Marks, as all or part of Franchisee's name. In addition, if Franchisee is an Entity, Franchisee represents and warrants that the information set forth in Exhibit B is accurate and complete in all material respects. Franchisee shall notify Franchisor in writing within ten (10) days of any change in the information set forth in Exhibit B, and shall submit to Franchisor a revised Exhibit B, which shall be certified by Franchisee as true, correct and complete and upon acceptance thereof by Franchisor shall be attached as Exhibit B. Franchisee shall promptly provide any additional information that Franchisor may from time to time request concerning all Persons who may have any direct or indirect financial interest in Franchisee, including providing copies of all amendments to Franchisee's "Entity Documents" as defined in Exhibit B. The Entity Documents of Franchisee shall recite that the issuance and transfer of any interest therein is subject to the restrictions set forth in this Agreement and any Franchise Agreement executed pursuant to this Agreement.

2.6.2 Except as otherwise approved in writing by Franchisor, if Franchisee is an Entity, it shall: (i) confine its activities exclusively to operating the Franchised Business; (ii) furnish Franchisor with a copy of Entity Documents as Franchisor may reasonably request, and any amendments thereto; (iii) maintain stop transfer instructions on its records against the transfer of any Equity securities and shall only issue securities upon the face of which a legend, in a form satisfactory to Franchisor, which references the transfer restrictions imposed by this Agreement; and (iv) not issue any non-voting securities convertible into voting securities. In addition, the Owners of Franchisee, as Franchisor may request, shall jointly and severally guarantee Franchisee's performance of this Agreement by executing a Guarantee in the form attached as Exhibit C.

2.7 Office. Franchisee shall not be required to maintain an office for the Franchised Business and may operate the Franchised Business from Franchisee's home. If Franchisee does not operate the Franchised Business from Franchisee's home, Franchisor must approve Franchisee's office location. Franchisor shall approve or reject the sites Franchisee submits for Franchisee's office location within two (2) weeks after Franchisor receives all information necessary to evaluate the sites.

3. INITIAL, RENEWAL AND EXTENSION TERMS.

3.1 Initial Term. The Initial Term shall commence on the Effective Date and shall expire on the Expiration Date, unless sooner terminated as provided in this Agreement. If Franchisee does not elect to renew the Initial Term under Section 3.2, this Agreement shall expire on the Expiration Date.

3.2 Renewal and Extension Right. Subject to the conditions contained in Section 3.3, upon the expiration of the Initial Term, Franchisee shall have the right (the "Renewal Right") to enter into a new franchise agreement in the Then-Current form then generally being offered to prospective Hawks franchisees (the

"Renewal Franchise Agreement") to extend the Initial Term for a five (5) year period (the "Renewal Term"). The Renewal Franchise Agreement shall likewise grant Franchisee the right (the "Extension Right") to enter into a new franchise agreement in the Then-Current form then generally being offered to prospective Hawks franchisees (an "Extension Franchise Agreement") to extend the Renewal Term for a five (5) year period (the "Extension Term").. The Royalty Fees and the Advertising Fund Fees payable by Franchisee during the Renewal Term shall be identical to the Royalty Fees and the Advertising Fund Fees payable by new Hawks Franchisees under their Hawks Franchise Agreements. If Franchisee desires to exercise the Renewal Right and the Extension Right, Franchisee shall, no later than eighteen (18) months prior to the Expiration Date or Renewal Term Expiration Date, as the case may be, notify Franchisor in writing (the "Renewal Notice" or "Extension Notice") that Franchisee desires to extend the Initial Term for the duration of the Renewal Term or extend the Renewal Term for the duration of the Extension Term. If Franchisee exercises the Renewal Rights, Renewal Franchise Agreement shall terminate on the Renewal Term Expiration Date. If Franchisee exercises the Extension Right, the Extension Franchise Agreement shall terminate on the Extension Term Expiration Date. This Agreement is not otherwise renewable.

3.3 Renewal and Extension Conditions and Procedures.

3.3.1 The Initial Term may be renewed by Franchisee only if all of the following conditions precedent are satisfied prior to the Expiration Date: (i) Franchisee shall have fully performed all of its obligations under this Agreement, any Area Development Agreement and all other agreements binding Franchisor and Franchisee and shall be in Good Standing on the date of the Renewal Notice, on the date of Franchisor's execution of the Renewal Franchise Agreement and on the Expiration Date; (ii) Franchisee shall not have committed three (3) or more Defaults during any twelve (12) month period during the Initial Term which were subject to notices of Default issued by Franchisor, whether or not the Defaults were cured; (iii) Franchisee continues to comply with the terms and conditions of this Agreement; (iv) Franchisee shall have satisfied Franchisor's Then-Current qualifications and training requirements; (v) Franchisee shall have executed and delivered to Franchisor a General Release; (vi) Franchisee shall have paid Franchisor the Renewal Fee when Franchisee issues the Renewal Notice to Franchisor; (vii) Franchisee has executed the Renewal Franchise Agreement and delivered it to Franchisor; and (viii) each Owner and each Owner's spouse of Franchisee shall have executed and delivered to Franchisor a personal guarantee, in a form then satisfactory to Franchisor, jointly and severally guaranteeing Franchisee's performance of its obligations under the Renewal Franchise Agreement.

3.3.2 Following the expiration of any waiting periods required by Applicable Law and no more than thirty (30) days after Franchisee receives franchise disclosure document, if applicable, and the execution copies of the Renewal Franchise Agreement, Franchisee shall execute the copies of the Renewal Franchise Agreement and return them to Franchisor. If Franchisee has exercised the Renewal Right in accordance with Section 3.2 and satisfied all of the conditions in this Section 3.3, Franchisor shall execute the Renewal Franchise Agreement. If Franchisee fails to perform any of the acts, or deliver any of the notices required under this Article 3 in a timely fashion, the failure to do so shall be deemed an election by Franchisee not to exercise the Renewal Right and shall automatically cause the Renewal Right to lapse and expire.

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3.3.3 The Renewal Term may be extended by Franchisee only if all of the following conditions precedent are satisfied prior to the Renewal Term Expiration Date: (i) Franchisee shall have fully performed all of its obligations under the Renewal Franchise Agreement, any Area Development Agreement and all other agreements binding Franchisor and Franchisee and shall be in Good Standing on the date of the Extension Notice, on the date of Franchisor's execution of the Extension Franchise Agreement and on the Renewal Term Expiration Date; (ii) Franchisee shall not have committed three (3) or more Defaults during any twelve (12) month period during the Renewal Term which were subject to notices of Default issued by Franchisor, whether or not the Defaults were cured; (iii) Franchisee continues to comply with the terms and conditions of the Renewal Franchise Agreement; (iv) Franchisee shall have satisfied Franchisor's Then-Current qualifications and training requirements; (v) Franchisee shall have executed and delivered to Franchisor a General Release; (vi) Franchisee shall have paid Franchisor the Extension Fee when Franchisee issues the Extension Notice to Franchisor; (vii) Franchisee has executed the Extension Franchise Agreement and delivered it to Franchisor; and (viii) each Owner and each Owner's spouse of Franchisee shall have executed and delivered to Franchisor a personal guarantee, in a form then satisfactory to Franchisor, jointly and severally guaranteeing Franchisee's performance of its obligations under the Extension Franchise Agreement.

3.3.4 Following the expiration of any waiting periods required by Applicable Law and no more than thirty (30) days after Franchisee receives franchise disclosure document, if applicable, and the execution copies of the Extension Franchise Agreement, Franchisee shall execute the copies of the Extension Franchise Agreement and return them to Franchisor. If Franchisee has exercised the Extension Right in accordance with Section 3.2 and satisfied all of the conditions in this Section 3.3, Franchisor shall execute the Extension Franchise Agreement. If Franchisee fails to perform any of the acts, or deliver any of the notices required under this Article 3 in a timely fashion, the failure to do so shall be deemed an election by Franchisee not to exercise the Extension Right and shall automatically cause the Extension Right to lapse and expire.

3.4 Notice Required by Law. If Applicable Law requires Franchisor to give notice to Franchisee prior to the expiration of the Initial Term, this Agreement shall remain in effect on a week-to-week basis until Franchisor has given the notice required by Applicable Law. If Franchisor is not offering new franchises, is in the process of revising, amending or renewing its form of franchise agreement or franchise disclosure document, or is not lawfully able to offer Franchisee its Then-Current form of franchise agreement, at the time Franchisee delivers its Renewal Notice or Extension Notice, as applicable, Franchisor may, in its discretion, (i) offer to renew this Agreement upon the same terms set forth in this Agreement for a Renewal Term or or Extension Term determined in accordance with Section 3.2, or (ii) offer to extend the Term on a week-to-week basis following the expiration of the Term for as long as it deems necessary or appropriate so that it may lawfully offer its Then-Current form of franchise agreement.

3.5 Month-to Month Agreement. If Franchisee does not sign Franchisor's Then-Current Franchise Agreement prior to the Expiration Date and Franchisee continues to accept the benefits of this Agreement after it expires, then at Franchisor's option, this Agreement may be treated either as (i) expired as of the Expiration Date with Franchisee then operating without a license to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("Month-to-Month Agreement") until one party provides the other with written notice of such party's intent to terminate the Month-to-Month Agreement, in which case the Month-to-Month Agreement will terminate thirty (30) days after receipt of the notice to terminate the Month-to-Month Agreement, or such longer notice period as is required by Applicable Law. In the latter case, all of Franchisee's obligations shall remain in full force and effect during the Month-to-Month Agreement as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Month-to-Month Agreement.

4. FEES.

4.1 Initial Franchise Fee. On the Effective Date, Franchisee shall pay Franchisor the Initial Franchise Fee in the manner provided in Section 4.9. The Initial Franchise Fee is non-refundable, in whole or in part, when paid.

4.2 Initial Training Fee. On the Effective Date, Franchisee shall pay Franchisor an Initial Training Fee in the manner provided in Section 4.9 as consideration for the Pre-Opening Initial Training Program that must be completed by Franchisee prior to the Opening of the Franchised Business. The Initial Training Fee is non-refundable in whole or in part under any circumstances when paid.

4.3 Initial Advertising Requirement. On the Effective Date, Franchisee shall pay Franchisor an Initial Advertising Requirement in the manner provided in Section 4.10 as consideration for consideration for certain initial digital marketing management and placement services that are provided on behalf of the Franchised Business and the System and brand generally, including but not limited to Meta ads and Google ads. The Initial Advertising Requirement is non-refundable in whole or in part under any circumstances when paid.

4.4 Initial Technology Fee. On the Effective Date, Franchisee must pay Franchisor the Initial Technology Fee, in the manner provided in Section 4.10, for the initial technology services that Franchisor has currently designated for use in connection with the System and a Franchised Business. The Initial Technology Fee shall be non-refundable, in whole or in part, when paid.

4.5 Royalty Fees. Franchisee shall pay Franchisor, in accordance with Section 4.9, a monthly royalty fee equal to six percent (6%) of the Gross Revenue of the Franchised Business in the manner provided in Section 4.10 without deduction, abatement or offset (the "Royalty Fees") Royalty Fees are uniform and non-refundable in whole or in part, when paid, and shall be paid on the 15th day of each month on the Gross Revenue of the Franchised Business during the preceding calendar month. Each payment shall be accompanied by a statement of Gross Revenue for the preceding calendar month, certified as complete and accurate by the Principal Owner.

4.6 Advertising Fund Fees. Franchisee shall pay monthly Advertising Fund Fees to the Advertising Fund in the manner provided in Section 4.10 without deduction, abatement or offset. The Advertising Fund Fees are uniform and non-refundable in whole or in part, when paid, and shall be paid on the 15th day of each month on the Gross Revenue of the Franchised Business during the preceding calendar month. Franchisor may, at any time during the Initial Term, upon ninety (90) days' prior notice to Franchisee, increase the amount of the Advertising Fund Fees to no more than four percent (4%) of Gross Revenue. In addition, Franchisor may, from time to time, offer Franchisee the opportunity to purchase point of sale advertising material, posters, flyers, product displays, templates and other promotional materials for the Franchised Business at Franchisor's direct costs for the same.

4.7 Technology Fee. Franchisee shall pay Franchisor a monthly Technology Fee throughout the Term. The Technology Fee shall be paid on 15th day of each month in accordance with Section 4.10. The Technology Fee is uniform and non-refundable in whole or in part, when paid and is intended to be a "pass through" of costs incurred by Franchisor to provider technology services to Franchisee. As a result, the Technology Fee shall only consist of amounts that: (i) Franchisor is charged by vendors, suppliers and affiliates without mark-up by Franchisor; or (ii) Franchisor reasonably incurs in creating, developing, implementing, administering and maintaining technology services to Hawks Franchisees generally or that are specifically requested by Franchisee. Franchisor may raise the Technology Fee up to $2,500 per month upon thirty (30) days' written notice to Franchisee.

4.7.1 Franchisor reserves the right to: (i) change or add approved suppliers of these services at any time, in Franchisor's sole discretion; (ii) enter into a master license agreement with any software or technology supplier and sublicense the software or technology to Franchisee, in which case Franchisor may charge Franchisee for all amounts that Franchisor must pay to the licensor based on Franchisee's use of the software or technology; and (iii) create proprietary software or technology that must be used by Hawks Franchisees, in which case Franchisor may require that Franchisee enter into a license agreement with Franchisor and pay Franchisor reasonable initial and ongoing licensing, support and maintenance fees; and (iv) modify or increase the monthly Technology Fee to account for changes, additions and modifications to required hardware and software and for licensing and maintenance costs change the software and technology that must be used by franchisees at any time. There is no limitation on the frequency and cost of Franchisee's obligation to maintain, update or upgrade Franchisee's hardware or software.

4.7.2 Franchisor will provide Franchisee with certain marketing, operational and technical services which may change from time to time based on changes to the marketing, operational and technical services Franchisor provides and/or Franchisor's costs to provide these services and/or the development of upgrade technologies or technology that does not currently exist. Franchisor can change the software, marketing services, operational services, and technology that must be used by Hawks Franchisees at any time, which may result in changes to the Technology Fee.

4.8 Advances; Purchases of Products. Franchisee shall promptly pay Franchisor and its Affiliates, as applicable, when due (i) all amounts advanced by Franchisor or which Franchisor has paid, or for which Franchisor has become obligated to pay on behalf of Franchisee for any reason whatsoever, and (ii) all amounts due to Franchisor or its Affiliates for purchases of Hawks Branded Products by Franchisee from Franchisor or its Affiliates, which shall be non-refundable in whole or in part, when paid.

4.9 Interest and Charges for Late Payments. If Franchisee fails to pay any amount due to Franchisor under this Agreement by the date payment is due, or if any electronic payment is unpaid because of insufficient funds or otherwise, Franchisee shall additionally be obligated to pay, as a late charge, the sum of $200. Additionally, Franchisee shall pay interest on the amount outstanding at the rate of one and one-half percent (1.5%) per month (but not to exceed the maximum legal rate of interest) imposed from the date payment was due until the entire sum and late charge is paid in full. This Section 4.9 does not constitute an agreement by Franchisor to accept any payment after the date payment is due or a commitment by Franchisor to extend credit to, or otherwise finance, Franchisee, and Franchisee's failure to pay all amounts when due shall constitute grounds for termination of this Agreement notwithstanding this Section 4.9.

4.10 Manner of Payment. Franchisee shall pay the Initial Franchise Fee, Initial Training Fee, the Initial Technology Fee, Royalty Fees, Technology Fees and Advertising Fund Fees to Franchisor from Franchisee's bank account by electronic funds transfer ("EFT") or other automatic payment mechanism that Franchisor may designate. Franchisee, at Franchisee's sole cost and expense, shall instruct its bank to pay the amount of its Continuing Royalty, Advertising Fund Fees, Technology Fees and other fees directly to Franchisor from Franchisee's account, by EFT and upon the terms and conditions set forth in the Hawks Manuals, and promptly upon Franchisor's request, Franchisee shall execute or re-execute and deliver to Franchisor Franchisor's ACH Payment Authorization Form attached as Exhibit D, such pre-authorized check forms and other instruments or drafts required by Franchisor's bank, payable against Franchisee's bank account, to enable Franchisor to draw Franchisee's Continuing Royalty, Advertising Fund Fees, Technology Fees and other sums payable under the terms of this Agreement. Franchisee shall maintain a single bank account for all EFT payments and shall maintain such minimum balance in this account in the amount that Franchisor may reasonably specify from time to time. Franchisee shall not alter or close this account except with Franchisor's

prior written approval. Any failure by Franchisee to implement such EFT system in strict accordance with Franchisor's instructions shall, without limiting the materiality of any other Default of this Agreement, constitute a Default under this Agreement. In addition, Franchisee shall at all times during the Term (including any Renewal Terms) maintain at least one credit card account in good standing and with a minimum available credit line of $10,000 and complete the Credit Card Authorization Form attached to this Agreement as Exhibit E which allows Franchisor to charge the credit card for any past due amounts owed to Franchisor or an approved supplier in the event an EFT payment cannot be withdrawn from Franchisee's bank account.

4.10.1 If Franchisee or any other Person is required by Applicable Law to make any deduction or withholding on account of tax or other amount from the payments paid or payable to Franchisor under this Agreement, Franchisee shall pay any such tax or other amount before the date on which a penalty for nonpayment or late payment attaches. Payment of such tax, levy, duty or assessment is to be made (if the liability to pay is imposed on Franchisee) for Franchisee's own account or (if the liability to pay is imposed on Franchisor or Franchisor's Affiliates) on behalf of and in the name of Franchisor or Franchisor's Affiliates, as the case may be. The payments made by Franchisee that are the subject of the relevant deduction, withholding or payment (including any penalties) will be increased to the extent necessary to ensure that, after the making of the deduction, withholding or payment of such tax, levy, duty or assessment, Franchisor or Franchisor's Affiliates receives on the due date and retains (free from any liability in respect of the deduction, withholding or payment) a sum equal to the amount Franchisor or Franchisor's Affiliates, as the case may be, would have received and retained had no such deduction, withholding or payment been required or made.

4.10.2 Franchisee shall immediately furnish to Franchisor or Franchisor's Affiliates, as the case may be, certified receipts of the payment of any deduction, withholding or payment made, on its account or Franchisor's account. Franchisee shall indemnify Franchisor and hold Franchisor harmless from any claims for any taxes described in this Section 4.10, including any claims occasioned by Franchisee's failure to withhold any taxes imposed by any Governmental Authority on amounts payable by Franchisee pursuant to Section 4.9, and for any liability (including penalties, interest and expenses) arising from or concerning the payment of such taxes.

4.11 Application of Funds. If Franchisee shall be delinquent in the payment of any obligation to Franchisor hereunder, or under any other agreement with Franchisor, Franchisor shall have the absolute right to apply any payments received from Franchisee to any obligation owed, whether under this Agreement or otherwise, notwithstanding any contrary designation by Franchisee as to application.

4.12 US Dollars. All payments by Franchisee shall be made in US Dollars free and clear of any tax, deduction, offset or withholding of any kind. Franchisee shall register for and collect and report sales tax in compliance with all Applicable Laws. All taxes and penalties thereon, presently or in the future levied in the Protected Area on the payments due to Franchisor under this Agreement shall be fully borne by Franchisee.

4.13 Security Interest. Franchisee hereby grants Franchisor a security interest in and to all equipment, inventory, supplies and vehicles used in connection with the Franchised Business, now or hereafter acquired by Franchisee, together will all accounts, payment intangibles, attachments, accessories, additions, substitutions and replacements, all cash and non-cash proceeds derived from insurance or the disposition of the assets, all rights of Franchisee to use the Hawks Marks, trade names, trade styles, patents, copyrights and their registrations, Hawks Trade Secret information and other proprietary rights, and all rights granted, owned or licensed to Franchisee under this Agreement for the use of the Hawks Marks, trade names, trade styles, patents, copyrights, Hawks Trade Secret information and other proprietary rights, to secure payment and performance of all debts, liabilities and obligations of any kind, whenever and however incurred, from Franchisee to Franchisor. Franchisee hereby authorizes Franchisor to prepare and file all Uniform Commercial

Code (and comparable) financing statements and other documents necessary or desirable to evidence, perfect and continue the priority of this security interest under the Uniform Commercial Code wherever applicable. If Franchisee is in Good Standing under this Agreement and all other agreements between Franchisor or its Affiliates, and Franchisee, Franchisor shall, upon request of Franchisee, execute a written subordination of its security interest to lenders providing equipment or other financing for the Franchised Business. If Franchisee is in Default of any of the terms and conditions of this Agreement, Franchisor may, in its discretion, exercise its rights with respect to its security interest. In that event, Franchisee shall remain liable for any deficiency remaining due to Franchisor and shall be entitled to recover any surplus which results after the application of the proceeds derived from the enforcement of the security interest.

4.14 Payment Methods and Frequencies. Franchisor has the right to periodically specify (in the Manuals or otherwise in writing) different payees, payment frequencies and/or payment methods, including, without limitation, weekly/biweekly/monthly payment, payment by auto-draft, credit card and payment by check upon thirty (30) days' prior written notice to Franchisee. In such event, Franchisee's reporting obligations may also be modified by Franchisor accordingly.

5. COMMENCEMENT OF BUSINESS.

Operation of the Franchised Business shall commence no later than 180 days after the Effective Date, unless (i) Franchisor extends the Commencement Date in writing; or (ii) the Commencement Date is otherwise set forth in an applicable area development agreement with Franchisor. Franchisor shall not unreasonably withhold its consent to Franchisee's request for additional time to commence operation of the Franchised Business. Franchisee's failure to commence operation of the Franchised Business within 180 days after the Effective Date or any extended date agreed upon by the Parties shall be deemed to be a Default under this Agreement. To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same, Franchisee shall not commence operation of the Franchised Business without the express written authorization of Franchisor, which authorization may be conditioned upon Franchisee's completion of the Initial Training Program by the Principal Owner and the Managers and Franchisee's compliance with staffing and other requirements. Franchisee shall commence operation of the Franchised Business for business no more than ten (10) days after receipt of Franchisor's written authorization to do so.

6. OBLIGATIONS OF FRANCHISOR.

6.1 Pre-Opening Initial Training Program and Opening Assistance.

6.1.1 Prior to the Commencement Date of the Franchised Business, Franchisor shall offer an initial training program (the "Initial Training Program") to Franchisee at a location to be determined at that time. The Initial Training Program will consist of approximately fourteen (14) days of training and must be completed before commencement of business of the Franchised Business. Franchisor shall, in its sole discretion, select the time and location for the Initial Training Program. Franchisor shall determine the contents and manner of conducting the Initial Training Program in its discretion, however, the Initial Training Program will be structured to provide practical training in the implementation and operation of the Hawks Services & Products provided by the Franchised Business. The Initial Training Program shall not be provided to Franchisee by Franchisor if (i) Franchisee or any Affiliate of Franchisee owns or operates a Franchised Business as of the Effective Date and/or has already completed an Initial Training Program; or (ii) this Agreement is executed as a Renewal Franchise Agreement. In Franchisor's discretion, Franchisor may vary the length and content of the Initial Training Program based on the experience and skill level for each individual attending the Initial Training Program.

6.1.2 Franchisor shall furnish, at no cost to Franchisee, up to a two (2) Person opening assistance team experienced in the Hawks System (the "Opening Assistance Team") to assist Franchisee for up to one (1) week before and one week after the Commencement Date of Franchisee's first Franchised Business. The Opening Assistance Team shall serve only as consultants to Franchisee and shall not be responsible (personally or on behalf of Franchisor) for the operation of the Franchised Business or the actions of Franchisee's employees during this time. Franchisee shall pay Franchisor its Then-Current daily fee to defray Franchisor's direct costs to provide the Opening Assistance Team. In addition, Franchisee shall pay all transportation costs, food, lodging and similar costs incurred for the Opening Assistance Team.

6.2 Post-Opening Training Programs. Following the Commencement Date of the operation of the Franchised Business, Franchisor may, at Franchisee's request and in Franchisor's discretion, provide additional Initial Training Programs ("Additional Initial Training Programs") for new or replacement supervisorial or managerial personnel of Franchisee. In addition, Franchisor may, from time to time during the Term (i) require the Principal Owner and each Manager and/or other supervisorial or managerial personnel of Franchisee to attend additional and remedial training programs ("Additional & Remedial Training Programs"), at Franchisor's discretion. Further, if Franchisor conducts an inspection of the operations of the Franchised Business and determines that Franchisee is not operating the Franchised Business in compliance with this Agreement or the Manuals, Franchisor may require Franchisee, the Principal Owner and each Manager and/or other supervisorial or managerial personnel to attend Additional & Remedial Training Programs to address the operating deficiencies. Franchisor may provide any or all portions of the Initial Training Program, Additional & Remedial Training Programs or inspection remotely over a virtual communication platform designated by Franchisor.

6.3 Hawks Proprietary Materials. During the Term, Franchisor will loan or otherwise provide Franchisee with access, by hard copy or via the Internet, with one copy of its Then-Current Hawks Proprietary Materials, which may include audio, video, compact disks, computer software, other electronic media and/or written materials. At Franchisor's option, Franchisor may post some or all of the Hawks Proprietary Materials on a restricted Website, intranet, or extranet to which Franchisee will have access.

6.3.1 The Hawks Proprietary Materials are, and at all times shall remain Franchisor's sole property and shall promptly be returned to Franchisor upon expiration, termination or an Assignment of this Agreement. The Hawks Proprietary Materials contain both mandatory and recommended specifications, standards, procedures, rules and other information pertinent to the Hawks System and Franchisee's obligations under this Agreement. The Hawks Proprietary Materials, as modified by Franchisor from time to time, are an integral part of this Agreement and all provisions now or hereafter contained in the Hawks Proprietary Materials or otherwise communicated to Franchisee in writing are expressly incorporated into this Agreement by this reference and made a part of this Agreement.

6.3.2 Franchisor reserves the right to modify the Hawks Proprietary Materials from time to time during the Term to reflect changes that it may implement, and in mandatory and recommended standards and operating procedures of the Hawks System. Franchisor may also establish and maintain a website portal or other Intranet for Franchisee's use where Franchisor may post content that will automatically become part of, and constitute a supplement to, the Hawks Proprietary Materials, all of which Franchisee must strictly comply with promptly after such content is posted or otherwise listed on the portal. Franchisee shall immediately conform its operations with all revisions in mandatory standards, operating procedures and rules prescribed by Franchisor in the Hawks Proprietary Materials or otherwise.

6.4 Supplies and Suppliers. Franchisor shall provide Franchisee with a list of its approved and designated suppliers of services, products, equipment and supplies used or sold by the Franchised Business

for the equipping and operation of the Franchised Business following the Effective Date, and shall further provide Franchisee with updated lists of the suppliers periodically during the Term.

6.5 Manuals. Franchisor will provide Franchisee with access, by hard copy or via the Internet, to its current Manuals which may include audio, video, compact disks, computer software, other electronic media and/or written materials. At Franchisor's option, Franchisor may post some or all of the Manuals on a restricted Website, intranet, or extranet to which Franchisee will have access. The Manuals may change from time to time. The Manuals are, and at all times shall remain Franchisor's sole property and shall promptly be returned to Franchisor upon expiration, termination or an Assignment of this Agreement. The Manuals contain both mandatory and recommended specifications, standards, procedures, rules and other information pertinent to the System and Franchisee's obligations under this Agreement. The Manuals, as modified by Franchisor from time to time, are an integral part of this Agreement and all provisions now or hereafter contained in the Manuals or otherwise communicated to Franchisee in writing are expressly incorporated into this Agreement by this reference and made a part of this Agreement. Franchisor reserves the right to modify the Manuals from time to time to reflect changes that it may implement in the mandatory and recommended specifications, standards and operating procedures of the Hawks System.

6.6 Consultation and Advisory Services. Notwithstanding the provisions of this Article 6, Franchisee shall be and remain responsible for the day-to-day operation of the Franchised Business at all times and shall hold Franchisor, its Affiliates and their respective directors, officers, employees and agents, harmless therefrom. Franchisee shall not look to Franchisor for performance of regular operational duties. Franchisor may periodically consult with Franchisee from time to time concerning the operation of the Franchised Business. Franchisor shall at reasonable times, upon request and at no charge to Franchisee, furnish counseling and advisory services to Franchisee with respect to the planning, opening and operation of the Franchised Business, including consultation and advice regarding operating problems and procedures, new developments and improvements in the Hawks System, record keeping, purchasing, marketing, promotion and merchandising, business forms and the interpretation of policy as set forth in the Hawks Manuals, and periodic updates regarding Franchisor's activities and the Hawks Proprietary Materials, as they may from time to time be amended, and other directives of Franchisor. The advice to be rendered by Franchisor pursuant to this Section 6.6 may be rendered in person, by telephone or conference calls with Franchisor and other Hawks Franchisees and shall be general advice designed to assist Franchisee in the operation of the Franchised Business. Franchisee acknowledges and agrees that the results of Franchisee's efforts to operate the Franchised Business rest solely with Franchisee. Franchisor may make recommendations that it deems appropriate to assist Franchisee's efforts. However, Franchisee alone shall establish all requirements, consistent with the policies of Franchisor, regarding: (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom Franchisee will offer and sell Hawks Services and Products; and (iii) the suppliers from whom Franchisee obtains any products or services used in connection with the Franchised Business for which Franchisor has not established Hawks Approved Suppliers. Franchisee acknowledges and agrees that Franchisor, by rendering these consultation and advisory services, does not thereby guarantee the success or profitability of the Franchised Business.

6.7 Post-Opening Inspections. To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same, Franchisor's authorized representatives shall have the right, but not the obligation, from time to time, to examine the operation of the Franchised Business, to confer with Franchisee's supervisorial or managerial personnel, and determine whether the Franchised Business is being operated in accordance with this Agreement, the Hawks System and the Hawks Proprietary Materials.

6.8 Toll Free Telephone Number. Franchisor has the right, but not the obligation, to establish and maintain a toll free telephone number for the purpose of accepting and confirming customer orders

nationwide, customer service, and customer follow-up and satisfaction surveys. If Franchisor establishes a toll free number, Franchisee shall comply with Franchisor's procedures for implementing the nationwide service as Franchisor specifies in the Manuals or otherwise in writing.

6.9 Assignment. Upon the occurrence of an Assignment, the Proposed Buyer must be trained by Franchisor as a condition to the granting of Franchisor's consent to the Assignment. All costs for this training shall be included in the administrative/transfer fee payable by Franchisee in accordance with Sections 14.4.7 and 14.4.10.

6.10 Franchisee Advisory Council and Selection. Franchisor may elect to form a franchise advisory council (the "Council") to provide advice and suggestions regarding specified matters to Franchisor. The Council shall consist of Hawks Franchisees selected by Franchisor ("Franchisee Members"). All Franchisee Members must be in Good Standing. Franchisor may select Franchisee Members from any regions in which that Franchisee Member resides or does business. The Franchisee Members need not be from different regions. The Council may also consist of a designated number of Franchisor's corporate employees and/or members of a public relations firm selected by Franchisor. The purpose of the Council is to provide constructive, open and two-way communications between Hawks Franchisees and Franchisor. In particular, the Council will provide a cooperative forum for the Council members to receive and discuss information, to provide input, advice and planning regarding various limited and specified matters and to encourage each Hawks Franchisee to remain in Good Standing as the Hawks System grows and develops through fostering communications between Hawks Franchisees and Franchisor. While Franchisor is not required to do so, except as specified in this Agreement, if Franchisor submits any matters for approval to the Council and approval is granted, the approval will be binding on Franchisee. Notwithstanding the forgoing, Franchisor shall have the right to make the final decision on all matters considered by the Council.

6.11 No Assumption of Liability. Franchisor shall not, by virtue of any approvals or advice provided to Franchisee under this Agreement assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable. Franchisee acknowledges that any assistance provided by Franchisor, or its designee is only for the purpose of determining compliance with the Hawks System standards.

6.12 Delegation of Duties. Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by the Agreement, as Franchisor may direct.

7. OBLIGATIONS OF FRANCHISEE.

To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same:

7.1 Hawks System. Franchisee shall operate the Franchised Business in compliance with the terms of this Agreement and the Hawks Proprietary Materials. Franchisee acknowledges and agrees that Franchisee alone shall exercise day-to-day control over all operations, activities and elements of the Franchised Business, including over Franchisee's employees, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees that the various requirements, restrictions, prohibitions, specifications and procedures of the Hawks System with which Franchisee must comply under this Agreement, the Hawks Proprietary Materials or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised

Business, which Franchisee alone controls, but only constitute standards to which Franchisee must adhere when exercising Franchisee's control over the day-to-day operations of the Franchised Business consistent with the policies of Franchisor. Franchisee shall comply with Franchisor's standards and shall operate the Franchised Business in conformity with the methods, standards, and specifications that Franchisor may from time to time prescribe in the Hawks Proprietary Materials or otherwise. Franchisee shall comply, at Franchisee's expense, with all modifications prescribed by Franchisor and shall implement changes to the Hawks System within the time periods specified by Franchisor following Franchisee's receipt of notice from Franchisor to do so. Franchisee shall refrain from deviating from the methods, standards, and specifications without Franchisor's prior written consent and from otherwise operating in any manner which reflects adversely on the Hawks Marks or the Hawks System. Since every detail of the Hawks System is essential in order to develop and maintain quality operating standards, to increase the demand for the services offered by Hawks Franchised Businesses under the Hawks System and to protect the Hawks Marks and reputation and goodwill, Franchisor shall have the right to disapprove, as it believes necessary, any modification of, or addition to, the Hawks System suggested by Franchisee that is reasonably likely to have an adverse material effect on the Hawks System, the Hawks Marks or Franchisor's reputation or goodwill.

7.2 Pre-Opening Initial Training Program. Franchisee's Principal Owner and Manager shall attend and complete to Franchisor's satisfaction the Initial Training Program. Franchisee's supervisorial or managerial personnel may also attend the Initial Training Program. Franchisee shall pay all travel, living, compensation, and other expenses, if any, incurred by Franchisee and/or Franchisee's supervisorial or managerial employees to attend the Initial Training Programs. Franchisee may not open the Franchised Business until the Initial Training Program has been completed to the satisfaction of Franchisor and Franchisee's management team has been certified by Franchisor. If Franchisee (i) fails to complete the Initial Training Program within six (6) months after the Effective Date; (ii) does not complete the Initial Training Program to Franchisor's satisfaction; (iii) does not, during the Initial Training Program, appear to possess the skills necessary to properly fulfill and discharge the demands and responsibilities required by the Hawks System or this Agreement or; (iv) is not acceptable to become a franchisee of Franchisor for any reason whatsoever, in Franchisor's sole and absolute discretion, Franchisor may terminate this Agreement upon five (5) days' written notice to Franchisee and this Agreement shall thereafter be of no further force or effect. Franchisee acknowledges that because of Franchisor's superior skill and knowledge with respect to the training and skill required to manage the Franchised Business, Franchisor, in its sole discretion, shall determine if Franchisee's Principal Owner and Manager has satisfactorily completed the Initial Training Program. Franchisor shall have the right to retain the Initial Franchise Fee and Initial Training Fee. Franchisor and Franchisee acknowledge and agree that the actual damages to be suffered by Franchisor in this circumstance are difficult, if not impossible, to determine, and that, under all the facts and circumstances, this calculation of Franchisor's potential damages and retention of the Initial Franchise Fee and Initial Training Fee by Franchisor, are a reasonable, good faith estimate of those damages.

7.3 Opening Assistance. Franchisee shall notify Franchisor at least thirty (30) days in advance of the scheduled date that Franchisee will have all permits necessary to Open the Franchised Business and to allow Franchisor to schedule a date for Franchisor's on-site opening assistance for Franchisee's first Franchised Business. Franchisee shall pay Franchisor its Then-Current daily fee to defray Franchisor's direct costs to provide the Opening Assistance Team. In addition, Franchisee shall pay all transportation costs, food, lodging and similar costs incurred for the Opening Assistance Team.

7.4 Post-Opening Initial Training Programs. If, following the Commencement Date of the Franchised Business, Franchisee requests Franchisor to provide additional Initial Training Programs for new or replacement supervisorial or managerial personnel and Franchisor agrees to do so, Franchisee shall pay Franchisor its Then-Current Post-Opening Initial Training Fee for each trainee who attends the Post-Opening

Initial Training Programs to defray Franchisor's direct costs to provide the Post-Opening Initial Training Programs. Franchisee shall pay all transportation costs, food, lodging and similar costs incurred by the trainees in connection with attendance at Post-Opening Initial Training Programs.

7.5 Post-Opening Additional & Remedial Training Programs. Following the Commencement Date of the Franchised Business, Franchisee, the Principal Owner and each Managers shall attend Additional & Remedial Training Programs as required by Franchisor. Franchisee shall pay Franchisor its Then-Current Additional Training Program Daily Fee for each of Franchisor's representatives who provides Additional Training Programs to defray Franchisor's direct costs to provide the Additional Training Programs. In addition, Franchisee shall pay all transportation costs, food, lodging and similar expenses incurred in connection with attendance at the Additional Training Programs.

7.6 Post-Opening Inspections. If any inspection by Franchisor or its designee indicates any deficiency or unsatisfactory condition at the Franchised Business, Franchisor will notify Franchisee in writing of the deficiencies and Franchisee shall promptly correct, remedy or repair the same. In addition, if any inspection indicates any deficiency or unsatisfactory condition which requires a re-inspection of the Franchised Business within a period of thirty (30) days, Franchisee shall pay Franchisor, upon demand, the sum of $500 for each re-inspection of the Franchised Business and shall, in addition, reimburse Franchisor for its out-of-pocket expenses for the re-inspection, including for transportation costs, food, lodging and similar costs.

7.7 Computer System.

7.7.1 Franchisee shall purchase, use and maintain the Computer System specified in the Manuals or otherwise by Franchisor in writing for the Franchised Business in accordance with Franchisor's standards and specifications. The Computer System shall always be connected to one or more high-speed communications media specified by Franchisor and be capable of accessing the Internet. Franchisee shall electronically link the Computer System to Franchisor or its designee. Franchisee shall allow Franchisor and/or its designee to access the Computer System and stored files, and to add, remove, configure and modify information systems via any means including electronic polling and uploads, with or without notice. Franchisor may from time to time upon thirty (30) days prior written notice require Franchisee, at Franchisee's sole cost and expense, to add, update, upgrade, enhance or replace the Computer System, including hardware and/or software. Franchisee shall acquire and incur the costs to obtain and implement the hardware, software and other components and devices comprising the Computer System (including additions and modifications) and all support services, service and maintenance agreements and subscriptions prescribed by Franchisor to maintain, protect, and interface with Computer System.

7.7.2 Franchisee shall not use or permit the use of the Computer System for any unlawful or non-business related activity. Franchisee shall not install or use, and shall prohibit others from installing and using, unauthorized hardware or other components and devices, software on or with the Computer System. Franchisee shall take all commercially reasonable measures to ensure that the Computer System are used strictly in accordance with Franchisor's standards, including security protocols and protective measures. Franchisee shall at all times provide Franchisor with all passwords, access keys and other security devices or systems as necessary to permit Franchisor to access the Computer System and obtain the data Franchisor is permitted to obtain under the Manuals and this Agreement. During the Term, Franchisor may add, control, modify, govern and block any and all network and internet traffic, ports, protocols, and destinations in order to secure the Computer System.

7.8 Authorized Hawks Services & Authorized Hawks Products. Franchisee shall advertise and provide all and only Authorized Hawks Services and Authorized Hawks Products at or from the Franchised Business.

All Authorized Hawks Services and Authorized Hawks Products shall be provided under the names designated by Franchisor and shall be provided strictly in accordance with Franchisor's methods and standards. Franchisee shall not remove any Authorized Hawks Services or Authorized Hawks Products without Franchisor's written consent. Franchisee shall not offer or sell any Authorized Hawks Services and Authorized Hawks Products outside of the Franchised Business.

7.9 Oversight and Management. The Principal Owner shall be responsible for oversight of the day-to-day operations of the Franchised Business and shall devote his/her full time and best efforts solely to operation of the Franchised Business and to no other business activities. Franchisee shall provide comprehensive initial training programs, additional training programs and remedial training programs for its Managers and other employees and shall ensure that the Franchised Business is at all times under the direct control of a Manager or Managers and other supervisorial or managerial employees fully trained by Franchisee and solely dedicated to operation of the Franchised Business. Each Manager shall have a skill level, training and experience commensurate with the demands of the position and conform in all respects with Franchisor's high standards for courteous service.

7.9.1 Notwithstanding this Section 7.9, Franchisee may, at its option and subject to Franchisor's written consent, designate a Manager or Managers to supervise the operation of the Hawks Franchised Business; provided, that Franchisee and its Principal Owner shall remain fully responsible for each Manager's performance. The Managers shall devote full time and best efforts to the supervision and management of the Franchised Business and may not engage in any other business activity without Franchisor's consent.

7.9.2 Franchisee must promptly notify Franchisor if the Principal Owner or Managers cannot continue to serve in that capacity or no longer qualifies as such, and must take corrective action within thirty (30) days thereafter. During such thirty (30) day period, Franchisee must provide for interim management of its operations in accordance with this Agreement. Any failure to comply with this Section 7.9.2 will be a Default under this Agreement.

7.10 Compliance with Applicable Law. Franchisee shall operate the Franchised Business in accordance with all Applicable Laws. Franchisee shall not cause or allow any part of the Franchised Business to be used for any immoral or illegal purpose. Franchisee shall in all dealings with its customers, suppliers, and public officials adhere to high standards of honesty, integrity, fair dealing and ethical conduct and refrain from engaging in any action which will cause Franchisor to be in violation of any Applicable Law. If Franchisee shall receive any notice, report, fine, test results or the like from any Governmental Authority, Franchisee shall promptly send a copy of the same to Franchisor.

7.11 Hours. Subject to Applicable Law, the Franchised Business shall be open and operational from 8:00 AM to 6:00 PM per day every day of the year or as otherwise prescribed by Franchisor. Franchisee shall diligently and efficiently exercise its best efforts to achieve the maximum Gross Revenue possible from the Franchised Business. Franchisee must operate the Franchised Business continuously throughout the Term.

7.12 Franchisee Employee Policies. Franchisee shall maintain a competent, conscientious, and trained staff and shall take all steps necessary to ensure that its employees preserve good customer relations, render competent, prompt, courteous, and knowledgeable service, and meet the minimum standards that Franchisor may establish from time to time in the Manuals or otherwise. All employees hired by or working for Franchisee shall be the employees of Franchisee, and Franchisee alone, and shall not, for any purpose, be deemed to be the employees of Franchisor or subject to Franchisor's direct or indirect control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to

withholdings, levied or fixed by any Governmental Authority. Franchisee and Franchisor will each file their own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers' compensation insurance payments with respect to their respective employees and operations. Franchisee acknowledges and agrees that Franchisor will not have the power to hire or fire Franchisee's employees. Franchisee expressly agrees, and will never contend otherwise, that Franchisor's authority under this Agreement to certify Franchisee's supervisorial or managerial personnel for qualification to perform certain functions at the Franchised Business does not directly or indirectly vest in Franchisor the power to hire, fire or control any of Franchisee's personnel. Franchisee alone shall be solely responsible for all hiring and employment decisions and functions relating to the Franchised Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether Franchisee has received advice from Franchisor on these subjects or not. Franchisee acknowledges and agrees that any guidance Franchisee receives from Franchisor regarding employment policies should be considered as examples, that Franchisee alone is responsible for establishing and implementing its own employment policies, and that Franchisee understands that Franchisee should do so in consultation with local legal counsel experienced in employment law. Franchisee shall immediately defend, reimburse and hold Franchisor harmless from any direct or indirect losses, costs and expenses, including attorneys' fees, arising out of any claim made by or for the benefit of any employee of Franchisee against Franchisor regarding employment decisions and employee functions at the Franchised Business, including, without limitation, those related to hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees. Franchisee shall take all action necessary to ensure that Franchisee's employees understand and acknowledge that they are not employees of Franchisor, including, without limitation, requiring Franchisee's employees to sign a written acknowledgement that Franchisee is an independently owned and operated franchisee and their sole employer in a form specified by Franchisor in the Manuals or otherwise in writing from time to time.

7.13 Uniforms. Franchisee shall cause all employees, while working in the Franchised Business, to wear uniforms of the color, design and other specifications that Franchisor may designate from time to time and to present a neat and clean appearance. If Franchisor removes a type of uniform utilized by Franchisee from the list of approved uniforms, Franchisee shall have ninety (90) days from receipt of written notice of removal to discontinue use of its existing inventory of uniforms and obtain and use the approved type of uniform. In no event shall Franchisee permit any employee of Franchisee to wear the required uniform except while working at the Franchised Business; without limiting the generality of the foregoing, the uniform may not be worn off premises for any other purpose other than while commuting to and from work at the Franchised Business.

7.14 Co-Branding. Franchisee may not engage in any co-branding in or in connection with the Franchised Business except with Franchisor's prior written consent. Franchisor may approve any co-branding chain or arrangement in its discretion, and only if Franchisor has recognized that co-branding chain as an approved co-brand for operation within Hawks Franchised Businesses.

7.15 Customer Complaints and Cooperation. Franchisee shall respond promptly to each customer inquiry or complaint and resolve all reasonable complaints to the customer's satisfaction. Franchisee shall at all times cooperate with Franchisor and other franchisees of Franchisor and shall actively participate in any and all sales, public relations, advertising, cooperative advertising and purchasing programs or promotional programs which may be developed and implemented by Franchisor which call for the cooperation of Franchisee and other franchisees of Franchisor and shall further cooperate in any additional programs which may be established and designated by Franchisor from time to time including participating in coupon programs, the system-wide use of gift certificates and gift cards and other similar programs for the benefit of the Hawks System and shall comply with Franchisor's rules and regulations established from time to time in connection herewith. Franchisee shall cooperate with Franchisor in connection with the test marketing of

services at the Franchised Business and shall comply with Franchisor's rules and regulations established from time to time in connection herewith.

7.16 Adequate Reserves and Working Capital. Franchisee shall, at all times, maintain adequate reserves and working capital sufficient for Franchisee to fulfill all of Franchisee's obligations under this Agreement and to cover the risks and contingencies of the Franchised Business for at least three (3) months.

7.17 Intranet. Franchisor does not currently operate or permit the operation of a Hawks Franchisee Intranet. In the event Franchisor does establish an Intranet, Franchisee shall have the mere privilege to use the Intranet, subject to Franchisee's strict compliance with the standards and specifications, protocols and restrictions that Franchisor may establish from time to time. Franchisee acknowledges that, as administrator of the Intranet, if implemented, Franchisor may access and view any communication posted on the Intranet. If Franchisor implements an Intranet, Franchisor may, at Franchisor's discretion, discontinue or terminate the Intranet at any time. Franchisee further acknowledges that the Intranet facility and all communications that are posted to it will become Franchisor's property, free of any claims of privacy or privilege that Franchisee or any other Person may assert. Franchisee shall establish and continually maintain an electronic connection with the Intranet as specified in the Manuals that allows Franchisor to send messages to and receive messages from Franchisee and pay all applicable fees per user. If Franchisee shall Default under this Agreement or any other agreement with Franchisor, Franchisor may, in addition to, and without limiting any other rights and remedies available to Franchisor, disable or terminate Franchisee's access to the Intranet without Franchisor having any liability to Franchisee.

7.18 Improvements. If Franchisee develops any new concept, process or improvement in the Hawks System (an "Improvement"), Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any Improvement shall become the sole property of Franchisor and Franchisor shall be the sole owner of all related intellectual property rights. Franchisee hereby assigns to Franchisor any rights Franchisee may have or acquire in the Improvements, including the right to modify the Improvement, and Franchisee waives and/or releases all rights of restraint and moral rights therein and thereto. Franchisee shall assist Franchisor in obtaining and enforcing the intellectual property rights to any Improvement in any and all countries and further agrees to execute and provide Franchisor with all necessary documentation for obtaining and enforcing those rights. Franchisee hereby irrevocably designates and appoints Franchisor as Franchisee's agent and attorney-in-fact to execute and file any the documentation and to do all other lawful acts to further the prosecution and issuance of intellectual property rights related to any Improvement. If the foregoing provisions of this Section 7.18 are found to be invalid or otherwise unenforceable, Franchisee hereby grants Franchisor a worldwide, perpetual, non-exclusive, fully paid license to use and sublicense to use of the Improvement to the extent the use or sublicense would, absent this Agreement, directly or indirectly infringe Franchisee's rights therein.

7.19 Notifications and Crisis Management Events. Franchisee shall notify Franchisor in writing within (i) twenty-four (24) hours, and confirm in writing within two (2) days thereafter, of any investigation or violation, actual or alleged, of any health, liquor or narcotics laws or regulation related to the Franchised Business, and (ii) five (5) days of the commencement of any investigation, action, suit, or proceeding or of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other Governmental Authority which may adversely affect the operation or financial condition of the Franchised Business. Franchisee shall immediately inform Franchisor's President (or as otherwise instructed in the Manuals) by telephone of the occurrence of a Crisis Management Event. Franchisee shall cooperate fully with Franchisor with respect to Franchisor's response to a Crisis Management Event.

7.20 Authorization to Release Information and Use Images. Franchisee hereby authorizes and agrees to execute any other documents deemed necessary to effect the authorization of: (i) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other Persons or Entities with whom Franchisee does business to disclose to Franchisor any financial information in their possession relating to Franchisee or the Franchised Business which Franchisor may request, (ii) Franchisor to disclose to prospective franchisees or other third parties data from Franchisee's reports if Franchisor determines, in Franchisor's sole discretion, that the disclosure is necessary or advisable; (iii) Franchisor to photograph and videotape Franchisee, its employees, the public and all other areas of the Franchised Business, without further authorization from, or compensation to, Franchisee and to use their images for marketing and promotion of the Franchised Business, other Hawks Franchised Businesses and franchises for Hawks Franchised Businesses; (iv) Franchisor to disclose to third parties, including but not limited to Franchisee's bank, information about Franchisee relating to Franchisee's obligations or performance under this Agreement if Franchisor determines, in Franchisor's sole discretion, that the disclosure is necessary or advisable.

7.21 Annual Franchisee Conference. Franchisor may hold an Annual Franchisee Conference for Hawks Franchisees each year. The Principal Owner and each Managers shall attend the Annual Franchisee Conference. Franchisee shall pay Franchisor a Franchisee Conference Fee of $500 ("Franchisee Conference Fee") to reimburse Franchisor for a portion of the direct costs to provide the Annual Franchisee Conference. Franchisee shall pay the Franchisee Conference Fee upon demand at least thirty (30) days before the date of the Annual Franchisee Conference, whether or not Franchisee attends the Annual Franchisee Conference.

7.22 Credit Cards. Franchisee shall honor all credit, charge, courtesy and cash cards approved by Franchisor in writing. To the extent Franchisee shall store, process, transmit or otherwise access or possess cardholder data in connection with the sale of Hawks Services & Products, Franchisee shall maintain the security of cardholder data and adhere to the then-current Payment Card Industry Data Security Standards ("PCI DSS"), currently found at www.pcisecuritystandards.org, for the protection of cardholder data throughout the Term. Franchisee shall be and remain responsible for the security of cardholder data in the possession or control of any subcontractors Franchisee engages to process credit cards. All subcontractors must be identified to and approved by Franchisor in writing prior to sharing cardholder data with the subcontractor. Franchisee shall, if requested to do so by Franchisor, provide appropriate documentation to Franchisor to demonstrate compliance with applicable PCI DSS requirements by Franchisee and all identified subcontractors.

7.23 Program Advisory Committee. Franchisor may from time to time establish a Program Advisory Committee for Hawks Franchisees to review the Hawks Proprietary Materials from time to time. If a Program Advisory Committee is formed, it will act solely in an advisory capacity and will not have decision making authority, will be comprised of Franchisor's representatives and Hawks Franchisees who may be chosen by Franchisor or elected by other Hawks Franchisees. All Hawks Franchisees who serve on a Program Advisory Committee shall pay all transportation costs, food, lodging and similar costs incurred in connection with their attendance at a Program Advisory Committee meetings. Franchisor shall have the right to form, change, merge or dissolve any a Program Advisory Committee at any time, in its sole discretion.

7.24 Gift Cards, Loyalty and CRM Materials. Franchisee shall not create or issue any gift certificates or gift cards and shall only sell gift certificates or gift cards that have been issued or approved by Franchisor that are accepted at Hawks Franchised Businesses. Franchisee shall participate in all gift certificate and/or gift card administration programs as may be designated by Franchisor from time to time. Franchisee shall honor all coupons, gift certificates, gift cards and other programs or promotions as directed by Franchisor. Franchisee shall fully participate in all guest loyalty or frequent customer programs now or in the future adopted or approved by Franchisor. Franchisee shall not issue coupons or discounts of any type for use at the Franchised

Business except as approved by Franchisor in writing, which may be withheld in Franchisor's sole and absolute discretion. In addition, Franchisee shall purchase, enroll in or subscribe to, as applicable, all social media analytics as may be specified by Franchisor in its Manuals or otherwise in writing. Franchisor reserves the right to change the designated suppliers of these or similar services in Franchisor's sole discretion. Franchisee shall change, purchase or subscribe to the additional programs or software, as applicable, immediately upon notice from Franchisor to do so.

7.25 Data Security Safeguards. Franchisee shall exert Franchisee's best efforts to protect its customers against a cyber-event, including, without limitation, a data breach or other identity theft or theft of personal information (collectively, a "Cyber Event"). If a Cyber Event occurs, regardless of whether the Cyber Event affects only the Franchised Business, Franchisor reserves the right, but shall not have any obligation, to perform and/or control and/or cause its third party consultants to perform and/or control all aspects of the response to the Cyber Event including, without limitation, the investigation, containment and resolution of the Cyber Event and all communications within the Hawks system and with vendors and suppliers, Governmental Authorities and the general public. Franchisor's control of the response to a Cyber Event may potentially affect or interrupt operations of the Franchised Business, but shall not create any liability for Franchisor or additional rights for Franchisee, entitle Franchisee to damages or relieve Franchisee of Franchisee's indemnification obligations under Section 18.4. Franchisee shall reimburse Franchisor for all of Franchisor's out-of-pocket costs and expenses incurred in responding to and remedying any Cyber Event caused solely by Franchisee or the Franchised Business. Franchisee shall at all times be compliant with (i) the NACHA ACH Security Framework; (ii) the Payment Rules; (iii) Applicable Law regarding data privacy, data security and security breaches; and (iv) Franchisor's security policies and guidelines, all as may be adopted and/or amended from time to time (collectively, "Data Security Safeguards"). Franchisee shall obtain advice from Franchisee's own legal and security consultants to ensure that Franchisee operates the Franchised Business at all times in full compliance with the Data Security Safeguards. Notwithstanding Franchisor's right to perform and/or control all aspects of a response to a Cyber Event, Franchisor shall make commercially reasonable efforts to coordinate its response with Franchisee and Franchisee's insurance carrier(s) and to cooperate with Franchisee's insurance carrier(s) regarding insurance coverage of the Cyber Event to the extent reasonably practicable under the circumstances.

7.26 Payment of Debts and Taxes. Franchisee shall be solely responsible for selecting, retaining and paying Franchisee's employees; the payment of all invoices for the purchase of goods and services used in connection with operating the Franchised Business and determining whether, and on what terms, to obtain any financing or credit which Franchisee deems advisable or necessary for the opening and operation of the Franchised Business. Franchisee shall pay all obligations and liabilities to suppliers and creditors on a timely basis. Franchisee shall indemnify Franchisor if Franchisor is held responsible for any debts owed by Franchisee if Franchisor elects to pay any of Franchisee's obligations in order to preserve the relationship between suppliers and Hawks Franchisees. Franchisee shall make prompt payment of all federal, state and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, and personal property and real estate taxes arising from Franchisee's operation of the Franchised Business. Franchisee shall indemnify Franchisor if Franchisor is held responsible for any of these taxes.

7.27 Prices. Subject to Applicable Law, following the Commencement Date of the Franchised Business, Franchisor shall have the right to establish pricing guidelines for Hawks Services & Products and, subject to Applicable Law, Franchisee shall comply with, and be bound by, prices which may be recommended, suggested or advertised by Franchisor. Subject to Applicable Law, Franchisee shall honor the terms of all promotional or discount programs that Franchisor may offer to the public for Franchised Businesses and shall comply with all pricing policies that Franchisor may specify, including minimum and maximum price policies,

minimum advertised price policies and unilateral price policies. Franchisee shall also provide services and products designated by Franchisor on terms Franchisor specifies, including free-of-charge.

7.28 Communications. Franchisee shall respond to all communications with Franchisor in a timely manner. Franchisee's repeated failure to do so shall constitute a Default under this Agreement.

7.29 Marketing. Franchisee shall comply with all provisions of this Agreement relating to advertising, public relations and marketing, including, without limitation, Article 10.

7.30 Privacy. Franchisee shall comply with all Applicable Laws pertaining to the privacy of customer, employee and transactional information ("Privacy Laws"). Franchisee shall also comply with Franchisor's standards and policies pertaining to Privacy Laws. If there is a conflict between Franchisor's standards and policies pertaining to Privacy Laws and actual Applicable Law, Franchisee shall (i) comply with the requirements of Applicable Law; (ii) immediately give Franchisor written notice of the conflict; and (iii) promptly and fully cooperate with Franchisor and Franchisor's counsel in determining the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy Laws within the bounds of Applicable Law. Franchisee shall not publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent to such policy.

7.31 Performance Requirements. Franchisee shall, during the first twelve (12) months following the Effective Date, enroll no less than 200 Campers. During months 13 - 24 following the Effective Date, Franchisee shall enroll no less than 500 Campers. After the 24th month following the Effective Date, Franchisee must enroll no less than 500 Campers. each year during the remaining Initial Term. The failure by Franchisee to comply with this Section 7.31 shall constitute a Default under this Agreement and shall permit Franchisor to (i) reduce or eliminate Franchisee's territorial rights in the Protected Area and develop, own and operate or grant licenses and franchises to other Hawks Franchisees to develop, own and operate, Hawks Franchised Businesses at any location within the Protected Area; or (ii) terminate this Agreement.

7.32 Vehicles. Any vehicles used by Franchisee in the operation of the Franchised Business shall meet Franchisor's image and other standards. Franchisee shall place such signs and decor items on the vehicles as Franchisor requires, including Franchisor's approved vehicle/van wrap, and shall at all times keep each vehicle clean and in good working order. Franchisee shall not permit anyone to operate a vehicle used in connection with the Franchised Business who is under the age of eighteen (18) years or who does not possess a valid driver's license under the laws of the state in which the Franchised Business is located. Franchisee shall require each Person who operates a vehicle used in connection with business operations to comply with all laws, regulations and rules of the road and to use due care and caution in the operation and maintenance of the vehicles. Except as noted in this Section 7.32, Franchisor does not set forth any standards or exercise control over any motor vehicles utilized by Franchisee.

8. SUPPLIERS AND PRODUCTS.

To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same:

8.1 Approved Suppliers. All Hawks Branded Products and Non-Proprietary Products designated by Franchisor for use and sale at the Franchised Business must be purchased from Approved Suppliers. Franchisor and its Affiliates may be, but are not obligated to become, Approved Suppliers of certain Hawks Branded Products and Non-Proprietary Products and may act as the sole Approved Suppliers of certain Hawks Branded Products and Non-Proprietary Products. Franchisor may operate an online portal that

Franchisee can use to buy Hawks Branded Products, marketing materials and handbooks directly from Approved Suppliers. If, at any time during the Term, Franchisor receives notice from an Approved Supplier that Franchisee is over sixty (60) days past due on any payment owed to the Approved Supplier, and Franchisee has not provided any notice to the Approved Supplier disputing the overdue amount prior to Franchisor's receipt of notice from the Approved Supplier concerning the past due amount, Franchisor shall have the right, but not the obligation, to make payment to the Approved Supplier on behalf of Franchisee and to thereafter reimburse itself for the amount paid to the Approved Suppler in the manner provided in Section 4.7.

8.2 Recommended Suppliers. If Franchisee desires to purchase authorized Non-Proprietary Products from a Recommended Supplier rather than from Franchisor, its Affiliates or an Approved Supplier, Franchisee shall deliver written notice to Franchisor identifying the Recommended Supplier and shall provide Franchisor with reasonable financial, operational and other information regarding the Recommended Supplier necessary for Franchisor to assess the Recommended Supplier. Franchisee shall not purchase authorized Non-Proprietary Products from any Recommended Supplier without Franchisor's prior written consent. Franchisor shall notify Franchisee of Franchisor's decision in writing of Franchisor's approval or disapproval of a Recommended Supplier within sixty (60) days after Franchisor's receipt of the necessary information from Franchisee. As a condition of its approval, Franchisor may require a Recommended Supplier to agree in writing to (i) provide, from time to time, upon Franchisor's request, free samples of the Non-Proprietary Product the Recommended Supplier intends to supply to Franchisee, (ii) faithfully comply with Franchisor's specifications for the Non-Proprietary Products to be sold by the Recommended Supplier, (iii) sell any Non-Proprietary Products bearing the Hawks Marks only to Hawks Franchisees and only under a trademark license agreement with Franchisor, (iv) provide Franchisor, upon request, with duplicate purchase invoices issued to Franchisee for Franchisor's records and inspection purposes, and (v) otherwise comply with Franchisor's reasonable requests. Further, Franchisor may require Franchisee or the Recommended Supplier to reimburse Franchisor for all of Franchisor's actual costs in reviewing the application of the Recommended Supplier including all transportation costs, food, lodging and similar expenses related to inspecting, re-inspecting and auditing the Recommended Suppliers' facilities, equipment, and products. Franchisee shall pay Franchisor in advance, a deposit of up to $500 before Franchisor begins any inspection. Franchisor may revoke its approval of a previously approved Recommended Supplier if the Recommended Supplier does not continue to satisfy Franchisor's criteria.

8.3 Purchases from Franchisor or its Affiliates. Hawks Branded Products and Non-Proprietary Products purchased from Franchisor or its Affiliates shall be purchased in accordance with the purchase order format issued from time to time by Franchisor or its Affiliates and at the prices and on delivery terms and other terms offered to similarly situated Hawks Franchisees. Franchisor, or its Affiliates, in its sole and absolute discretion, may establish the credit terms, if any, upon which it will accept Franchisee's orders, and may require Franchisee to pay for orders on a cash-in-advance or cash-on-delivery basis. On the expiration or termination of this Agreement, or in the event of any Default by Franchisee under this Agreement, Franchisor or its Affiliates shall not be obliged to fill or ship any orders then pending or, in the case of termination or non-renewal, made any time thereafter by Franchisee and may, among other things, only deliver the quantities reasonably necessary to supply Franchisee's needs prior to the expiration or termination of this Agreement. Franchisor or its Affiliates shall not be liable to Franchisee for any delay or delivery failure caused by Force Majeure. Neither Franchisor nor its Affiliates shall be liable to Franchisee for unavailability of, or delay in shipment or receipt of, merchandise because of temporary product shortages, order backlogs, production difficulties, delays, unavailability of transportation, fire, strikes, work stoppages, or other causes beyond the reasonable control of Franchisor or its Affiliates. If any goods or products sold by Franchisor or its Affiliates are not in sufficient supply to fully fulfill all orders, Franchisor or its Affiliates may allocate the available supply among itself, its Affiliates and others, including Franchisee and other franchisees, in any way

Franchisor or its Affiliates deems appropriate, which may result in Franchisee not receiving any allocation of certain goods or products as a result of a shortage.

8.4 Rebates. We may, from time to time, receive rebates, allowances, commissions, credits or discounts from Approved Suppliers based on the aggregate volume of items purchased by franchisees from Approved Suppliers. In addition, we may negotiate certain arrangements, including price terms, for the purchase of certain items, such as logoed paper products and cups for the benefit of our franchisees. We do not provide material benefits to franchisees (for example, renewal or granting additional franchises) based upon their purchase of particular products or services or use of particular suppliers. Franchisee's purchase of items from unapproved suppliers, however, constitutes a breach of this Agreement, which may lead to termination of this Agreement and other remedies under Applicable Law.

9. HAWKS MARKS.

Franchisor and its Affiliates continue to develop, use and control the use of the Hawks Marks in order to identify for the public the source of services and products marketed under the Hawks Marks and the Hawks System, and to represent the Hawks System's high standards of quality, appearance and service. To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same:

9.1 Ownership and Goodwill of Hawks Marks. Franchisee acknowledges that its right to use the Hawks Marks is derived solely from this Agreement and is limited to use in operating as Franchisee pursuant to and in compliance with this Agreement. Any unauthorized use of the Hawks Marks by Franchisee shall constitute a breach of this Agreement and an infringement of Franchisor's rights in and to the Hawks Marks. Franchisee acknowledges and agrees that (i) Franchisor owns the Hawks Marks and the Hawks System, (ii) Franchisee owns no goodwill or rights in the Hawks Marks or the Hawks System except for the license granted by this Agreement, and (iii) Franchisee's use of the Hawks Marks and any goodwill established by that use shall inure to the exclusive benefit of Franchisor. Franchisee agrees not to contest, or assist any other Person to contest, the validity of Franchisor's rights and interest in the Hawks Marks or the Hawks System either during the Term or after this Agreement terminates or expires.

9.2 Limitations on Use. If Franchisee is an Entity, Franchisee shall not use the Hawks Marks, or Franchisor's trade name, or any words or symbols which are confusingly phonetically or visually similar to the Hawks Marks, as all or part of Franchisee's name. In addition, Franchisee shall not use any Hawks Marks (i) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed to Franchisee under this Agreement), (ii) in connection with unauthorized services or products, (iii) as part of any domain name or electronic address maintained on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system, or (iv) in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give all notices of trademark and service mark registration that Franchisor specifies and shall use and obtain all fictitious or assumed name registrations required by Franchisor or under Applicable Law. Franchisee further agrees that no service mark other than "Hawks Kids" or other Hawks Marks specified by Franchisor shall be used in marketing, promoting, or operating the Franchised Business.

9.3 Modifications. Franchisor reserves the right to (i) modify or discontinue licensing any of the Hawks Marks, (ii) add new names, marks, designs, logos or commercial symbols to the Hawks Marks and require that Franchisee use them, and (iii) require that Franchisee introduce or observe new practices as part of the Hawks System in operating the Franchised Business. Franchisee acknowledges and agrees that the term Hawks Marks means the specific names, marks, designs, logos or commercial symbols licensed by Franchisor at any given point in time, subject to Franchisor's right to impose changes. Franchisee shall comply, at Franchisee's sole

expense, with Franchisor's directions regarding changes in the Hawks Marks and Hawks System within a reasonable time after written notice from Franchisor. Franchisor shall have no liability to Franchisee for any cost, expense, loss or damage that Franchisee incurs in complying with Franchisor's directions and conforming to required changes.

9.4 Defense of Hawks Marks and Hawks System. Franchisor shall have the sole right to handle disputes with Franchisees and third parties concerning Franchisor's or Franchisor's Affiliates' ownership of, rights in, or Franchisee's use of, the Hawks Marks or the Hawks System. Franchisee shall immediately notify Franchisor in writing if Franchisee receives notice, or is informed, of any (i) improper use of any of the Hawks Marks or elements of the Hawks System, including misuse by Franchisees, (ii) use by any third party of any mark, design, logo or commercial symbol which, in Franchisee's judgment, may be confusingly similar to any of the Hawks Marks, (iii) use by any third party of any business practice which, in Franchisee's judgment, unfairly simulates the Hawks System in a manner likely to confuse or deceive the public, or (iv) claim, challenge, suit or demand asserted against Franchisee based upon Franchisee's use of the Hawks Marks or the Hawks System. Franchisor shall have sole discretion to take all action as it deems appropriate, including, without limitation, to take no action, and the sole right to control any legal proceeding or negotiation arising out of any infringement, challenge or claim or otherwise relating to the Hawks Marks or the Hawks System. Franchisee shall not settle or compromise any claim, suit or demand asserted against it and agrees to be bound by Franchisor's decisions in handling disputes regarding the Hawks Marks and the Hawks System. Franchisee shall cooperate fully with Franchisor and execute all documents and perform all actions as may, in Franchisor's judgment, be necessary, appropriate or advisable in the defense of all claims, suits or demands and to protect and maintain Franchisor's rights in the Hawks Marks and the Hawks System. Unless it is established that a third party claim asserted against Franchisee is based directly upon Franchisee's misuse of the Hawks Marks or the Hawks System, Franchisor agrees to defend Franchisee against the third party claim and indemnify Franchisee for any losses resulting therefore, provided Franchisee has notified Franchisor as soon as practical after learning of the claim and fully cooperates in the defense of the Action. Because Franchisor will defend the third party claim, Franchisee is not entitled to be reimbursed for legal or other professional fees or costs paid to independent legal counsel or others in connection with the matter.

10. ADVERTISING.

To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same:

10.1 Initial Advertising Requirement. Franchisee shall pay Franchisor the Initial Advertising Requirement for certain initial advertising and digital marketing management and placement services that are provided on behalf of the Franchised Business and the System and brand generally, including but not limited to Meta ads and Google ads.

10.2 Advertising Fund. Franchisor has established the Advertising Fund to promote the Hawks Marks and the Hawks Franchised Businesses. Franchisee shall contribute to the Advertising Fund the amount of Advertising Fund Fees specified by Franchisor from time to time, which amount shall not exceed four percent (4%) of Gross Revenue. Once established, the Advertising Fund shall be administered by Franchisor and shall be used to meet the costs of conducting marketing and promotional activities. Franchisor retains sole discretion over all marketing and public relations programs and activities financed by the Advertising Fund, including the creative concepts, materials and endorsements used and the geographic market, media placement and allocation. Company-owned and Affiliate-owned Hawks Businesses, including any owned by the Operating Company, may, but are not required to, contribute to the Advertising Fund. If they do, they may not be

required to contribute in the same percentage as Franchisee and may stop contributing at any time without notice to Franchisee.

10.2.1 The Advertising Fund may be used to pay the costs of preparing and producing associated materials and programs as Franchisor determines, including video, audio and written marketing materials employing marketing agencies, sponsorship of sporting, charitable or similar events, administering regional and multi-regional marketing programs including purchasing direct mail and other media marketing, and employing marketing agencies to assist with marketing efforts, supporting public relations, market research and other marketing and promotional activities, campaigns, test marketing, marketing surveys, public relations activities, Website design and development/operation for portal, Internet, Intranet and URL services, social media, technology programs, electronic application design and development, and for 800 or similar numbers. All expenditures are at the sole discretion of Franchisor. Franchisor may spend in any year more or less than the total contributions to the Advertising Fund in that year. Franchisor may borrow from Franchisor or other lenders on behalf of the Advertising Fund to cover deficits of the Advertising Fund or cause the Advertising Fund to invest any surplus for future use by the Advertising Fund. Franchisor shall prepare an annual unaudited accounting of the expenditures of the Advertising Fund which will be provided to Franchisee upon Franchisee's written request.

10.2.2 Franchisee acknowledges that the Advertising Fund is intended to maximize general public recognition of and the acceptance of the Hawks brand for the benefit of the Hawks System as a whole. Franchisor undertakes no obligation, in administering the Advertising Fund, to make expenditures for Franchisee that are equivalent or proportionate to its contribution, or to ensure that any particular Franchisee benefits directly or pro rata from marketing or promotion conducted with the Advertising Fund.

10.2.3 Franchisor will maintain the Advertising Fund in an account separate from Franchisor's other monies, and will not use it to defray any of Franchisor's expenses, except for reasonable administrative and marketing wages and costs and overhead which Franchisor may incur in activities related to administering the Advertising Fund and marketing programs for Hawks Franchisees. Franchisor's printed materials and Website may also contain references stating that "Franchises Are Available" and/or that "Each Hawks Franchised Business Franchise Is Independently Owned and Operated" to promote the sale of franchises for Hawks Franchised Businesses. With this exception, no portion of the Advertising Fund will be used to solicit or to sell Hawks Franchised Businesses to prospective Hawks Franchisees. The Advertising Fund is not and will not be an asset of Franchisor. Any Advertising Fund Fees collected in a year, but not spent in that year, will be carried over to the next year. Franchisor shall have the right, in its sole discretion, to terminate the collection and disbursement of Advertising Fund Fees upon ninety (90) days' prior written notice to Franchisee. Upon termination, Franchisor shall disburse the remaining Advertising Fund Fees on hand only for the purposes authorized by this Article 10.

10.2.4 Franchisor may, from time to time, require Franchisee to temporarily spend all or a portion of the Advertising Fund Fees Franchisee pays into the Advertising Fund on local marketing, in addition to Franchisee's local advertising expenditure set forth in Section 10.3 (the "Additional Advertising Expenditure"). Within thirty (30) days after the end of each calendar year following the institution of any required Additional Advertising Expenditure, Franchisee must provide Franchisor with copies of all payments Franchisee issued during the preceding calendar year which evidence Franchisee's Additional Advertising Expenditure for pre-approved local advertising programs utilized for the benefit of the Franchised Business. If Franchisee makes its payments to the Advertising Fund, spends the Additional Advertising Expenditure on pre-approved local advertising programs utilized for the benefit of the Franchised Business and provides Franchisor with satisfactory evidence of payment for the same, Franchisor will reimburse Franchisee for the amount of the Additional Advertising Expenditure from the Advertising Fund up to the amount of the

Advertising Fund Fees Franchisee paid into the Advertising Fund during the prior calendar year. If Franchisee fails make its payments to the Advertising Fund, fails to provide Franchisor with satisfactory evidence of payment, or fails to spend the required Additional Advertising Expenditure on pre-approved local advertising programs utilized for the benefit of the Franchised Business, Franchisee shall contribute any deficit to the Advertising Fund upon demand.

10.3 Local Advertising and Promotion and Digital Marketing. Franchisee shall spend not less than five percent (5%) of its Gross Revenue each calendar quarter on local advertising and promotion of the Franchised Business. Franchisor may, upon thirty (30) days' notice increase the amount to be spent on local advertising and promotion to an amount not to exceed six percent (6%) of Gross Revenue.

10.3.1 Franchisee shall conduct all local advertising and promotion in accordance with the policies and provisions with respect to format, content, media, geographic coverage and other criteria as are from time to time contained in the Manuals, or as otherwise directed by Franchisor, and shall not use or publish any advertising material or in any way use or display any of the Hawks Marks except in accordance with said policies and provisions and with Franchisor's prior written approval. Franchisee shall submit samples of all advertising and promotional plans and materials to Franchisor for Franchisor's approval and may only commence use of the materials after they have been approved, in writing, by Franchisor. Franchisor shall have the right at any time after Franchisee commences use of any materials to prohibit further use, effective upon written notice to Franchisee. Franchisor may require Franchisee to use an Approved Supplier for local advertising and promotion of the Franchise Business.

10.3.2 On or before the fifteenth day of each month during the Term, Franchisee shall provide Franchisor with copies of all invoices, statements, canceled checks or other forms of payment which have been issued by Franchisee during the preceding month which evidence the expenditure and payment by Franchisee of the amounts required by this Section 10.3 for local advertising and promotion of the Franchised Business. If Franchisee fails to provide Franchisor with such evidence of payment, or if Franchisee fails to spend the amounts required by this Section 10.3 during any month, Franchisee shall contribute an additional two percent (2%) of Gross Revenue for that month to the Advertising Fund upon demand. If Franchisee fails to provide Franchisor with such evidence of payment, or if Franchisee fails to spend the amounts required by this Section 10.2 during any consecutive two (2) month period, Franchisor may terminate this Agreement.

10.3.3 Digital Marketing Requirement. In addition to Franchisee's Local Advertising Requirement, Franchisee must spend at least $500 per month or 5% of Gross Revenue, whichever is greater, up to $1,500 per month (the "Digital Marketing Requirement") on digital marketing. Franchisee must purchase digital marketing services from Franchisor's Approved Supplier.

10.4 Cooperative Advertising Materials. Franchisor may from time to time establish programs for co-operative advertising ("Cooperative Materials") to coordinate advertising, marketing efforts and programs, to serve as a conduit for the collection and expenditure of the contributed funds and to maximize the efficient use of local and/or regional advertising media. If and when Franchisor creates a Cooperative Material for an advertising coverage area (an "Advertising Coverage Area") in which the Franchised Business is located, Franchisee (and, if Franchisor or an Affiliate of Franchisor owns a Franchised Business in the Advertising Coverage Area, then Franchisor or such Affiliate of Franchisor), shall become a subscriber and member of the Cooperative Material and shall participate in the Cooperative Material in the manner prescribed by Franchisor. The size and content of an Advertising Coverage Area, when and if established by Franchisor, shall be binding upon Franchisee, and all other similarly situated Hawks Franchisees and Franchisor or an Affiliate of Franchisor, if it operates Hawks Franchised Businesses in the Advertising Coverage Area. Each participating Hawks Franchisee, as well as Franchisor (or its Affiliate), if applicable, shall be entitled to one vote for each

Franchised Business located within the Advertising Coverage Area as may reasonably be determined by Franchisor.

10.4.1 Franchisee and all other members of the Advertising Coverage Area whose Franchise Agreements require their participation in the Cooperative Material, shall contribute to the Cooperative Material the amounts that are determined by fifty percent (50%) or more of the participating Hawks Franchised Businesses in the Cooperative Material (not to exceed two percent (2%) of the Gross Revenue of each participating Hawks Franchised Business located in the Advertising Coverage Area), subject to Franchisor's written approval. Franchisee's contribution to the Cooperative Material shall be credited towards the satisfaction of the local advertising expenditure required by Section 10.2.

10.4.2 Franchisor shall administer the Cooperative Material and shall determine the policies of the Cooperative Material and the usage of the available funds for media time, production of media materials, radio, television, newspapers or Franchised Business level materials such as flyers, or posters, or for any other type of advertising or marketing use. Franchisor reserves the right to establish general standards concerning the operation of the Cooperative Material, advertising agencies retained by the Cooperative Material, and advertising conducted by the Cooperative Material. Any disputes (other than pricing) arising among or between Franchisee, other Hawks Franchisees, and/or the Cooperative Material shall be resolved by Franchisor, whose decision shall be final and binding on all parties.

10.5 Grand Opening Advertising and Promotion. Franchisee shall, during the period beginning thirty (30) days before the scheduled opening of the Franchised Business and continuing for thirty (30) days after the Franchised Business opens for business, spend between $2,000 to $5,000 to conduct grand opening marketing and promotion. Within thirty (30) days of the grand opening for the Franchised Business, Franchisee must submit evidence to us of Franchisee's grand opening expenditures. If Franchisee fails to provide Franchisor with such evidence of payment, or if Franchisee fails to spend the amount required by this Section 10.5, Franchisee shall contribute the sum of $2,000 to the Advertising Fund upon demand. If Franchisee fails to do so, Franchisor may terminate this Agreement.

10.6 Fund Reimbursement Programs. If Franchisee is in Good Standing with Franchisor and its Affiliates, in all respects, Franchisor may, from time to time, in its Business Judgement, but shall not be obligated to, grant Franchisee the right to receive reimbursement from the Advertising Fund for Franchisee's actual paid expenditures for local advertising programs which have been pre-approved by Franchisor in the manner provided for in Section 10.3 of this Agreement, and utilized by Franchisee for the benefit of the Franchised Business, up to a maximum amount to be established by Franchisor, until the Fund Reimbursement Program is terminated by Franchisor.

10.6.1 Within thirty (30) days after the end of each calendar year following the institution of any Fund Reimbursement Program, Franchisee shall provide Franchisor with copies of all invoices, statements, canceled checks or other forms of payment which have been issued by Franchisee during the preceding calendar year which evidence the expenditure and payment by Franchisee of the amounts required by this Section 10.5 for pre-approved local advertising programs utilized by Franchisee for the benefit of the Franchised Business. Franchisor shall review the evidence of these expenditures and, if the same is satisfactory, shall cause the Advertising Fund to reimburse Franchisee, within sixty (60) days thereafter, for its expenditures, up to a maximum percentage of the Advertising Fees paid by Franchisee to the Advertising Fund during the preceding calendar year, as established by Franchisor, in its sole and absolute discretion.

10.6.2 If Franchisee is entitled to reimbursement from the Advertising Fund for pre-approved local advertising programs utilized by Franchisee for the benefit of the Franchised Business during the preceding

calendar year and fails to make application for reimbursement of the same with Franchisor within thirty (30) days after the end of each calendar year following the institution of the Fund Reimbursement Program, the full amount of Franchisee's potential reimbursement shall remain in the Advertising Fund and Franchisee shall no longer have any right to reimbursement for expenditures for the subject calendar year.

10.6.3 Any Fund Reimbursement Program established by Franchisor pursuant to this Section 10.6 may be terminated by Franchisor at any time, in its sole discretion, upon ninety (90) days' notice to Franchisee.

10.7 Promotional Campaigns. From time to time during the Term, Franchisor shall have the right to establish and conduct promotional campaigns on a national or regional basis, which may by way of illustration and not limitation promote particular products or marketing themes. Franchisee shall participate in the promotional campaigns upon the terms and conditions that Franchisor may establish. Franchisee acknowledges and agrees that participation may require Franchisee to purchase point of sale advertising material, posters, flyers, product displays and other promotional materials.

10.8 Internet; Social Media Platforms. Franchisee shall not develop, create, generate, own, license, lease or use in any manner any computer medium or electronic medium (including, without limitation, any Internet home page, e-mail address, website, domain name, bulletin board, newsgroup or other Internet-related medium or activity) which in any way uses or displays, in whole or part, the Hawks Marks, or any of them, or any words, symbols or terms confusingly similar thereto without Franchisor's prior written consent, and then only in the manner and in accordance with the procedures, policies, standards and specifications that Franchisor may establish from time to time. Franchisee shall not separately register any domain name or any portion of any domain name containing the Hawks Marks or participate or market on any website or other form of electronic media (including, without limitation, through the use of social technology, social media, social networking platforms or other forms of electronic media not yet developed) using the Hawks Marks without Franchisor's prior written consent. Franchisee's general conduct on the Internet and in the use of other forms of electronic media is subject to the terms and conditions of this Agreement and all other rules, requirements or policies that Franchisor may identify from time to time. Franchisor may, at any time after Franchisee commences use of any approved electronic media, prohibit further use, effective upon receipt of written notice by Franchisee. Franchisor controls the WiFi gateway and all emails collected will be Franchisor's property, with no restrictions on Franchisor's use or distribution of email addresses. In order to maintain a consistent image and message and to protect the Hawks Marks and Hawks System, Franchisee shall not participate or market through the use of social technology, social media such as Facebook, Instagram, Pinterest and Twitter, social networking platforms or other forms of electronic media not yet developed ("Social Media Platforms") using the Hawks Marks, or in connection with the Franchised Business, without Franchisor's prior written consent. If Franchisee separately registers any Social Media Platform account (a "Social Media Account") containing the Hawks Marks or related to the Franchised Business, whether with Franchisor's prior consent or not: (i) Franchisee must promptly notify Franchisor and provide Franchisor with all necessary information related to the Social Media Account Franchisor requires or demands, without compensation to Franchisee; and (ii) the Social Media account will become Franchisor's property, without compensation to Franchisee. Franchisor will be the sole owner of all related intellectual property rights in all Social Media Accounts and all content posted on Social Media Accounts.

10.9 Websites. Franchisor shall establish and maintain from time to time, one or more Internet websites that shall be used to provide information about Hawks Franchised Businesses to the public. Franchisor has sole discretion and control over the establishment, design and content of the website. Franchisor shall configure the site to accommodate one or more interior pages which Franchisor shall dedicate, in whole or in part, to Hawks Franchised Businesses in the Protected Area, all at Franchisee's expense. Franchisor shall have the right, at its sole option, from time to time, to (i) change, revise, or eliminate the design, content and

functionality of the website, (ii) make operational changes to the website, (iii) change or modify the URL and/or domain name of the website, (iv) substitute, modify, or rearrange the website, at Franchisor's sole option, including in any manner that Franchisor considers necessary or desirable to comply with Applicable Laws, or respond to changes in market conditions or technology and respond to any other circumstances, (v) limit or restrict end-user access (in whole or in part) to the web site, and (vi) disable or terminate the website without any liability to Franchisee.

11. CONFIDENTIAL INFORMATION.

11.1 Hawks Proprietary Materials. Franchisee shall operate the Franchised Business in accordance with the standards, methods, policies and procedures specified in the Hawks Proprietary Materials. Franchisee shall treat the Hawks Proprietary Materials, any additional manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall maintain the information as secret and confidential. Except as otherwise expressly provided in this Agreement, Franchisee shall not at any time copy, duplicate, record or otherwise reproduce the Hawks Proprietary Materials, in whole or in part, or otherwise make the same available to any unauthorized Person. The Hawks Proprietary Materials and all of its components shall at all times remain the sole property of Franchisor. Franchisee shall ensure that its copies of the Hawks Proprietary Materials are kept current at all times, and in the event of any dispute as to the contents of the same, the terms of the master copy of the Hawks Proprietary Materials maintained by Franchisor shall be controlling.

11.2 Hawks Data. All data pertaining to the Franchised Business and all data created or collected by Franchisee in connection with Franchisee's operation of the Franchised Business, including, without limitation, data pertaining to, or otherwise concerning, the Franchised Business' Campers and other customers and the names and other pertinent data about the venues serviced by Franchisee, Franchisee's employees, customers, the coaches employed by Franchisee and the Campers serviced by the Franchised Business as customers, or otherwise collected by Franchisee, including, without limitation, data uploaded to, or downloaded from Franchisee's computer system (collectively " Hawks Data") is Hawks Confidential Information and is the sole property of Franchisor. Franchisor shall have the right to review and use the Hawks Data in any manner that Franchisor deems appropriate without any compensation to Franchisee. Franchisee shall provide Franchisor with copies and/or originals of the Hawks Data within five (5) days after Franchisor's request for the Hawks Data at no cost to Franchisor and at any time during the Term and upon the expiration and/or termination of this Agreement. Franchisor hereby licenses use of the Hawks Data to Franchisee during the Term, at no cost, solely for Franchisee's use in the operation of the Franchised Business. Franchisee shall maintain the Hawks Data as secret and confidential throughout the Term and shall not make any of the Hawks Data available to any unauthorized Person without the prior written consent of Franchisor and then only in the manner permitted by Franchisor.

11.3 Confidential Information. Franchisee acknowledges and agrees that the Hawks System is comprised of confidential information that has been developed by Franchisor and its affiliates by the investment of time, skill, effort and money and is widely recognized by the public, is of substantial value, and is proprietary, confidential and constitutes Hawks Trade Secrets, and includes, without limitation, (i) the Hawks Proprietary Materials and Hawks Data; (ii) the names and other pertinent data about the Campers serviced by a Hawks Franchisee as customers; (iii) instructions on the actions a Hawks Franchisee would take to establish its business after buying a Hawks Franchise; (iv) instructions on the actions a Hawks Franchisee would take to identify potential customers of Hawks programs; (v) instructions on how to attract and enroll Campers in Hawks Proprietary Materials, (vi) instructions on how to recruit educators; (vii) the relationship between Franchisor and Hawks Franchisees; (viii) restrictions on ownership of Hawks franchises, and (ix) all Hawks Data, other proprietary data and confidential information developed by, and belonging to Franchisor,

including, tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, services and products, sources of materials and equipment, client management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, designs, developmental or experimental work and services, Improvements, discoveries, plans for research, potential new or supplemental services and products, websites, advertisements or ancillary services and products, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, customer lists and customer data, information regarding the skills and compensation of employees of Franchisor and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, Hawks Trade Secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, Persons or entities, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's operation of the Franchised Business under the terms of this Agreement, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or Persons unaffiliated with Franchisor or its Affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential (collectively, the "Confidential Information").

11.4 Value. Franchisee acknowledges and agrees the Confidential Information is not generally known by the public or parties other than Franchisor, its affiliates, its franchisees and Franchisee; derives independent economic value (actual or potential) from not being generally known to the public or Persons unaffiliated with Franchisor or Franchisee; and is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Confidential Information, including, without limitation (i) not revealing the Confidential Information to unauthorized parties; (ii) requiring its franchisees to acknowledge and agree in writing that the Confidential Information is confidential; (iii) requiring its franchisees to agree in writing to maintain the confidentiality of the Confidential Information; (iv) monitoring electronic access to the Confidential Information by the use of passwords and other restrictions so that electronic access to the Confidential Information is limited to authorized parties; and (v) requiring its franchisees to return all Confidential Information to Franchisor upon the expiration or termination of their Franchise Agreements.

11.5 Maintain Confidentiality. To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same, Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of anyone else, any information that Franchisor considers Hawks Trade Secrets and/or Confidential Information. Franchisee shall divulge Confidential Information only to supervisorial or managerial employees who must have access to it in order to perform their employment responsibilities.

11.6 Irreparable Injury from Disclosure of Confidential Information. Franchisee acknowledges that failure to comply with the requirements of this Article 11 will result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to the requirements of this Article 11.

11.7 Confidentiality Covenants from Individuals Associated with Franchisee. Franchisee shall require any supervisorial or managerial personnel who may have access to any Confidential Information of Franchisor to execute covenants that they will maintain the confidentiality of the Confidential Information they receive in connection with their association with Franchisee. Such covenants shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them.

11.8 No Restriction. Nothing in this Article 11 is intended to prohibit or restrict any activity which prohibition or restriction violates Franchisee's employees' rights to engage in protected concerted activity under the National Labor Relations Act.

11.9 Survival. The provisions of this Article 11 shall survive the expiration, termination or non-renewal of this Agreement.

12. ACCOUNTING AND RECORDS.

12.1 General Reporting. Franchisee shall submit monthly statistical control forms and other financial, operational and statistical information that Franchisor may require (i) to assist Franchisee in the operation of the Franchised Business, (ii) to allow Franchisor to monitor Gross Revenue, purchases, costs and expenses, (iii) to enable Franchisor to develop chain wide statistics, (iv) to assist Franchisor in the development of new Hawks Services & Products or the removal of existing unsuccessful Hawks Services & Products, (v) to enable Franchisor to refine existing Hawks Services & Products, and (vi) to generally improve chain-wide understanding of the Hawks System (collectively the "Reporting Information").

12.2 Specific Reporting. Unless otherwise agreed by Franchisor in writing, Franchisee shall submit condensed reports of daily Gross Revenue to Franchisor on a monthly basis in accordance with the guidelines established by Franchisor. Franchisee will electronically link the Franchised Business to Franchisor and will allow Franchisor to poll the Computer System on a daily basis at a time selected by Franchisor to retrieve Reporting Information including sales, sales mix, usage and operations data. Further:

12.2.1 Within ten (10) days following the end of each month during the Term, or at any other interval that Franchisor may establish, Franchisee shall submit a Gross Revenue report signed by Franchisee, in the form and manner prescribed by Franchisor, reporting all Gross Revenue for the preceding month, together with the additional financial information that Franchisor may, from time to time, request.

12.2.2 Within forty-five (45) days following the end of each calendar quarter during the Term, Franchisee shall submit to Franchisor financial statements for the preceding quarter, including a balance sheet and profit and loss statement, prepared in the form and manner prescribed by Franchisor and in accordance with generally accepted accounting principles, which shall be certified by Franchisee to be accurate and complete.

12.2.3 Within forty-five (45) days following the end of each calendar year during the Term, Franchisee shall submit to Franchisor an unaudited annual financial statement prepared in accordance with generally accepted accounting principles, and in the form and manner prescribed by Franchisor, which shall be certified by Franchisee to be accurate and complete. Franchisee shall also provide Franchisor with copies of signed original sales and use tax forms contemporaneously with their filing with the appropriate

Governmental Authority. Franchisor reserves the right to require the further information concerning the Franchised Business that Franchisor may, from time to time, reasonably request.

12.3 Computer System for Records. Franchisee shall record all transactions and Gross Revenue of the Franchised Business using the Computer System and Required Software and any other appropriate Computer System components designated by Franchisor. Franchisee shall maintain accurate, adequate and verifiable books and supporting documentation relating to its accounting information. Franchisee will not install or load any computer software on the hard disks of the Computer System used in connection with the Franchised Business without Franchisor's prior written consent. All computer and file passwords associated with the Computer System must be supplied as a list to Franchisor by Franchisee, along with any modifications or changes to that list. The passwords to access the Computer System used by the Franchised Business, as well as all computer files and records related to the Franchised Business, are the exclusive property of Franchisor and Franchisee must provide Franchisor with these files and information upon the termination or expiration of this Agreement.

12.4 Audits. Franchisee shall prepare, and keep for not less than three (3) years following the end of each of its fiscal years, adequate books and records showing daily receipts in, at and from the Hawks Franchised Businesses, applicable sales tax returns, if any, all pertinent original serially numbered sales slips and cash register records, and the other sales records as may be reasonably required by Franchisor, from time to time, to verify the Gross Revenue reported by Franchisee to Franchisor, in a form suitable for an audit of Franchisee's records by an authorized auditor or agent of Franchisor. Such information shall be broken down by categories of services and products, when possible. Franchisor, its agents or representatives may, at any reasonable time during normal working hours, audit or review Franchisee's books and records in accordance with generally accepted standards established by certified public accountants. If any audit or other investigation reveals an under-reporting or under-recording error of three percent (3%) or more, then in addition to any other sums due, the expenses of the audit/inspection shall be borne and paid by Franchisee upon billing by Franchisor, which shall include, without limitation, Franchisor's travel, lodging and wage expenses and reasonable accounting and legal expenses, plus interest at the highest compound rate permitted by Applicable Law, but not to exceed the rate of eighteen percent (18%) per annum.

12.5 Use of Financial Statements In Disclosure Document. Franchisee hereby irrevocably consents to Franchisor's use of information contained in its financial statements, at Franchisor's election, in its franchise disclosure document for the offer and sale of franchises.

13. INSURANCE.

13.1 Franchisee's Insurance Obligations. Franchisee shall obtain and maintain throughout the Term the types and amounts of insurance required by Franchisor and shall provide Franchisor with proof of coverage and Certificates of Insurance upon demand. This insurance shall protect Franchisee and Franchisor against any demand or claim with respect to personal and bodily injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring upon or in connection with the operation of the Franchised Business. Franchisee shall obtain and maintain: (i) workers compensation insurance in compliance with local laws and regulations; (ii) employer's liability insurance with $1,000,000 combined single limit coverage; (iii) comprehensive general liability insurance and product liability insurance with limits of $1,000,000 combined single limit coverage including broad form contractual liability and personal injury coverage (employee and contractual inclusion deleted), provided that the required amounts may be modified periodically by us to reflect inflation or future experience with claims; (iv) automobile liability insurance on company vehicles, including owned, hired and non-owned vehicle coverage, with a combined single limit of

at least $1,000,000; (v) loss of income insurance (in an amount sufficient to cover all fees due to Franchisor under this Agreement for a period of at least twelve (12) months); (vi) employment practices liability insurance; (vii) employee non-owned automobile insurance with limits of $1,000,000; (viii) cyber-liability insurance with limits of $50,000; and i(x) an umbrella policy with limits of $2,000,000 to $4,000,000. Franchisor reserves the right to change the insurance requirements during the term of this Agreement, including the types of coverage and the amounts of coverage. Franchisee must comply with any changes to these requirements.

13.2 Required Endorsements and Certificates. Each policy shall: (i) be written by insurers licensed and admitted to write coverage in the jurisdiction in which the Franchised Business is located and with a rating of "A" or better as set forth in the most recent edition of Best's Key Rating Guide; (ii) name Franchisor as an additional insured; and (iii) comply with the requirements prescribed by Franchisor at the time the policies are obtained. Franchisee and Franchisee's insurers shall agree to waive their rights of subrogation against Franchisor, and Franchisee shall provide evidence of the waiver. Franchisee's obligation to obtain and maintain insurance shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 18.4. All public liability and property damage policies shall contain a provision that Franchisor and its Affiliates, although named as an additional insured, shall nevertheless be entitled to recover under the policies on any loss occasioned to Franchisor, or its Affiliates, partners, shareholders, directors, agents, or employees by reason of the negligence of Franchisee or its partners, shareholders, directors, agents, or employees. At least ten (10) days prior to the time any insurance is first required to be carried by Franchisee, and thereafter at least thirty (30) days prior to the expiration of any policy, Franchisee shall deliver to Franchisor Certificates of Insurance evidencing the proper types and minimum amounts of required coverage. All Certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given Franchisor in the event of material alteration to or cancellation or non-renewal of the coverages evidenced by the Certificates. Certificates evidencing the insurance required by this Section 13.2 shall name Franchisor, and each of its Affiliates, partners, shareholders, directors, agents, and employees as additional insureds and shall expressly provide that any interest of each shall not be affected by any Default by Franchisee of any policy provisions for which the Certificates evidence coverage.

13.3 Franchisor's Right to Secure Insurance on Behalf of Franchisee. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as the requirements may be revised from time to time by Franchisor in the Manuals or otherwise in writing, Franchisor shall have the right and authority (but not the obligation) to immediately procure the insurance and to charge the same to Franchisee, which charges, together with Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

14. TRANSFER OF INTEREST

14.1 Transfer by Franchisor. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations under this Agreement to any Person or Entity without the consent or approval of Franchisee. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform the obligations, and shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. Franchisor and or its Affiliates may sell their assets, the Hawks Marks, or the Hawks System, may sell securities in a public offering or in a private placement, may merge, acquire other corporations, or be acquired by another corporation, and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring all without the consent or approval of Franchisee. In connection with any of the foregoing, at Franchisor’s request, Franchisee shall deliver to Franchisor a statement in writing certifying (i) that this Agreement is unmodified and in full force and effect

(or if there have been modifications that the Agreement as modified is in full force and effect and identifying the modifications); (ii) that Franchisee is not in Default under any provision of this Agreement, or if in Default, describing the nature thereof in detail; and (iii) as to such other matters as Franchisor may reasonably request; and Franchisee agrees that any such statements may be relied upon by Franchisor and any prospective purchaser, assignee or lender of Franchisor.

14.2 Assignment by Franchisee. Franchisee acknowledges and agrees that the rights granted to Franchisee under this Agreement are personal and are granted in reliance upon, among other considerations, the individual or collective character, skill, aptitude, attitude, experience, business ability and financial condition and capacity of Franchisee and, if Franchisee is an Entity, that of the Owners. Accordingly, to protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same, Franchisee shall not offer, sell, or negotiate the sale of its rights under this Agreement to any third party, either in Franchisee's own name or in the name and/or on behalf of Franchisor, except as otherwise provided in this Agreement. Franchisee acknowledges and agrees that Franchisee has no right, by operation of law or otherwise, to sell, assign, transfer, pledge, donate, encumber or otherwise deal with, directly or indirectly, (i) any interest in this Agreement, or (ii) the right to use the Hawks System or the Hawks Marks (an "Assignment") without Franchisor's prior written consent. Franchisor shall not unreasonably withhold its consent to an Assignment if, in Franchisor's judgment, Franchisee satisfies the conditions to the Assignment identified in this Agreement.

14.2.1 Unless the Parties otherwise agree in writing, Franchisee shall not make any Assignment of this Agreement except in conjunction with a concurrent Assignment to the same approved assignee of all Hawks Franchised Businesses then owned and operated by Franchisee in the Protected Area. As a condition to Franchisor's consent to an Assignment, the assignee must execute Franchisor's Then-Current form of Franchise Agreement for each Franchised Business sold to the assignee. Further, without Franchisor's prior written consent, which may be withheld by Franchisor in its discretion (i) Franchisee shall not offer for sale or transfer at public or private auction any of the rights of Franchisee under this Agreement, and (ii) Franchisee shall not, directly or indirectly, pledge, encumber, hypothecate or otherwise grant any third party a security interest in this Agreement in any manner whatsoever. To the extent that the foregoing prohibition may be ineffective under Applicable Law, Franchisee shall provide not less than ten (14) days' prior written notice (which notice shall contain the name and address of the secured party and the terms of the pledge, encumbrance, hypothecation or security interest) of any pledge, encumbrance, hypothecation or security interest in this Agreement.

14.2.2 For purposes of this Agreement, each of the following events is an Assignment subject to the conditions to transfer identified in this Agreement: (i) the death or Incapacity of any Owner, (ii) the offer or sale of securities of Franchisee pursuant to a transaction subject to registration under applicable securities laws or by private placement pursuant to a written offering memorandum, (iii) the sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance of more than twenty percent (20%) in the aggregate, whether in one or more transactions, of the equity or voting power of Franchisee, by operation of law or otherwise or any other events or transactions which, directly or indirectly, effectively changes control of Franchisee, (iv) the issuance of any securities by Franchisee which itself or in combination with any other transactions results in the Owners, as constituted on the Effective Date, owning less than fifty percent (50%) of the outstanding Equity or voting power of Franchisee, and (v) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of the Franchisee, however effected. Franchisee shall promptly provide Franchisor with written notice (stating the information that Franchisor may from time to time require) of each and every transfer, assignment and encumbrance by any Owner of any direct or

indirect equity or voting rights in Franchisee, notwithstanding that the same may not constitute an "Assignment" as defined under this Article 14.

14.2.3 Neither Franchisor's right of first refusal nor the other conditions of Assignment shall apply to a transfer by Franchisee of all of Franchisee's rights under this Agreement to a newly formed corporation, limited liability company or other business Entity provided all of the equity or voting interests of the new business Entity are owned by the same Owners (a "Qualified Assignment"). Any attempted or claimed Assignment which fails to comply with the requirements of this Article 14 shall be null and void and shall constitute a Default under this Agreement.

14.3. Right of First Refusal. Except with respect to a "Qualified Assignment", if Franchisee or an Owner receive a bona fide written offer ("Third Party Offer") from a third party (the "Proposed Buyer") to purchase or otherwise acquire any interest in Franchisee which will result in an Assignment within the meaning of this Agreement, Franchisee or the Proposed Buyer, shall, within five (5) days after receiving the Third Party Offer and before accepting it, apply to Franchisor in writing for Franchisor's consent to the proposed Assignment. To constitute a bona fide written offer, the Third Party Offer must also apply to the Hawks Franchised Businesses then owned and operated by Franchisee, or its Affiliates, in the Protected Area.

14.3.1 Franchisee, or the Proposed Buyer, shall attach to its application for consent to complete the transfer a copy of the Third Party Offer together with (i) information relating to the proposed transferee's experience and qualifications, (ii) a copy of the proposed transferee's current financial statement, and (iii) any other information material to the Third Party Offer, proposed transferee and proposed Assignment or that Franchisor requests.

14.3.2 Franchisor or its nominee shall have the right, exercisable by written notice ("Purchase Notice") given to Franchisee or the Proposed Buyer, within thirty (30) days following receipt of the Third Party Offer, all supporting information, and the application for consent, to notify Franchisee or the Proposed Buyer that it will purchase or acquire the rights, assets, equity or interests proposed to be assigned on the same terms and conditions set forth in the Third Party Offer, except that Franchisor may (i) substitute cash for any form of payment proposed in the offer discounted to present value based upon the rate of interest stated in the Third Party Offer, and (ii) deduct from the purchase price the amount of all amounts then due and owing from Franchisee to Franchisor under this Agreement or otherwise.

14.3.3 If Franchisor or its nominee elects to purchase or acquire the rights, assets, equity or interests proposed to be assigned to the Proposed Buyer, the closing shall take no later than sixty (60) days following the date that the Purchase Notice was issued by Franchisor.

14.3.4 If Franchisor does not elect to purchase or acquire the rights, assets, equity or interests proposed to be assigned to the Proposed Buyer, the closing of the sale to the Proposed Buyer shall take no later than ninety (90) days following the date that the Third Party Offer was received by Franchisee. If there is any material change in the terms of the Third Party Offer before the closing of the sale, Franchisor shall have a right of first refusal to accept the new terms subject to the conditions stated in this Section 14.3.

14.4 Conditions of Assignment to Third Party. As a condition to obtaining Franchisor's consent to an Assignment, all of the following conditions must be satisfied:

14.4.1 The Proposed Buyer must submit a completed franchise application to Franchisor and meet Franchisor's then-current qualifications for new Hawks Franchisees, including qualifications pertaining to financial condition, credit rating, experience, moral character and reputation.

14.4.2 Franchisee must be in Good Standing on the date consent is requested and until the date of closing of the Assignment.

14.4.3 The sales price of the interest to be conveyed must not be so high, or the terms of the sale so onerous, that, in the judgment of Franchisor, the Proposed Buyer will be unlikely to meet the Proposed Buyer's financial and other obligations to Franchisor, third party suppliers and creditors following the closing. Franchisor shall have no liability to either Franchisee or the Proposed Buyer if Franchisor approves the Assignment and the Proposed Buyer thereafter experiences financial difficulties.

14.4.4 The Proposed Buyer must sign Franchisor's Then-Current form of Franchise Agreement, the terms of which may differ materially from any and all of the terms contained in this Agreement, and which shall supersede this Agreement in all respects, except that the term of replacement Franchise Agreement shall be the remaining term of this Agreement. In exchange for signing the then-current Franchise Agreement, the Proposed Buyer shall receive the rights provided for in this Agreement. Each Owner and each Owner's spouse of the Proposed Buyer shall jointly and severally guarantee the Proposed Buyer's performance of its obligations in the Then-Current Franchise Agreement under a Guarantee in the form of Exhibit C. If Franchisor is not offering new Hawks Franchises, is in the process of revising, amending or renewing Franchisor's form of Franchise Agreement or franchise disclosure document or is not lawfully able to offer Franchisor's Then-Current form of Franchise Agreement at the time of an Assignment, Franchisor may offer to amend this Agreement, upon terms and conditions that will be established by Franchisor and the Proposed Buyer at that time, or may offer to amend the Term on substantially the terms and conditions set forth in this Agreement on a month-to-month basis for as long as Franchisor deems necessary or appropriate so that Franchisor may subsequently offer and utilize a Then-Current form of Franchise Agreement.

14.4.5 Franchisee will remain subject to all obligations stated in this Agreement that expressly, or by implication due to their nature, survive the transfer, termination or expiration of this Agreement, including, without limitation, the provisions prohibiting competition, non-interference and non-disclosure of Confidential Information.

14.4.6 Franchisee and the Proposed Buyer shall execute a General Release of all known and unknown liabilities, demands, costs, expenses, damages, claims, Actions and causes of action, of whatever nature, character or description, that they have, may have or believe to have against Franchisor and its Affiliates and their officers, directors, agents, shareholders and employees as of the date of the general release, in a form acceptable to Franchisor.

14.4.7 Franchisee shall pay Franchisor the Transfer Fee.

14.4.8 Franchisee must simultaneously transfer its rights to all contracts for which continuation is necessary for operation of the Franchised Business to the Proposed Buyer and satisfy any separate conditions to obtain any third party consents required for the transfer of Franchisee's rights to the Proposed Buyer. The Proposed Buyer must execute all other documents and agreements required by Franchisor to consummate the Assignment. All required third party consents to the Assignment must be obtained.

(Remainder of page intentionally left blank.)

14.4.9 Franchisee's right to receive the sales proceeds from the Proposed Buyer in consideration of the Assignment shall be subordinate to the obligations of the Proposed Buyer owed to Franchisor and its Affiliates under, or pursuant to, this Agreement or any other agreement. All contracts by and between Franchisee and the Proposed Buyer shall expressly include a subordination provision permitting payment of the sales proceeds to Franchisee only after any outstanding obligations owed to Franchisor and its Affiliates are fully satisfied.

14.4.10 Except when the transferee is an existing Franchisee or franchisee of Franchisor, the Proposed Buyer, or a supervisorial or managerial employee of the Proposed Buyer who will have general management and supervisory responsibilities for the Franchised Business who is acceptable to Franchisor, must complete to Franchisor's sole satisfaction Franchisor's Initial Training Program prior to the effective date of the Assignment.

14.4.11 The Proposed Buyer must conform the Franchised Business with Franchisor's Then-Current appearance and design standards and equipment specifications applicable to new Hawks Franchised Businesses.

14.5 Death or Incapacity. In the event of the death or Incapacity of an Owner, the spouse, heirs or personal representative of the deceased or incapacitated Owner, or the remaining Owners (the "Successor") shall have one hundred eighty (180) days from the date of death or Incapacity in which to (i) purchase the interest of the deceased or Incapacitated Owner, or (ii) complete an Assignment of the interest of the deceased or Incapacitated Owner to a qualified, approved third party, subject to the provisions of this Article 14. If a Successor has not purchased the interest of the deceased or Incapacitated Owner or completed an Assignment of the interest of the deceased or Incapacitated Owner to a qualified, approved third party within one hundred eighty (180) days from the date of death or Incapacity, Franchisor may terminate this Agreement.

14.6 Transfer by Franchisee in Bankruptcy. If, for any reason, this Agreement is not terminated pursuant to Section 16.1 and this Agreement is assumed, or Assignment of the same to any Person or Entity who has made a bona fide offer to accept an Assignment of this Agreement is contemplated, pursuant to the United States Bankruptcy Code, then notice of the proposed Assignment or assumption, setting forth (a) the name and address of the proposed assignee, and (b) all of the terms and conditions of the proposed Assignment and assumption, shall be given to Franchisor within twenty (20) days after receipt of the proposed assignee's offer to accept Assignment of this Agreement, and, in any event, within ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into the Assignment and assumption, and Franchisor shall thereupon have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed Assignment and assumption, to accept an Assignment of this Agreement to Franchisor itself upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions which may be payable by Franchisee out of the consideration to be paid by the assignee for the Assignment of this Agreement.

14.7 Restriction on Publicly Traded and Private Securities. Securities, partnership or other ownership interests in Franchisee may not be offered to the public under the Securities Act of 1933, as amended, nor may they be registered under the Securities Exchange Act of 1934, as amended, or any comparable federal, state or foreign law, rule or regulation. Such interests may be offered by private offering or otherwise only with the prior written consent of Franchisor, which consent shall not be unreasonably withheld. All materials required for any private offering by federal or state law shall be submitted to Franchisor for a limited review as discussed below prior to being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to Franchisor for such review prior to their use. No offering by Franchisee

shall imply that Franchisor is participating in an underwriting, issuance or offering of securities of Franchisee or Franchisor, and Franchisor's review of any offering materials shall be limited solely to the subject of the relationship between Franchisee and Franchisor, and its Affiliates. Franchisor may, at its option, require Franchisee's offering materials to contain a written statement prescribed by Franchisor concerning the limitations described in the preceding sentence. Franchisee, its Owners and other participants in the offering must fully agree in writing to defend and indemnify Franchisor, its Affiliates, their respective partners and the officers, directors, manager(s) (if a limited liability company), shareholders, members, partners, agents, representatives, independent contractors, servants and employees of each of them, from and against any and all losses, costs and liability in connection with the offering and shall execute any documentation required by Franchisor to further evidence this indemnity. For each proposed offering, Franchisee shall pay to Franchisor a non-refundable fee of $10,000, which shall be in addition to any Transfer Fee under any Franchise Agreement and/or Development Agreement or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including without limitation, legal and accounting fees. Franchisee shall give Franchisor written notice at least thirty (30) days prior to the date of commencement of any offering or other transaction covered by this Article.

15. COVENANTS.

15.1 Non-Competition During Term of Agreement. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and Confidential Information, including, without limitation, Confidential Information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the Hawks System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy. Franchisee and each Owner covenants that during the Term, except as otherwise approved in writing by Franchisor, Franchisee and each Owner shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any Person or Entity (i) divert or attempt to divert any present or prospective Camper or other customer to any competitor, 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 Hawks Marks and the Hawks System, or (ii) own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business, provided, however, the restrictions stated in this Section 15.1 shall not apply to any Owner after two (2) years from the date the Owner ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Franchisee.

15.2 Non-Competition After Expiration or Termination of Agreement. Commencing upon the date of (i) an Assignment permitted under Article 14, (ii) the Expiration Date of this Agreement, (iii) the termination of this Agreement (regardless of the cause for termination), or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of this Section 15.2, and continuing for an uninterrupted period of two (2) years thereafter, Franchisee and each Owner shall not, own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business located within twenty (20) miles of Protected Area; provided, however, the restrictions stated in this Section 15.2 shall not apply to any Owner after two (2) years from the date the Owner ceases to be an officer, director, shareholder, member, manager, trustee, Owner, general partner, employee or otherwise associated in any capacity with Franchisee in the Protected Area.

15.3 Violation of Covenants. If Franchisee or any Restricted Person shall commit any violation of Section 15.2 during the twenty-four (24) month period following (i) the expiration or termination of this Agreement,

(ii) the occurrence of any Assignment during the Term, (iii) the cession of the Restricted Person's relationship with Franchisee, or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of Section 15.2, in addition to all other remedies available to Franchisor, Franchisee or the Restricted Person shall pay Franchisor, throughout the twenty-four (24) month period, six percent (6%) of the revenue derived from the operation of the Competitive Business, including the sale of any merchandise, other services and products at or from the Competitive Business, and all other income of every kind and nature of the Competitive Business ("Post-Termination Gross Revenue"). Franchisee shall account for and pay the six percent (6%) of the Post-Termination Gross Revenue to Franchisor on the fifteenth day of each month on the Post-Termination Gross Revenue of the Competitive Business during the preceding month. Franchisor shall have the right to audit the books and records of the competing business in accordance with Section 12.3 to confirm Franchisee's compliance with this Section 15.2, upon prior notice to Franchisee.

15.4 Exceptions to Covenants. Sections 15.1 and 15.2 shall not apply to ownership by Franchisee or an Owner of a less than five percent (5%) beneficial interest in the outstanding equity securities of any Competitive Business registered under the Securities Act of 1933, the Securities Exchange Act of 1934.

15.5 Reducing Scope of Covenants. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Section 15.2, or any portion thereof, and without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

15.6 Reasonably Good Faith Estimate. Franchisor and Franchisee acknowledge and agree that it would be impossible and impracticable to determine the precise amount of damages and expenses Franchisor will incur if Franchisee or any Restricted Person shall commit any violation of Section 15.2 during the twenty-four (24) month period following (i) the expiration or termination of this Agreement, (ii) the occurrence of any Assignment during the Term, (iii) the cession of the Restricted Person's relationship with Franchisee, or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of Section 15.2 due to the complications inherent in determining the amount of revenue lost by Franchisor because of the uncertainty regarding the number of months left to complete the then-current Term, the uncertainty regarding the Gross Revenue of the Franchised Business during the remainder of the then-current Term, the amount of Royalty Fees Franchisee would have paid Franchisor based upon the Gross Revenue of the Franchised Business and the like as well as the amount of the fees that Franchisor will collect from Franchisee upon the occurrence of the circumstances described in Section 15.2. Franchisor and Franchisee further acknowledge and agree that the six percent (6%) fee is a reasonable, good faith estimate of those damages.

15.7 Covenants from Individuals. Franchisee shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Article 15 (including covenants applicable upon the termination of a Person's relationship with Franchisee) from all Owners. Every covenant required by this Section 15.7 shall be in a form acceptable to Franchisor, and shall include, without limitation, a designation of Franchisor as a third party beneficiary of the covenants with the independent right to enforce them.

15.8 Effect of Applicable Law. In the event any portion of the covenants in this Article 15 violates laws affecting Franchisee, or is held invalid or unenforceable in a final judgment to which Franchisor and Franchisee are Parties, then the maximum legally allowable restriction permitted by Applicable Law shall control and bind Franchisee. Franchisor may at any time unilaterally reduce the scope of any part of the above covenants, and Franchisee shall comply with any reduced covenant upon receipt of written notice. The provisions of this

Article 15 shall be in addition to and not in lieu of any other confidentiality obligation of Franchisee, or any other Person, whether pursuant to another agreement or pursuant to Applicable Law.

15.9 Business Practices. Franchisee shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with 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 any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war (the "Anti-Terrorism Laws"). In connection with its compliance, Franchisee certifies, represents and warrants that none of Franchisee's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee is not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by Franchisee or Franchisee's employees or any "blocking" of Franchisee's assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements Franchisee has entered into with Franchisor or any of its Affiliates, in accordance with the provisions of Section 16.2.

15.10 Survival. The provisions of this Article 15 shall survive the expiration and termination of this Agreement and shall not limit, restrain or otherwise affect any right or cause of action which may accrue to Franchisor for any infringement of, violation of, or interference with, this Agreement, or the Hawks Marks, the Hawks System, the Confidential Information, the Hawks Trade Secrets, or any other proprietary aspects of Franchisor's business.

16. DEFAULT AND TERMINATION.

16.1 Termination in the Event of Franchisee's Bankruptcy or Insolvency. Franchisee shall be deemed to be in Default under this Agreement, and all rights granted to Franchisee of this Agreement shall automatically terminate without notice to Franchisee, (i) if Franchisee or its Principal Owner becomes insolvent or make a general assignment for the benefit of creditors, (ii) if a petition in bankruptcy is filed under any foreign, state or United States Bankruptcy Act by Franchisee or its Principal Owner, or if a petition is filed against and not opposed by Franchisee or its Principal Owner, (iii) if Franchisee or its Principal Owner is adjudicated as bankrupt or insolvent, (iv) if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for the Franchised Business is filed and consented to by Franchisee or its Principal Owner, (v) if a receiver or other custodian (permanent or temporary) of Franchisee's or its Principal Owner's assets or property, or any part thereof, is appointed by any court of competent jurisdiction, (vi) if proceedings for a composition with creditors under any Applicable Law is instituted by or against Franchisee or its Principal Owner, (vii) if a final judgment in excess of $100,000 against the Franchised Business remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed), (viii) if Franchisee or its Principal Owner admits Franchisee or its Principal Owner is unable to generally pay Franchisee's or its Principal Owner's debts as they become due, (ix) if execution is levied against the Franchised Business or property, (x) if suit to foreclose any lien or mortgage against the Franchised Business or the equipment of the Franchised Business is instituted against Franchisee or its Principal Owner and not dismissed within thirty (30) days, or (xi) if the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

16.2 Option to Terminate Without Opportunity to Cure. Franchisee shall be deemed to be in Default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the Default, effective immediately upon receipt of notice by Franchisor upon the occurrence of any of the following events:

16.2.1 If Franchisee shall Abandon the Franchised Business.

16.2.2 If Franchisee shall attempt to make or claim to have made any Assignment without the prior written consent of Franchisor.

16.2.3 If Franchisee shall Default in any obligation as to which Franchisee has previously received three (3) or more written notices of Default from Franchisor setting forth the Default complained of within the preceding twelve (12) months.

16.2.4 If Franchisee makes any material misrepresentations in connection with the execution of this Agreement or the operations of the Franchised Business.

16.2.5 If Franchisee fails, for a period of ten (10) days after having received notification of noncompliance from Franchisor or any Governmental Authority, to comply with any Applicable Law with respect to the operation of the Franchised Business.

16.2.6 If Franchisee's operation of the Franchised Business constitutes an imminent danger to the public health or if Franchisee sells unauthorized products to the public after Notice of Default and thereafter sells the products, whether or not Franchisee has cured the Default after one or more notices.

16.2.7 If an audit or investigation conducted by Franchisor discloses that Franchisee has knowingly maintained false books or records, or submitted false reports to Franchisor, or knowingly understated its Gross Revenue or withheld the reporting of the same as provided in this Agreement.

16.2.8 If Franchisee or any of its Owners, are convicted of or plead guilty or *nolo contendere* to a felony or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to adversely affect Franchisor's reputation, the Hawks System, the Hawks Marks or the goodwill associated with the same; however, if the crime or offense is committed by an Owner other than the Principal Owner, Franchisor may only terminate this Agreement under this Section 16.2.8 if the convicted Owner fails to sell his/her Equity interest in Franchisee to Franchisee's other Owners within thirty (30) days after the conviction or guilty plea.

16.2.9 If Franchisee materially misuses or makes any unauthorized use of the Hawks Marks or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein, or takes any action which reflects materially and unfavorably upon the operation and reputation of the Franchised Business or the Hawks chain generally.

16.2.10 If Franchisee makes any unauthorized use, disclosure, or duplication of the Hawks Trade Secrets or Confidential Information.

16.2.11 If Franchisee fails to purchase and maintain in inventory the types and quantities of Hawks Branded Products or Non-Proprietary Products necessary to meet reasonably anticipated consumer demand.

16.2.12 If Franchisee shall purchase or purport to purchase Hawks Branded Products or Non-Proprietary Products, or use or purport to use service providers from other than Franchisor or an Approved Supplier, and fails to cease use of the non-complying product or service within three (3) days after having received notification from Franchisor to do so.

16.2.13 If Franchisee sells or attempts to sell any services or products other than Hawks Services & Products at the Franchised Business and fails to cease to do so within three (3) days after having received notification from Franchisor to do so.

16.2.14 If Franchisee Defaults in any obligation under this Agreement that by its nature is not capable of being cured by Franchisee.

16.2.15 If Franchisee fails to commence operations of the Franchised Business on the Commencement Date.

16.2.16 If, within ten (10) days after receipt of written notice from Franchisor that any required payment is overdue, Franchisee fails to make the payment to Franchisor, its Affiliates, or, to Franchisee's suppliers, creditors or employees unless, with respect to Franchisee's suppliers, creditors or employees, Franchisee notifies Franchisor of the existence on a bona fide dispute and takes immediate action to resolve it.

16.2.17 If Franchisee fails to make timely payments upon any obligation of Franchisee upon which Franchisor has advanced any funds for or on behalf of Franchisee, or upon which Franchisor is acting as a guarantor of Franchisee, or Default upon or breach of any provision of any promissory note or other evidence of indebtedness or any agreement relating to this Agreement concerning any obligation of Franchisee which arises from the Franchised Business.

16.2.18 If Franchisee or the Owners use abusive language when communicating with Franchisor, Franchisor's staff or with customers, or denigrate Hawks System or portray it, Franchisor or Franchisor's Constituents in an unflattering light on the Internet or otherwise.

16.2.19 If funding promised or otherwise represented to be made available to Franchisee or its Owners on the condition that Franchisee sign this Agreement is not made available to Franchisee or its Owners within ten (10) business days after Franchisee signs this Agreement.

16.2.20 If, in Franchisor's Business Judgment, Franchisor has grounds to believe that Franchisee or any of its Owners, officers, directors, or key employees has engaged or attempted to engage, through one or more affirmative acts or a failure to act, in any fraudulent, dishonest, unethical, immoral, or similar conduct in connection with the Franchised Business's operation, whether such conduct is directed at or reasonably expected to impact the Franchised Business, the Hawks System, the Franchisor or its Affiliates, suppliers, other franchisees, or another third party.

16.2.21 If, in Franchisor's Business Judgment, Franchisor has grounds to believe that Franchisee or any of its Owners, officers, or directors has engaged in any lewd or immoral conduct, whether or not in connection with the Franchised Business's operation.

16.2.22 If Franchisee fails to achieve the Performance Requirements required by Section 7.31.

16.3 Termination With Notice and Opportunity To Cure. Except for any Default by Franchisee under Sections 16.1 or 16.2, and as expressly provided elsewhere in this Agreement, Franchisee shall have five (5) days, in the case of any monetary Default and ten (10) days in the case of any other type of Default, following the receipt of a notice of Default (a "Notice of Default") demanding the cure of the Default and to provide evidence of the cure to Franchisor. If any Default is not cured within that time period, or any longer time period that Applicable Law may require or that Franchisor may specify in the Notice of Default, this Agreement and all rights granted in this Agreement shall automatically terminate without further notice or opportunity to cure.

16.4 Reimbursement of Franchisor's Costs. Upon a Default by Franchisee, all of Franchisor's costs and expenses arising from the Default, including reasonable attorneys' fees, shall be paid to Franchisor within five (5) days after cure or upon demand by Franchisor if the Default is not cured.

16.5 Cross-Default. Any Default by Franchisee under the terms and conditions of this Agreement, any Area Development Agreement, or any other agreement between Franchisor, or its Affiliates, and Franchisee, or its Owners or Affiliates, shall be deemed to be a Default of each and every other agreement. In the event of termination, for any cause, of this Agreement or any other agreement between the Parties, Franchisor may, at its option, terminate any or all of the agreements.

16.6 Notice Required By Law. Notwithstanding anything to the contrary contained in this Article 16, if any valid Applicable Law of a competent Governmental Authority having jurisdiction over this Agreement and the Parties shall limit Franchisor's rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions upon termination required by that Applicable Law. Franchisor shall not, however, be precluded from contesting the validity, enforceability or application of Applicable Laws in any Action, hearing or dispute relating to this Agreement or the termination of this Agreement.

16.7 Interim Management. To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same, after Franchisor has given Franchisee written notice that Franchisee is in Default, Franchisor may (but is not obligated to) assume interim management of the Franchised Business during the pendency of any cure period or in lieu of immediately terminating this Agreement. If Franchisor elects to assume interim management of the Franchised Business (i) Franchisor's election will not relieve Franchisee of Franchisee's obligations under this Agreement, (ii) Franchisor will not be liable for any debts, losses, costs or expenses incurred in the operation of the Franchised Business during any interim management period, (iii) Franchisor will have the right to charge a reasonable fee for the management services, and (iv) Franchisee agrees to, and hereby does, indemnify and hold Franchisor harmless against any and all claims, demands, judgments, fines, losses, liabilities, costs, amounts paid in settlement and reasonable expenses (including, but not limited to attorneys' fees) incurred in connection with the interim management of the Franchised Business, other than those arising solely from the gross negligence or willful misconduct of Franchisor. Franchisor may delegate its responsibilities under this Section 16.7 to any designee, employee or agent of Franchisor, as Franchisor may direct.

16.8 Delay by Force Majeure. Franchisee shall provide Franchisor, within ten (10) days after the occurrence of an event that Franchisee believes is an event of Force Majeure, with notice of the specific nature and extent of the Force Majeure and an explanation as to how the event has delayed Franchisee's performance under this Agreement. The determination of whether an event of Force Majeure has occurred shall be made by Franchisor upon Franchisor's assessment of the event causing the delay. Franchisee shall provide Franchisor with continuing updates and all information requested by Franchisor regarding Franchisee's progress and diligence in responding to and overcoming the event of Force Majeure. An event of Force Majeure will not affect or change Franchisee's obligation to pay Royalty Fees, Advertising Fund Fees, Technology Fees or any other fees owed to Franchisor when due.

17. OBLIGATIONS FOLLOWING TERMINATION OR EXPIRATION.

17.1 General. To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same, upon the expiration or termination of Franchisee's rights granted under this Agreement, Franchisee shall immediately cease to use all Hawks Trade Secrets, Confidential Information, the Hawks Marks, and any confusingly similar trademark, service mark, trade name, logotype, or other

commercial symbol or insignia. Franchisee shall at its own cost immediately return the Hawkes Proprietary Materials and all other written materials incorporating Hawks Trade Secrets and all copies of any of the same to Franchisor.

17.2 Prior Payments. Franchisor may retain all fees paid to Franchisor pursuant to this Agreement, and Franchisee shall immediately pay any and all amounts remaining due to Franchisor and its Affiliates. If this Agreement terminates due to a Default by Franchisee, the amounts to be paid by Franchisee shall include all damages, and costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the Default, which obligation shall remain, until paid in full, a lien in favor of Franchisor against assets of the Franchised Business. Franchisee hereby appoints Franchisor as its attorney in fact, with full power and authority to execute on Franchisee's behalf all documents necessary to obtain and perfect this lien.

17.3 Termination of Obligations and Rights. Upon the expiration or termination of this Agreement, any and all obligations of Franchisor to Franchisee under this Agreement shall immediately cease and terminate. Likewise, any and all rights of Franchisee under this Agreement shall immediately cease and terminate and Franchisee shall immediately cease and thereafter refrain from representing itself as a then or former Franchisee or other Affiliates of Franchisor.

17.4 Electronic Communications and Media. The goodwill associated with all telephone and fax numbers, email addresses, domain names, Websites or web pages, social media and other Internet addressed used in operation of the Franchised Business ("Electronic Communications and Media") is an asset that belongs to Franchisor. Franchisor shall have the option, exercisable by written notice within thirty (30) days after the cancellation, termination or expiration of this Agreement, to take an assignment of all Electronic Communications and Media for the Franchised Business. If Franchisor exercises this option, Franchisee will be deemed to have assigned to Franchisor or Franchisor's designee all right, title and interest in and to these and/or services associated with the same. Franchisee shall notify the telephone company, domain name registrars and all listing agencies of the cancellation, termination or expiration of its right to use the Electronic Communications and Media associated with the Franchised Business, and shall authorize their transfer to Franchisor. Franchisee hereby appoints Franchisor as it true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as may be necessary to effect an assignment of all Electronic Communications and Media for the Franchised Business. This power of attorney is coupled with an interest and shall survive the cancellation, termination or expiration of this Agreement. Franchisee, by executing this Agreement, authorizes Franchisor and hereby appoints Franchisor and all of Franchisor's officers as Franchisee's attorney-in-fact to direct the telephone, company, domain name registrars and all listing agencies to transfer the same to Franchisor, should Franchisee fail or refuse to do so. The telephone, company, domain name registrars, and all listing agencies may accept this Agreement as conclusive evidence of Franchisor's exclusive right to the Electronic Communications and Media and Franchisor's authority to direct their transfer. Franchisee must sign the instruments Franchisor requests to confirm the assignments and transfers to Franchisor. Franchisee shall not be entitled to any compensation from Franchisor if Franchisor exercises this option.

17.5 Purchase of Franchised Business Assets. Upon the expiration of this Agreement or the termination of this Agreement for any Default of Franchisee, Franchisor shall have the option, to be exercised by written notice to Franchisee within thirty (30) days after the Expiration Date or termination date, to purchase the assets of the Franchised Business, and all of assets of Franchisee related to the Franchised Business that Franchisor elects to purchase (collectively, the "Franchised Business Assets"). The purchase price for the Franchised Business Assets (the "Purchase Price") shall be the "Fair Market Value" of the Franchised Business Assets as determined under this Section 17.5. The Purchase Price Shall not contain any amount for "goodwill", "going concern value" or any fees paid to Franchisor by Franchisee prior to the termination of this Agreement. "Fair

Market Value" means the price that a willing buyer would pay to a willing seller when neither is acting under compulsion and when both have reasonable knowledge of the relevant facts on the date the option is first exercisable (the "Exercise Date"). Franchisor and Franchisee shall use their best efforts to mutually agree upon the Fair Market Value. If they are unable to so agree within thirty (30) days after the Exercise Date, Franchisor shall appoint, within forty (40) days of the Exercise Date, one (1) appraiser, and Franchisee shall appoint within forty (40) days of the Exercise Date, one (1) appraiser. The two (2) appraisers shall within a period of five (5) additional days, agree upon and appoint an additional appraiser. The three (3) appraisers shall, within sixty (60) days after the appointment of the third appraiser, determine the Purchase Price in writing and submit their report to Franchisor and Franchisee. The Purchase Price shall be determined by disregarding the appraiser's valuation that diverges the greatest from each of the other two (2) appraisers' valuations, and the arithmetic mean of the remaining two (2) appraisers' valuations shall be the Purchase Price. Franchisor and Franchisee shall each pay for the services of the appraiser they select, plus one half (1/2) of the fee charged by the third appraiser, and one half (1/2) of all other costs relating to the determination of the Purchase Price. The Purchase Price as so determined shall be payable as Franchisor and Franchisee mutually agree. If they are unable to so agree within ten (10) days after final determination of the Purchase Price, fifty percent (50%) of the Purchase Price shall be payable in cash and the remaining fifty percent (50%) of the Purchase Price shall be paid in eighty-four (84) equal monthly payments and shall bear interest at a rate equal to the greater of the prime rate of interest, as published by the Western Edition of the Wall Street Journal, plus three percent (3%), OR ten percent (10%) per annum, but in no event in excess of the maximum rate permitted by Applicable Law. Payment of the portion of the Purchase Price not paid in cash shall be secured by a security interest in the Franchised Business Assets.

17.6 Survival of Obligations. Termination or expiration of this Agreement shall be without prejudice to any other rights or remedies that Franchisor or Franchisee, as the case may be, shall have in law or in equity, including, without limitation, the right to recover benefit of the bargain damages. In no event shall a termination or expiration of this Agreement affect Franchisee's obligations to take or abstain from taking any action in accordance with this Agreement. The provisions of this Agreement which by their nature or expressly constitute post-termination or post-expiration covenants and agreements shall survive the termination or expiration of this Agreement.

17.7 No Ownership of Hawks Marks. Franchisee acknowledges and agrees that the rights to the Hawks Marks and the use of the Hawks Marks shall be and remain the property of Franchisor. Franchisee acknowledges and agrees that any use of the Hawks Marks after the termination or expiration of this Agreement shall constitute an unauthorized use of an identical mark and shall entitle Franchisor to damages due to, but not limited to, trademark infringement and counterfeiting.

17.8 Government Filings. If Franchisee has registered any of the Hawks Marks or the name Hawks as part of an assumed, fictitious or corporate name, Franchisee shall promptly amend those registrations to delete the Hawks Marks and any confusingly similar marks or names.

17.9 Security Interest. Franchisee acknowledges and agrees that in addition to any other rights and remedies to which Franchisor and its Affiliates may be entitled, Franchisor and its Affiliates may enforce any rights and remedies of a secured party under the UCC as enacted in the state where the Protected Area is located, pursuant to the security interest granted in Section 4.11 without notice to Franchisee. Franchisee hereby waives and releases Franchisor and its Affiliates from any and all claims in connection therewith and arising therefrom. At the request of Franchisor or its Affiliates following the event of a Default, Franchisee shall assemble and make available to Franchisor and its Affiliates all products and goods in which Franchisor or its Affiliates have been granted a security interest at a place to be designated by Franchisor or its Affiliates which is reasonably convenient to both Parties.

18. INDEPENDENT CONTRACTOR AND INDEMNIFICATION.

18.1 No Fiduciary Relationship. This Agreement does not create a fiduciary relationship between the Parties. Franchisee shall be an independent contractor, and nothing in this Agreement is intended to constitute or appoint either Party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

18.2 Public Notice of Independent Status. Franchisee shall conspicuously identify itself in all dealings with its customers, contractors, suppliers, public officials, and others, as an independent contractor of Franchisor. Franchisee shall hold itself out to the public as an independent contractor operating pursuant to this Agreement. Franchisee shall take all action necessary to that end, including without limitation, exhibiting a notice on signage and contracts, as required by Franchisor as to content and manner of disclosure.

18.3 Independent Contractor. Franchisee acknowledges and agrees that it is not authorized to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligations in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any action, nor shall Franchisor be liable by reason of any act or omission of Franchisee in its conduct of the Franchised Business or for any claim or judgment arising therefrom against Franchisee or Franchisor. This Agreement does not create either Party as an agent, legal representative, subsidiary, joint venturer, partner, employee or joint employer. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement, nor Franchisor's course of conduct, be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractors.

18.4 Indemnification. Franchisee and its Owners and Affiliates (collectively, the "Indemnitors") shall indemnify, defend and hold harmless to the fullest extent permitted by Applicable Law, Franchisor and its Constituents (collectively, the "Indemnitees"), from any and all "Losses and Expenses" incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof, and regardless of whether the same is between Indemnitors and Indemnities (collectively, an "Indemnifiable Claim") which arises directly or indirectly from, as a result of, or in connection with Franchisee's operation of the Franchised Business and regardless of whether the Indemnifiable Claim or the Losses and Expenses resulted from any strict or vicarious liability imposed by law on Franchisee; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence of Franchisor (except to the extent that joint liability is involved, in which event the indemnification provided for in this Section 18.4 shall extend to any finding of comparative negligence or contributory negligence attributable to Franchisee). For the purpose of this Section 18.4, the term "Losses and Expenses" shall mean and include compensatory, exemplary, or punitive damages, fines and penalties, attorneys' fees, experts' fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, compensation for damages to a Party's reputation and goodwill, and all other costs associated with any of the foregoing Losses and Expenses.

18.4.1 The Indemnitees shall give the Indemnitors prompt notice of any Indemnifiable Claim of which the Indemnitees are aware for which indemnification is required under this Section 18.4. The notice shall specify whether the Indemnifiable Claim arises as a result of an Indemnifiable Claim by a third party against the Indemnitees (a "Third Party Claim") or whether the Indemnifiable Claim does not result from an Indemnifiable Claim by a third party against the Indemnitees (a "Direct Claim"), and shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Indemnifiable Claim and the amount of the Indemnifiable Claim, if known. If, through the fault of the Indemnitees, the

Indemnitors do not receive notice of any Indemnifiable Claim in time to effectively contest the determination of any Losses and Expenses susceptible of being contested, the Indemnitors shall be entitled to set off against the amount claimed by the Indemnitees the amount of any Losses and Expenses incurred by the Indemnitors resulting from the Indemnitees' failure to give such notice on a timely basis.

18.4.2 With respect to Third Party Claims, the Indemnitors shall have the right, at their expense and at their election, to assume control of the negotiation, settlement and defense of Third Party Claims through counsel of their choice. The election of the Indemnitors to assume such control shall be made within thirty (30) days after the Indemnitors' receipt of notice of a Third Party Claim. If the Indemnitors elect to assume control, the Indemnitors shall do so at the Indemnitors' sole expense. The Indemnitees shall have the right to be informed and consulted with respect to the negotiation, settlement or defenses of the Third Party Claim and to retain counsel to act on the Indemnitees' behalf, at the Indemnitees' sole expense, unless the Indemnitors consent to the retention of the Indemnitees' counsel at the Indemnitors' expense or unless the Indemnitors and the Indemnitees are both named in any Action or proceeding and the representation of both the Indemnitors and the Indemnitees by the same counsel would be appropriate because of the absence of any actual or potential differing interests between them (such as the availability of different defenses).

18.4.3 If the Indemnitors elect to assume control, but thereafter fail to defend the Third Party Claim within a reasonable time, the Indemnitees shall be entitled to assume control and the Indemnitors shall be bound by the results obtained by the Indemnitees with respect to the Third Party Claim. If any Third Party Claim is of a nature that the Indemnitees are required by Applicable Law to make a payment to any claimant with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnitees may make such payment and the Indemnitors shall, within thirty (30) days after demand by the Indemnitees, reimburse the Indemnitees for the amount of the payment. If the Indemnitees' liability under the Third Party Claim, as finally determined, is less than the amount paid by the Indemnitors to the Indemnitees, the Indemnitees shall, within thirty (30) days after receipt of the difference from the claimant, pay the difference to the Indemnitors.

18.4.4 If the Indemnitors fail to assume control of the defense of any Third Party Claim, the Indemnitees shall have the exclusive right to consent, settle or pay the amount claimed. Whether or not the Indemnitors assume control of the negotiation, settlement or defenses of any Third Party Claim, the Indemnitors shall not settle any Third Party Claim without the written consent of the Indemnitees, which consent shall not be unreasonably withheld or delayed. The Indemnitees and the Indemnitors shall cooperate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect to Third Party Claims (including supplying copies of all relevant documentation promptly as they becomes available).

18.4.5 With respect to Direct Claims, following receipt of notice from the Indemnitees of the Direct Claim, the Indemnitors shall have thirty (30) days to make such investigation of the Direct Claim as is considered necessary or desirable. For the purpose of the investigation, the Indemnitees shall make available to the Indemnitors the information relied upon by the Indemnitees to substantiate the Direct Claim, together with all other information that the Indemnitors may reasonably request. If the Indemnitors and the Indemnitees agree at or prior to the expiration of the thirty (30) day period (or any mutually agreed upon extension thereof) to the validity and amount of a Direct Claim, the Indemnitors shall immediately pay the Indemnitees the full agreed upon amount of the Direct Claim. If the Indemnitors fails to pay the same, the matter shall be resolved in the manner described in Article 15.

18.4.6 The Indemnitees shall exert commercially reasonable efforts to mitigate the Losses and Expenses upon and after becoming aware of any Indemnifiable Claim which could reasonably be expected to give rise to the payment of Losses and Expenses.

19. DISPUTE RESOLUTION.

19.1 Judicial Relief; Venue; Governing Law . Venue for purposes of any legal proceedings brought in connection with or arising out of this Agreement shall be conclusively presumed to be the Superior Courts of the State of California, County of Los Angeles, or the United States District Court in and for the Central District of California. To the fullest extent that the Parties may do so under Applicable Law, the Parties waive the defense of inconvenient forum to the maintenance of an Action in these Courts and agree not to commence any Action of any kind except in these Courts. This Agreement shall be interpreted and construed under the law of California. In the event of any conflict of law, the laws of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the Franchised Business is located outside of California and such provision would be enforceable under the laws of the state in which the Franchised Business is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 19.1 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of any state to which it would not otherwise be subject.

19.2 Waivers. The Parties agree, to the extent permitted by Applicable Law, that any legal Action of any kind by either Party arising out of or relating to this Agreement or its breach must be commenced by no later than the last to occur of the following: (i) one hundred eighty (180) days after obtaining knowledge of the facts which constituted or gave rise to the alleged violation or liability, or (ii) one year after the act, event, occurrence or transaction which constituted or gave rise to the alleged violation or liability. Franchisor and Franchise, for themselves, and for and on behalf of the Franchisor Owners and the Owners, respectively, hereby waive to the fullest extent permitted by Applicable Law, any right to, or claim for, punitive or exemplary damages against the other and agree that, in the event of a dispute between them, Franchisor and Franchisee shall each be limited to recovering only the actual damages proven to have been sustained by that Party, except as provided in Section 19.4.

19.3 Specific Performance. Franchisor and Franchisee acknowledge that each Party would be irreparably damaged if the provisions of this Agreement were not capable of being specifically enforced, and for this reason, Franchisor and Franchisee agree that the provisions of this Agreement shall be specifically enforceable. Franchisor and Franchisee further agree that any act or failure to act which does not strictly comply with the provisions and conditions of this Agreement may be specifically restrained, and that the equitable relief provided for in this Agreement shall not in any way limit or deny any other remedy at law or in equity that either Franchisor or Franchisee might otherwise have.

19.4 Injunctive Relief. Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Hawks Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Hawks Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's

rights with respect to confidentiality under this Agreement; and (vi) prohibit any act or omission by Franchisee or its employees that constitutes a violation of Applicable Law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.

19.5 Exclusive Remedy. In no event shall either Party make or have any claim for money damages based on any claim or assertion that the other Party has unreasonably withheld, conditioned or delayed any consent, approval or authorization required under this Agreement. Each Party waives any claim for damages. Neither Party may claim any damages by way of setoff, counterclaim or defense. Each Party's sole remedy for such a claim shall be an Action or proceeding to enforce the provisions of this Agreement, for specific performance or for declaratory judgment.

19.6 Attorneys' Fees. In any legal action or proceeding brought to enforce any provision of this Agreement or arising out of, or in connection with, this Agreement, the prevailing Party shall be entitled to recover from the other Party its reasonable attorneys' fees and costs in addition to any other relief that may be awarded by a Court.

19.7 No Withholding of Payments. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its Affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's Affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

19.8 WAIVER OF JURY TRIAL. THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

19.9 WAIVER OF CLASS ACTIONS OR OTHER COLLECTIVE ACTIONS. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE HAWKS FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

19.10 Waiver of Punitive Damages. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. Except for any damages or losses incurred by Franchisor as a result of or arising out of any of Franchisee's (i) breach of its non-compete or confidentiality obligations under the Franchise Agreement, (ii) misuse or breach of its obligations under the Franchise Agreement as it relates to or arises out of the Proprietary Marks or the System, (iii) fraud or willful misconduct, or (iv) any other illegal conduct or bad faith Actions, Franchisor hereby waives to the fullest extent permitted by law, any right to or claim for any punitive damages (and only punitive damages) against Franchisee arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise).

19.11 Consequential Damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, Franchisee's waiver of any right to claim any consequential damages. Nothing in this Section 19.11 or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future Royalty Fees for the balance of the Term if it is terminated due to Franchisee's Default, which the Parties agree and acknowledge Franchisor may claim under this Agreement.

19.12 Survival. The provisions of this Article 19 shall survive the expiration, termination or non-renewal of this Agreement.

20. NOTICES.

All notices or demands to be given under this Agreement shall be in writing and shall be served in person, by air courier delivery with a guaranteed tracking facility, by certified mail, by facsimile transmission or by electronic transmission (email). Service shall be deemed conclusively made (i) at the time of service, if personally served; (ii) three (3) business days after delivery by the Party giving the notice, statement or demand if by air courier with a guaranteed tracking facility; (iii) three (3) business days after placement in the United States mail by Certified Mail, Return Receipt Requested, with postage prepaid; (iv) on the day of facsimile transmission to the facsimile number given below if confirmation of receipt is obtained by the sender promptly after completion of facsimile transmission; and (v) on the day of electronic transmission to the email address given below if confirmation of receipt is obtained by the sender promptly after completion of electronic transmission. Notices and demands shall be given to the respective Parties at the following addresses, unless and until a different address has been designated by written notice to the other Party:

Notices to Franchisor:

Hawks Kids Inc.
1525 N Alvarado St Unit 26012
Los Angeles, California 90026
Attention: Chief Executive Officer
Email: emma@hawkskids.com

With a copy to (which shall not constitute notice):

Barry Kurtz, Esq.
Lewitt, Hackman
16633 Ventura Boulevard, 11th Floor.
Encino, California 91436
Email: bkurtz@lewitthackman.com

Notices to Franchisee: See Exhibit A.

Either Party may change its address for the purpose of receiving notices, demands and other communications provided by a written notice given in the manner aforesaid to the other Party.

21. ACKNOWLEDGMENTS.

21.1 Waiver and Delay. No waiver by Franchisor of any Default, or series of Defaults in performance by Franchisee, and no failure, refusal or neglect of Franchisor to exercise any right, power or option given to it hereunder or under any agreement between Franchisor and Franchisee, whether entered into before, after or

contemporaneously with the execution of this Agreement, or to insist upon strict compliance with or performance of Franchisee's obligations under this Agreement or any Franchise Agreement or other agreement between Franchisor and Franchisee, whether entered into before, after or contemporaneously with the execution of this Agreement, shall constitute a waiver of the provisions of this Agreement with respect to any continuing or subsequent Default or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

21.2 Survival of Covenants. The covenants contained in this Agreement which, by their nature or terms, require performance by the Parties after the expiration or termination of this Agreement shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

21.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Franchisor and shall be binding upon and inure to the benefit of Franchisee and his or their respective, heirs, executors, administrators, and its successors and assigns, subject to the prohibitions and restrictions against Assignment contained in this Agreement.

21.4 Joint and Several Liability. If Franchisee consists of more than one Owner, the obligations and liabilities of each Person or Entity to Franchisor are joint and several.

21.5 Entire Agreement. This Agreement and the Exhibits contain all of the terms and conditions agreed upon by the Parties concerning the subject matter of this Agreement. No other agreements concerning the subject matter of this Agreement, written or oral, shall be deemed to exist or to bind either of the Parties and all prior agreements, understandings and representations are merged into this Agreement and superseded by this Agreement. No officer or employee or agent of Franchisor has any authority to make any representation or promise not included in this Agreement. This Agreement cannot be modified or changed except by written instrument signed by both of the Parties. Nothing in this Franchise Agreement or any related agreement is intended to disclaim the representations Franchisor made to Franchisee in Franchisor's Franchise Disclosure Document.

21.6 Titles and Recitals. Article and Section titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement. The Recitals set forth in Recitals A and B of this Agreement are true and correct and are hereby incorporated by reference into the body of this Agreement.

21.7 Gender and Construction. The terms of all Exhibits attached to this Agreement are hereby incorporated into and made a part of this Agreement as if the same had been set forth in full in this Agreement. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any Article or Section in this Agreement may require. As used in this Agreement, the words "include," "includes" or "including" are used in a non-exclusive sense. Unless otherwise expressly provided in this Agreement to the contrary, any consent, approval, acceptance or authorization of Franchisor or Franchisee that may be required under this Agreement shall be in writing and shall not be unreasonably withheld, conditioned or delayed by the Party whose consent, approval, acceptance or authorization has been requested. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by the Parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of both Parties. Franchisor and Franchisee intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable

and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

21.8 Severability; Modification. Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to Applicable Law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the Parties have no legal right to contract, the latter shall prevail, but in that event, the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

21.9 Counterparts and Electronic Transmission. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement.

21.10 Electronic Execution and Copies. This Agreement and all Exhibits to this Agreement may be signed electronically by the Parties and Electronic Signatures appearing on this Agreement and the Exhibits shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement and the Exhibits. An executed copy of this Agreement (or any portion of this Agreement) may be delivered by either of the Parties by facsimile, electrical, digital, magnetic, optical, electromagnetic, or similar capability regardless of the medium of transmission (collectively, "electronic"), and delivery will be effective and binding upon the Parties, and will not in any way diminish or affect the legal effectiveness, validity or enforceability of this Agreement. Franchisee acknowledges and agrees that Franchisor may create an electronic record of any or all agreements, correspondence or other communications between the Parties or involving third parties and may thereafter dispose of or destroy the original of any of the agreements, correspondence or other communications. Any such electronic record will be inscribed on a tangible medium or stored in an electronic or other medium and be retrievable in perceivable form, and will be maintained in and readable by hardware and software generally available. Notwithstanding any Applicable Law to the contrary, any electronic version of this Agreement or any other agreements, correspondence or other communications between the Parties will have the same legal effect, validity and enforceability as an original of any document, even if the original of the document has been disposed of or intentionally destroyed.

21.11 Area Development Agreement. This Section 21.11 is only applicable if Franchisee or its Affiliates have entered into an Area Development Agreement (a "Development Agreement") with Franchisor. Franchisor and Franchisee acknowledge and agree that the Development Agreement contains certain negotiated provisions which are intended to apply to, and modify, future franchise agreements entered into by the Parties. Therefore, notwithstanding anything to the contrary set forth in this Agreement, to the extent any provision in the Development Agreement contradicts any provision in this Agreement, or is in addition to any provision of this Agreement, the Development Agreement shall control to the extent of such inconsistency or addition. Franchisor and Franchisee further acknowledge and agree that this Section 21.11 has been added at the request and for the convenience and benefit of both Parties and with advice of counsel. Accordingly, both Franchisor and Franchisee shall work in good faith to resolve any disputes regarding the application or intent of the Development Agreement and future franchise agreements entered into by the Parties. Should a dispute arise as to the application or intent of the Development Agreement as it pertains to this Agreement, the Parties shall resolve the dispute in accordance with Article 19.

21.12 Intent to Comply. Franchisee, and its Owners, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution of this Agreement, that they have obtained the advice of counsel in connection with entering into this Agreement, that they understand the nature of this Agreement, and that they intend to comply with the terms of this Agreement and be bound by the terms of this Agreement.

21.13 Independent Investigation. Franchisee acknowledges that Franchisee has conducted an independent investigation of the business franchised hereunder, recognizes that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of Franchisee and if an Entity, its Owners, as independent businesspersons.

21.14 Copy of Agreement. Franchisee acknowledges that it received a copy of this Agreement, the Exhibits attached to this Agreement and all other agreements relating to this Agreement, if any, with all of the blank lines filled in, at least seven (7) days prior to the Effective Date.

21.15 Opportunity to Consult. Franchisee acknowledges that it has read and understood this Agreement, the Exhibits attached to this Agreement, and all other agreements relating to this Agreement, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

21.16 Franchise Disclosure Document. Franchisee acknowledges that it has received a copy of the complete Hawks Franchise Disclosure Document which contains a copy of this Agreement, at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

21.17 Business Judgment. Notwithstanding any provision in this Agreement to the contrary, Franchisee and the Owners acknowledge and agree that:

21.17.1 This Agreement (and the relationship of the Parties which arises from this Agreement) grants Franchisor the discretion to make decisions, take Actions or refrain from taking Actions not inconsistent with the explicit rights and obligations of Franchisee and the Owners hereunder that may affect Franchisee and the Owners' interests favorably or adversely. Franchisor shall use its Business Judgment in exercising such discretion based on its assessment of its own interests and balancing those interests against the interests, promotion, and benefit of the Hawks System and other Hawks Franchisees, Hawks Franchised Businesses generally, and specifically without considering the individual interests of Franchisee or the Owners or the individual interests of any other Hawks Franchisee. Franchisee and the Owners acknowledge and agree that Franchisor shall have no liability to Franchisee or the Owners for the exercise of its discretion in this manner; and even if Franchisor has numerous motives for a particular Action or decision, so long as at least one motive is a reasonable business justification, no trier of fact in any legal Action shall substitute his or her judgment for Franchisor's judgment so exercised and no such Action or decision shall be subject to challenge for abuse of discretion. If Franchisor takes any Action or Franchisor chooses not to take any Action in its discretion with regard to any matter related to this Agreement and its Actions or inaction are challenged for any reason, the Parties expressly direct the trier of fact to find that Franchisor's reliance on a business reason in the exercise of its discretion is to be viewed as a reasonable and proper exercise of its discretion, without regard to whether other reasons for its decision may exist and without regard to whether the trier of fact would independently accord the same weight to the business reason.

21.17.2 In designating suppliers, setting standards and the like, Franchisor shall exercise its Business Judgment. However, in the exercise of its Business Judgment, Franchisor shall not be liable to Franchisee or the Owners or anyone else, if Franchisor's exercise of its Business Judgment results in a business loss or if the

products or services provided fail to meet the expectations of Franchisor, Franchisee, the Owners or other parties. Franchisor disclaims all warranties and liability for the acts or omissions of any contractors, vendors, suppliers, products or employees which Franchisee uses, purchases, retains or hires pursuant to Franchisor's exercise of its Business Judgment.

21.17.3 If Applicable Law implies a covenant of good faith and fair dealing in this Agreement, the Parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if Applicable Law shall imply the covenant, Franchisee agrees that: (i) this Agreement (and the relationship of the Parties that is inherent in this Agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisor's explicit rights and obligations under this Agreement that may affect favorably or adversely Franchisee's interests; (ii) Franchisor will use its judgment in exercising the discretion based on Franchisor's assessment of its own interests and balancing those interests against the interests of the Hawks Franchisees generally (including Franchisor and its Affiliates if applicable), and specifically without considering Franchisee's individual interests or the individual interests of any other particular Hawks Franchisee; (iii) Franchisor will have no liability to Franchisee for the exercise of Franchisor's discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for Franchisor's judgment so exercised.

21.18 No Third Party Beneficiaries. Except as expressly provided to the contrary in this Agreement, nothing in this Agreement is intended, nor shall be deemed, to confer on any Person or Entity other than Franchisee, Franchisor, Franchisor's officers, directors and personnel and such of Franchisee's and Franchisor's respective successors and assigns that may have any rights or remedies under or as a result of this Agreement.

21.19 Atypical Terms. Franchisee acknowledges and agrees that Franchisor may modify the offer of its franchises to other Hawks Franchisees in any manner and at any time, which offers have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement. Franchisee further acknowledges and agrees that Franchisor has made no warranty or representation that Hawks Franchise Agreements previously issued or issued after this Agreement by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Franchisor may, in its reasonable business judgment and its sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Franchise Agreements previously executed or executed after the date of this Agreement with other Hawks Franchisees in a non-uniform manner.

21.20 General Terms. Time is of the essence of this Agreement with respect to each and every provision of this Agreement in which time is a factor. Franchisee has read this Agreement and understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's standards of service and quality and the uniformity of those standards at Hawks Franchised Businesses in order to protect and preserve the Hawks System and the goodwill of the Hawks Marks. Franchisee has conducted an independent investigation of the business contemplated by this Agreement. Franchisee recognizes that the Hawks System may evolve and change over time, that an investment in this franchise involves business risks, and that the success of the investment depends upon Franchisee's business ability and efforts. The Parties acknowledge and agree that each Party has been represented by independent legal counsel their choice in connection with this Agreement or has had the opportunity to have legal counsel review this Agreement and advise the Party regarding the same, but has voluntarily chosen not to do so. The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon its execution by Franchisor and Franchisee. This Agreement shall not be binding on Franchisor unless and until it shall have been accepted and signed on its behalf by an authorized officer of Franchisor.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the Effective Date.

FRANCHISOR:

HAWKS KIDS INC.
A California corporation

By: _____
Name: _____
Title: _____

FRANCHISEE:

(IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By: _____
Name: _____
Title: _____

OR

(IF FRANCHISEE IS AN INDIVIDUAL):

_____
Print Name

_____
Signature

_____
Print Name

_____
Signature

HAWKS KIDS INC.
FRANCHISE AGREEMENT

EXHIBIT A
FRANCHISE INFORMATION

HAWKS KIDS INC.
FRANCHISE AGREEMENT

EXHIBIT A
FRANCHISE INFORMATION

EFFECTIVE DATE: _____.

NAME OF FRANCHISEE: _____.

EXPIRATION DATE: _____.

INITIAL FRANCHISE FEE: $_____.

INITIAL TRAINING FEE: $_____.

INITIAL TECHNOLOGY FEE: $_____.

COMMENCEMENT DATE:
_____.

PROTECTED AREA: The following area outlined on the attached map has been designated by Franchisor and accepted by Franchisee as the "Protected Area" of the Hawks Franchised Business in accordance with Section 2.2 of the Franchise Agreement:

_____
_____
_____

If the Protected Area is defined by streets, highways, freeways or other roadways, or rivers, streams, or tributaries, then the boundary of the Protected Area shall extend to the center line of each street, highway, freeway or other roadway, or river, stream, or tributary.

NOTICE ADDRESS FOR FRANCHISEE:_____
_____

EMAIL: _____.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Exhibit A on _____.

FRANCHISOR:

HAWKS KIDS INC.
A California corporation

By: _____
Name: _____
Title: _____

FRANCHISEE:

(IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By: _____
Name: _____
Title: _____

OR

(IF FRANCHISEE IS AN INDIVIDUAL):

_____
Print Name

_____
Signature

_____
Print Name

_____
Signature

HAWKS KIDS INC.
FRANCHISE AGREEMENT

EXHIBIT B
ENTITY INFORMATION DISCLOSURE

HAWKS KIDS INC.
FRANCHISE AGREEMENT

EXHIBIT B
ENTITY INFORMATION DISCLOSURE

Franchisee represents and warrants that the following information is accurate and complete in all material respects:

(1) Franchisee is a (check as applicable):

[ ] corporation
[ ] limited liability company
[ ] general partnership
[ ] limited partnership
[ ] Other (specify): _____

State of incorporation/organization: _____
Name of Franchisee Entity: _____
Federal Tax Identification #: _____

(2) Franchisee shall provide to Franchisor concurrently with the execution of this Agreement true and accurate copies of its charter documents including Articles of Incorporation/Organization, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution of this Agreement and any amendments to the foregoing (the "Entity Documents").

(3) Franchisee promptly shall provide all additional information that Franchisor may from time to time request concerning all Persons who may have any, direct or indirect, financial interest in Franchisee.

(4) The name and address of each Owner is:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(5) The names, addresses and titles of Franchisee Owner who will be devoting their full time to the Franchisee business are:

NAME	ADDRESS	TITLE

(6) The address where Franchisee's financial records and Entity Documents are maintained is: _____.

(7) The Principal Owner is _____ and owns a _____% ownership interest in Franchisee.

(8) The Managers are _____.

(9) Franchisee represents and warrants to Franchisor, as an inducement to Franchisor's execution of the Franchise Agreement, that the information set forth in this Entity Information Disclosure is true, accurate and complete in all material respects on the Effective Date and that Franchisee shall provide Franchisor with all additional information Franchisor may request with respect to the Owners and the ownership of Franchisee. In addition, Franchisee shall notify Franchisor within ten (10) days of any change in the information set forth in the Entity Information Disclosure and shall provide Franchisor with a revised Entity Information Disclosure certified by Franchisee to be true, correct and complete in all material respects. Franchisor grants Franchisee the rights in this Agreement in reliance upon each and all of the terms of the Entity Information Disclosure.

IN WITNESS WHEREOF, the Parties have executed this Exhibit B on the Effective Date.

FRANCHISOR:

HAWKS KIDS INC.
A California corporation

By: _____
Name: _____
Title: _____

FRANCHISEE:

(IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By: _____
Name: _____
Title: _____

OR

(IF FRANCHISEE IS AN INDIVIDUAL):

_____
Print Name

_____
Signature

_____
Print Name

_____
Signature

HAWKS KIDS INC.
FRANCHISE AGREEMENT

EXHIBIT C
GUARANTEE OF FRANCHISE AGREEMENT

HAWKS KIDS INC.
FRANCHISE AGREEMENT

EXHIBIT C
GUARANTEE OF FRANCHISE AGREEMENT

The undersigned (collectively, "Guarantors") have requested HAWKS KIDS INC., a California corporation ("Franchisor"), to enter into a Franchise Agreement dated _____ (the "Franchise Agreement") with _____ ("Franchisee"). In consideration for, and as an inducement to, Franchisor's execution of the Franchise Agreement, Guarantors hereby grant this guarantee (this "Guarantee") and agree as follows:

1. "Obligations" means and includes any and all obligations of Franchisee arising under or pursuant to the Franchise Agreement and all other obligations, whether now existing or hereafter arising, of Franchisee to Franchisor of whatever nature.

2. Guarantors irrevocably and unconditionally, fully guarantee to Franchisor the prompt, full and complete payment of any and all Obligations of Franchisee to Franchisor and the performance of any and all Obligations of Franchisee including, without limitation, Obligations under the Franchise Agreement or any other agreement, instrument or document relating to, evidencing or securing any Obligations.

3. If Franchisee fails to pay any of the Obligations, Guarantors shall, within five (5) days after a written demand therefore has been given to Guarantors by Franchisor, pay all of the Obligations in like manner as if the Obligations constituted the direct and primary Obligation of Guarantors. Guarantors agree that if any Obligation, covenant or agreement contained in the Franchise Agreement is not observed, performed or discharged as required by the Franchise Agreement (taking into consideration any applicable cure periods), Guarantors shall, within five (5) days after a written demand therefore has been given to Guarantors by Franchisor, to observe, perform or discharge the Obligation, covenant or agreement in like manner as if the same constituted the direct and primary Obligation of Guarantors.

4. No exercise or non-exercise by Franchisor of any right under this Guarantee, no dealing by Franchisor with Franchisee or any other Person and no change, impairment or suspension of any right or remedy of Franchisor shall in any way affect any Obligations of Guarantors under this Guarantee or give Guarantors any recourse against Franchisor. Without limiting the generality of the foregoing, Guarantors agree that, regardless of whether Franchisor gives notice thereof or obtains the consent of Guarantors thereto, Guarantors' liability under this Guarantee shall not be released, extinguished or otherwise reduced in any way by reason of (i) any amendment, modification, renewal, extension, substitution or replacement of the Franchise Agreement or of any of the Obligations, in whole or in part, (ii) any acceptance, enforcement or release by Franchisor of any security for the Franchise Agreement or of any of the Obligations, any addition, substitution or release of any of the Guarantors, or any enforcement, waiver, surrender, impairment, release, compromise or settlement of any matter with respect to the Franchise Agreement or the Obligations or any security therefore, (iii) any assignment of this Guarantee, in whole or in part by Franchisor, or any Assignment or transfer of the Franchise Agreement (or any of them) by Franchisor or Franchisee, (iv) the invalidity or unenforceability of any provision of the Franchise Agreement or any of the Obligations, or (v) any failure, omission or delay of Franchisor in enforcing the Franchise Agreement, the Obligations or this Guarantee.

5. Guarantors waive and agree not to assert or take advantage of (i) any right to require Franchisor to proceed against Franchisee or any other Person, firm or corporation or to proceed against or exhaust any security held by Franchisor at any time or to pursue any other remedy in Franchisor's power, (ii) any statute

of limitations in any Action under this Guarantee to collect any Obligations guaranteed hereby, (iii) any defense that may arise by reason of Franchisee's Incapacity, lack of authority, insolvency or bankruptcy or Franchisor's failure to file or enforce a claim against the estate (either in bankruptcy or other proceeding) of Franchisee, any other or others, (iv) any defense arising out of any alteration of the Franchise Agreement or the Obligations, (v) notice of Franchisee's Default in the payment or performance of any of the Obligations, (vi) demand, protest and notice of any kind including, without limitation, notice of acceptance, notice of the existence, creation or incurring of new or additional Obligations or Obligations or of any action or non-action on the part of Franchisee, Franchisor, any endorser, creditor of Franchisee or Guarantors under this or any other instrument, or any other Person, in connection with any Obligation or evidence of Obligations held by Franchisor or in connection with any Obligations hereby guaranteed, (vii) all rights and defenses arising out of an election of remedies by Franchisor, even though that election of remedies, such as non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Guarantors' rights of subrogation and reimbursement against Franchisee by operation of Applicable Law or otherwise, (viii) any duty of Franchisor to disclose to Guarantors any facts that Franchisor may now or hereafter know about Franchisee, regardless of whether Franchisor has reason to believe that those facts materially increase the risk beyond that which Guarantors intends to assumes or has reason to believe that the facts are unknown to Guarantors or has a reasonable opportunity to communicate the facts to Guarantors, it being understood and agreed that Guarantors is responsible to be and to keep informed of Franchisee's financial condition and of all circumstances bearing on the risk of nonpayment of any Obligations hereby guaranteed, and (ix) any right to the benefit of or to direct the application of any security held by Franchisor.

6. Until all Obligations to Franchisor are paid in full and fully performed, Guarantors shall have no right of subrogation and waive any right to enforce any remedy that Franchisor now has or may hereafter have against Franchisee. All existing or future indebtedness of Franchisee to Guarantors and any right to withdraw capital invested in Franchisee by Guarantors are hereby subordinated to all Obligations.

7. Guarantors' liabilities and all rights, powers and remedies of Franchisor under this Guarantee and under any other agreement now or at any time hereafter in force between Franchisor and Guarantors shall be cumulative and not alternative and the rights, powers and remedies shall be additional to all rights, powers and remedies given to Franchisor by Applicable Law.

8. The liability of Guarantors under this Guarantee shall be an absolute, direct, immediate and unconditional continuing guarantee of payment and performance and not of collection. Guarantors' obligations under this Guarantee are independent of Franchisee's obligations. This is a continuing Guarantee. It shall be irrevocable during the initial term and each renewal term and through any extensions, amendments, modifications, substitutions or replacements of the Franchise Agreement and until all Obligations has been fully paid and the Obligations have been fully performed. In the event of any Default under this Guarantee, a separate Action and/or successive Actions may be brought and prosecuted against Guarantors regardless of whether Action is brought against Franchisee or whether Franchisee is joined in any Action or Actions. Franchisor may maintain successive Actions for other Defaults. Franchisor's rights under this Guarantee shall not be exhausted by Franchisor's exercise of any rights or remedies or by any Action or by any number of successive Actions until and unless all Obligations have fully been paid and performed. The Obligations of Guarantors shall be primary and are independent of the Obligations of Franchisee and Franchisor may directly enforce its rights under this Guarantee without proceeding against or joining Franchisee or any other Person or Entity, or applying or enforcing any security of the Franchise Agreement. Guarantors acknowledge and agree that Guarantors shall, and hereby are, bound by each and all of the confidentiality and non-competition provisions of the Franchise Agreement.

9. Neither any provision of this Guarantee nor right of Franchisor under this Guarantee can be waived, nor can Guarantors be released from Guarantors' obligations under this Guarantee except by a written agreement executed by Franchisor. If any provision or portion of any provision of this Guarantee is found by a court of competent jurisdiction to be illegal or unenforceable, all other provisions shall, nevertheless, remain enforceable and effective. This Guarantee constitutes the entire agreement of Guarantors and Franchisor with respect to the subject matter of this Guarantee and no representation, understanding, promise or condition concerning the subject matter of this Guarantee shall bind Franchisor unless expressed in this Guarantee.

10. All written notices permitted or required under this Guarantee shall be deemed given and delivered in accordance with Article 20 of the Franchise Agreement. Notices to Guarantors shall be sent to the address set forth below each Guarantor's signature below.

11. This Guarantee may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Guarantee with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Guarantee for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Guarantee. In addition, this Guarantee may be signed electronically by the Guarantors and electronic signatures appearing on this Guarantee shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Guarantee.

12. This Guarantee shall be interpreted and construed under the laws of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Guarantee would not be enforceable under the laws of California, and if the Franchised Business is located outside of California and such provision would be enforceable under the laws of the state in which the Franchised Business is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Paragraph 12 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of the State of California to which it would not otherwise be subject. Venue for purposes of any legal proceedings brought in connection with or arising out of this Guarantee shall be conclusively presumed to be the Superior Courts of the State of California, County of Los Angeles, or the United States District Court in and for the Central District of California.

Executed by or on behalf of Guarantors on the date set forth below.

_____ Date: _____

_____ Date: _____

HAWKS KIDS INC.
FRANCHISE AGREEMENT

EXHIBIT D
AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

EXHIBIT D
AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name | Business No.

Franchisee Mailing Address (street) | Franchisee Phone No.

Franchisee Mailing Address (city, state, zip)

Contact Name, Address and Phone number (if different from above)

Franchisee Fax No. | Franchisee Email Address

Bank Account Information:

Bank Name

Bank Mailing Address (street, city, state, zip)

Bank Account No. | Checking Savings (check one)

Bank Routing No. (9 digits)

Bank Mailing Address (city, state, zip) | Bank Phone No.

Authorization:

Franchisee hereby authorizes NMP Brigade LLC ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above, and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature:
Printed Name: Its:
Federal Tax ID Number:
Date:

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

HAWKS KIDS INC.
FRANCHISE AGREEMENT

EXHIBIT E
CREDIT CARD AUTHORIZATION

EXHIBIT E
CREDIT CARD AUTHORIZATION

This Credit Card Authorization (this "Authorization") is entered into this ___ day of _____, 20___ by the undersigned credit card account owner ("Owner"). Owner agrees that HAWKS KIDS INC. ("Franchisor") may charge (in Franchisor's sole discretion) the account(s) listed below for payment of fees, interest charges, past due fees or other charges owed to Franchisor or Franchisor's approved supplier (as specified below), as follows:

1. Owner authorizes Franchisor to charge Owner's account(s), as listed below, for Royalty Fees, Advertising Fund Fees, Technology Fees, Training Fees, Conference Fees, Inspection Fees, Late Fees, Interest Charges, Past Due Fees, and other fees and charges owed by Owner or a company controlled by Owner to Franchisor or an approved supplier of Franchisor under any agreement between the Parties.

Type of Credit Card: _____VISA _____ MASTERCARD

Credit Issuer:
Billing Address:
Account Number:
Expiration Date:
Current Credit Limit: $

Type of Credit Card: _____VISA _____ MASTERCARD

Credit Issuer:
Billing Address:
Account Number:
Expiration Date:
Current Credit Limit: $

2. Owner agrees that this Authorization will remain in effect for each Franchise Agreement of Owner, or a company controlled by Owner, throughout the duration of the applicable Franchise Agreement, unless Franchisor agrees to an earlier termination of this Authorization. Owner agrees not to revoke any Authorization prior to the termination of the applicable Franchise Agreement, without prior written consent of Franchisor. Owner agrees that the credit card issuer cannot cancel this Authorization without receiving written consent from Franchisor.

3. Owner agrees to maintain, at all times, sufficient available credit in each account covered by this Authorization to pay all due amounts and associated charges, as listed above, but, in any event the available credit on each account will not be less than $10,000.00. Owner shall notify Franchisor of the expiration, termination, or any other change in its account(s) covered by this Agreement, within one business day of the change, providing new account numbers and other information requested by Franchisor. Owner agrees to execute a new Authorization within three business days after receipt of a new Authorization form from Franchisor.

4. Owner agrees that Franchisor may charge Owner's account(s) listed above, as applicable, whenever fees owed by Owner, or a company controlled by Owner, are past due, as follows:

(a) Franchisor may charge Owner's credit card account(s) for the amount of all Royalty Fees, Advertising Fund Fees, Technology Fees, training and certification fees, conference fees, inspection and evaluation fees, late fees, interest charges, past due fees, and other fees and charges owed by Owner or a company controlled by Owner to Franchisor each time Owner, or a company controlled by Owner, does not otherwise pay its fees when due or an EFT payment by Owner is unsuccessful.

(b) Franchisor may charge the following "Late Fee" and interest to Owner's credit card account, with or apart from the actual Royalty Fees, Advertising Fund Fees, Technology Fees, training and certification fees, convention fees, inspection and evaluation fees, and other fees and charges as specified above. The Late Fee is $100 per incident. If any payment required to be made by Owner to Franchisor under a Franchise Agreement is past due, Franchisor may also charge Owner's account(s) interest on the past due amount at the lesser of the daily equivalent of 12% per year simple interest or the highest rate allowed by law, accruing from the date of the Default.

5. Franchisor may charge Owner a service charge of up to four percent (4%) of the total charge for any payment made by Owner or a company controlled by Owner to Franchisor under this Authorization.

6. Franchisor may bill Owner directly for any amounts owed by Owner, or a company controlled by Owner, to Franchisor for which Franchisor does not charge Owner's account(s) under this Authorization.

7. A company is considered to be "controlled by Owner" if Owner is a guarantor of a Franchise Agreement between the company and Franchisor; or if Owner has a 10 percent or greater shareholder, partnership, or member interest in the company, or is the sole proprietor of the company.

8. Owner agrees to execute any other documents required by any credit card processing company, any credit card issuer, any other Entity, or by law, as necessary to enable Franchisor to exercise the rights granted to it by this Authorization.

9. All capitalized terms not defined in this Authorization are defined as in the applicable Franchise Agreement between Franchisor and Owner.

OWNER:

_____
Print Name

_____
Signature

_____
Date

_____
Print Name

_____
Signature

_____
Date

HAWKS KIDS INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT B
AREA DEVELOPMENT AGREEMENT

HAWKS KIDS INC.

AREA DEVELOPMENT AGREEMENT

HAWKS KIDS INC.
AREA DEVELOPMENT AGREEMENT

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EXHIBITS

EXHIBIT A	ENTITY INFORMATION DISCLOSURE
EXHIBIT B	DEVELOPMENT AREA, OBLIGATION, PERIODS AND FEES
EXHIBIT C	GUARANTEE OF AREA DEVELOPMENT AGREEMENT

HAWKS KIDS INC.
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of the "Effective Date" set forth on Exhibit A by and between HAWKS KIDS INC., a California corporation ("Franchisor"), on the one hand, and the individuals or Entity identified as "Franchisee" on Exhibit A, on the other hand, who are individually referred to in this Agreement as a "Party", and collectively referred to in this Agreement as "Parties", with reference to the following facts:

A. Franchisor and its Affiliate have developed a camping business that offers nature-based hiking day camps, summer camps, birthday parties and other nature-based school enrichment programs (the "Hawks System") for children ages 4-16 at various locations, including public and private green spaces, parks, gardens, nature centers and museums under the trade name and service mark "Hawks Kids" and other related trademarks, service marks, logos and commercial symbols (collectively, the "Hawks Marks"). The Hawks Marks used to identify the Hawks System may be modified by Franchisor from time to time. The Parties acknowledge and agree that Franchisor and its Affiliate have established substantial goodwill and business value in the Hawks Marks and the Hawks System.

B. The distinguishing characteristics of the Hawks System include, without limitation, programs, manuals, written instructions, general information, routines, educational methods, techniques, curriculums, lesson plans and other materials that incorporate proprietary information and related written content, Franchisor's website, camp handbooks, camp guidelines, marketing materials, lists of approved suppliers, standard forms, standards and procedures for operations, training and assistance and advertising and promotional programs time (collectively the "Hawks Proprietary Materials"), all of which may be changed, improved, and further developed by Franchisor from time to time. Franchisor continues to invest time, skill, effort and money to further develop, test and use the Hawks Proprietary Materials and the Hawks System in order to maintain the Hawks System's high standards of quality, skill and service.

C. Franchisor grants qualified individuals and entities licenses and franchises for the rights to independently own and operate Hawks nature-based camp businesses (each a "Franchised Business") under the Hawks Marks and utilizing the Hawks System. Franchisee desires to develop, own and operate Franchised Businesses in the Territory in accordance with the terms of this Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

The capitalized terms in this Agreement are assigned these definitions:

"Action" means any complaint, action, claim, suit, arbitration, audit, examination, investigation, charge, litigation, hearing or proceeding (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, and whether public or private), in each case commenced, brought, conducted or heard by or before any Governmental Authority, court, or arbitrator.

"Additional Development Rights" means the rights that Franchisor may, but shall not be obligated to, grant Franchisee to develop additional Franchised Businesses in the Development Area under an Additional Development Plan acceptable to Franchisor.

"Affiliate" or "Affiliates" mean any Person or Entity that controls, is controlled by, or is under common control with, a Party to this Agreement. Control of a Person or Entity means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person or Entity whether by contract or otherwise.

"Applicable Law" means and includes applicable common law and all statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority with jurisdiction over the operation of the Franchised Businesses that are in effect on or after the Effective Date, as they may be amended from time to time.

"Business Judgment" means that Franchisor is allowed to exercise its judgment however Franchisor believes is appropriate in a given circumstance without limitation, subject to the use of that discretion in any reasonable way as more fully described in Section 18.17.

"Camps" means the nature-based hiking day camps, summer camps, birthday parties and after nature-based school enrichment programming provided to Campers by Franchisor's Affiliate and Hawks Franchisees.

"Campers" means children ages 4-16 who are provided with camping services by Franchisor's Affiliate and Hawks Franchisees.

"Commencement Date" means the day that (i) Franchisee receives written authorization from Franchisor to commence operations of the Franchised Business, and (ii) Franchisee actually begins to offer Hawks services and products for sale to the public from the Franchised Business, whichever occurs last.

"Competitive Business" means any nature-based hiking camp business that provides day camps, summer camps, birthday parties and/or other nature-based school enrichment programming for children and any business which looks like, copies or imitates a Hawks Franchised Business.

"Constituents" means past, present and future Affiliates, parents, subsidiaries, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, parents, predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing.

"Default" means any breach of, or failure to comply with, any of the terms or conditions of an agreement.

"Development Area" means the geographic area designated on Exhibit B.

"Development Fee" means the $10,000 development fee payable to Franchisor by Franchisee on the Effective Date multiplied by the number of Franchised Businesses to be operated by Franchisee under this Agreement in the amount set forth on Exhibit B.

"Development Period" means each of the time periods indicated on Exhibit B during which Franchisee shall have the right and obligation to begin and thereafter continue to operate Franchised Businesses in accordance with the Development Obligation.

"Electronic Signature" means any electronic symbol and/or process attached to or logically associated with a document and executed by a Party with the intent to sign such document, including facsimile, email, or other electronic signatures.

"Entity" means any limited liability company, partnership, trust, association, corporation or other entity, which is not an individual. If Franchisee is an Entity, the Entity shall conduct no business other than the development of Franchised Businesses in the Development Area, in accordance with the Development Obligation.

"Equity" means capital stock, membership interests, partnership rights or other equity ownership interests of an Entity.

"Expiration Date" means the fifth (5th) anniversary of the Effective Date.

"Force Majeure" means any event (i) that was reasonably unforeseeable as of the Effective Date, (ii) that is beyond the reasonable control, directly or indirectly, of a Party, (iii) that could not reasonably have been prevented or avoided by that Party with the exercise of reasonable efforts and due diligence, (iv) that does not result from the fault or negligence of that Party or its agents, employees or contractors, and (v) that causes the Party to be delayed, in whole or in part, or unable to partially or wholly perform its obligations under this Agreement. Subject to the satisfaction of the foregoing criteria, Force Majeure shall include: (a) acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe), (b) strikes, lockouts or other industrial disturbances, (c) war, terrorist acts, riot, or other civil disturbance, (d) unilateral governmental action impacting businesses generally, and (e) epidemics, transportation shortages, inadequate supply of labor, material or energy. Neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with Franchisee by any lender, landlord, contractor, or other Person, or Franchisee's financial inability to perform or Franchisee's insolvency, shall be an event of Force Majeure hereunder, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. An event of Force Majeure will not affect or change Franchisee's obligation to pay Continuing Royalty Fees, Advertising Fund Fees, Technology Fees or any other fees owed to Franchisor when due.

"Franchise Agreement" means the form of agreement prescribed by Franchisor and used to grant to Franchisee the right to own and operate a single Franchised Business in the Development Area, including all exhibits, riders, guarantees or other related instruments, all as amended from time to time.

"General Release" means the form of general release prescribed by Franchisor of any and all known and unknown obligations, liabilities, demands, costs, expenses, damages, claims, Actions and causes of Action, of whatever nature, character or description, against Franchisor and its Constituents. A General Release will cover future consequences of acts, omissions events and circumstances predating the date of the General Release, but will not release, in advance, future acts, omissions or events which have not occurred at the time the General Release is executed.

"Good Standing" means Franchisee is in substantial compliance with the material requirements of this Agreement, the Franchise Agreements, the Manuals and all other agreements then in effect between Franchisor or its Affiliates, and Franchisee, and has substantially cured each curable Default for which Franchisor has issued a notice of Default to Franchisee within the time periods set forth in Section 11.3.

"Governmental Authority" means all Federal, state, county, public and local governmental and quasi-governmental agencies, commissions and authorities.

"Hawks Franchise Agreements" means Franchise Agreements between Franchisor and Hawks Franchisees for Franchised Businesses outside of the Protected Area.

"Hawks Franchisees" means the parties who enter into Hawks Franchise Agreements with Franchisor to develop, own and operate Franchised Businesses outside of the Development Area.

"Hawks System" means the Hawks Proprietary Materials, Franchisor's operating methods and business practices related to Franchised Businesses, and the relationship between Franchisor and its franchisees, including specifications for equipment, specified pricing and promotions, restrictions on ownership, standard operating and administrative procedures, management and technical training programs, marketing and public relations programs, Franchisor's website, all as Franchisor may modify from time to time.

"Hawks Trade Secrets" means the Hawks Proprietary Materials, and other proprietary and Confidential Information, including procedures, policies, concepts, systems, know-how, plans, software, strategies and methods and techniques of operating the Franchised Business and providing authorized Hawks services and products, excluding information that is or becomes a part of the public domain through publication or communication by third parties not bound by any confidentiality obligation or that Franchisee can show was already lawfully in Franchisee's possession before receipt from Franchisor.

"Incapacity" means any physical, emotional or mental injury, illness or Incapacity that would prevent a Person from performing the obligations set forth in this Agreement or in the Principal Owner's Guarantee attached as Exhibit C for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely.

"Initial Franchise Fee" means the initial fee that Franchisee must pay Franchisor for each Franchised Business to be operated by Franchisee in the Development Area in the amounts set forth on Exhibit B.

"Initial Term" means the five (5) year period commencing on the Effective Date and ending on the Expiration Date.

"Manuals" means Franchisor's operations and training manuals and any other written directives related to the Hawks System, as they may be amended, issued and revised from time to time, including all bulletins, supplements and ancillary and additional manuals and written directives established by Franchisor as in effect and amended that permit Franchisee to benefit from new knowledge, information, methods and technology adopted and used by Franchisor in the operation of the Hawks System

"Minimum Development Obligation" shall mean the Franchisee's right and obligation to begin and thereafter continue to operate at sites within the Development Area the cumulative number of Franchised Businesses set forth in Exhibit B to this Agreement within each Development Period.

"Owner" means each of the individuals listed on Exhibit A and each future direct or indirect shareholder, member, general or limited partner, trustee, or other Equity owner Franchisee. Each Owner and each Owner's spouse shall jointly and severally guarantee Franchisee's payment and performance of its obligations under this Agreement under a Guarantee in the form of Exhibit C.

"Person" means an individual, firm, corporation, partnership, limited liability company, incorporated or unincorporated association, joint venture, joint stock company, trust or other Entity or organization of any kind, including a Governmental Authority.

"Principal Owner" means the individual designated by Franchisee on Exhibit A, and accepted by Franchisor, to serve as the authorized representative of Franchisee, who shall act as Franchisee's representative in all matters with Franchisor, as Franchisee's liaison with Franchisor, the Franchisor Owners and the Owners, who shall have the authority to act on behalf of Franchisee during the Term without the participation of any other Owner, and who shall own at least fifty percent (50%) of the Equity of Franchisee.

"Protected Area" means the exclusive area granted to each Franchised Business in which Franchisor shall not develop, own or operate, or issue a franchise to any third party to develop, own or operate any other Franchised Business.

"Then-Current" means the form of agreement then-currently provided by Franchisor to similarly situated prospective Hawks Franchisees and Hawks Franchisees, which may contain terms and conditions that are materially different from this Agreement, or if not then being so provided, then a form of agreement selected by Franchisor in its discretion which previously has been delivered to and executed by a Hawks Franchisee or a Hawks Franchisee, or, as the context of this Agreement indicates, the fees then-currently charged by Franchisor or its Affiliates, or Franchisor's specifications, standards or the like.

2. EXCLUSIVE LICENSE

2.1 Grant and Minimum Development Obligation. Franchisor hereby grants Franchisee, and Franchisee hereby accepts, the right and obligation to use the Hawks Marks and the Hawks System to develop, own and operate the Minimum Development Obligation of Franchised Businesses set forth in Exhibit B in the Development Area during the individual Development Periods listed on Exhibit B under the Development Schedule set forth on Exhibit B in accordance with the terms and conditions in this Agreement. Except as provided in Section 2.6, Franchisee shall not develop, own or operate more Franchised Businesses in the Development Area than the Minimum Development Obligation during the Initial Term. Franchisee shall not offer, sell, or negotiate the sale of Hawks franchises to any third party, either in Franchisee's own name or in the name of and/or on behalf of Franchisor, or otherwise sub-franchise, subcontract, sublicense, share, divide or partition this Agreement, and nothing contained in this Agreement will be construed as granting Franchisee the right to do so. Franchisee shall not execute any Franchise Agreement with Franchisor with a view to offering or assigning the Franchise Agreement or Franchised Business to any third party.

2.2 Exclusive License. Except as otherwise provided in this Section 2.2 and in Section 2.4, the rights granted to Franchisee under this Agreement are exclusive during the Initial Term so long as Franchisee is in Good Standing, and neither Franchisor, nor any of its Affiliates shall themselves develop, own and operate or grant third parties the right to develop, own and operate, Franchised Businesses in the Development Area during the Initial Term. Franchisee acknowledges the Development Area may be subject to pre-existing franchises granted prior to the Effective Date. The Development Area will not contain any areas granted to other franchisees prior to the Effective Date. Existing franchisees may transfer the franchise rights previously granted to them under their Development Agreements or may renew and transfer the franchise rights previously granted to them under their Franchise Agreements.

2.3 Adherence to Development Schedule. Franchisee shall satisfy the Minimum Development Obligation by opening the number of Franchised Businesses in the Development Area within each Development Period as required by the Development Schedule and by continuing to operate the cumulative number of Franchised Businesses required by the Minimum Development Obligation. Failure to comply with a scheduled Commencement Date set forth in the Development Schedule shall constitute a Default under this Agreement and shall entitle Franchisor to terminate this Agreement, unless the Default results from an event of Force Majeure, in which case, the Commencement Date may be extended by Franchisor as provided in Section 2.7.

2.4 Rights Reserved by Franchisor. Except as provided in Section 2.2, Franchisor expressly reserves all other rights, including the exclusive, unrestricted right, in its discretion, directly and indirectly, through its employees, Affiliates, representatives, licensees, assigns, agents and others, to (i) develop, own and operate, and to grant franchises to third parties to develop, own and operate, Franchised Businesses outside the Development Area, regardless of their proximity to the Development Area; (ii) develop, own and operate, and to grant franchises to third parties to develop, own and operate any other business, including food business, other than a Competitive Business, under marks and systems different from the Hawks Marks and Hawks System within and outside the Development Area; (iii) sell or distribute, at retail or wholesale, directly or indirectly, or license others to sell or distribute, Hawks Branded Products within and outside the Development Area, through the Internet, mail order catalogs, direct mail advertising and through other distribution methods; (iv) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Franchised Businesses or franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; (v) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any business providing products and services similar to those provided at Franchised Businesses, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses; and (vi) engage in all other activities that this Agreement does not expressly prohibit.

2.5 Closures and Assignments. To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets, and the goodwill associated with the same, if, during the Term, Franchisee ceases to operate any Franchised Business opened under this Agreement for any reason, Franchisee must develop a replacement Franchised Business to fulfill Franchisee's obligation to have in operation the required number of Franchised Businesses at the expiration of each Development Period. The replacement Franchised Businesses must be opened within twelve (12) months after the closing of the Franchised Business that will be replaced. Franchised Businesses that are open and operating that are assigned to Affiliates of Franchisee with Franchisor's consent, shall count in determining whether Franchisee has satisfied the Minimum Development Obligation for so long as the applicable Affiliate continues to comply with the terms of this Agreement.

2.6 Additional Development Rights. If Franchisee satisfies the Minimum Development Obligation before the Expiration Date and desires to operate additional Franchised Businesses in the Development Area, Franchisee shall notify Franchisor in writing (the "Additional Development Notice") that Franchisee desires to do so and provide Franchisor with a proposal for the development of additional Franchised Businesses in the Development Area (the "Additional Development Obligation"), setting forth the number of additional Franchised Businesses proposed to be opened by Franchisee and development fees payable to Franchisor for each Franchised Business proposed to be developed and the proposed Commencement Dates for each Franchised Business during the remainder of the Initial Term. Franchisor may, but shall have no obligation to, grant Franchisee the Additional Development Rights described in this Section 2.6 in its sole and absolute discretion.

2.6.1 If Franchisor elects to grant the Additional Development Rights to Franchisee and if the Additional Development Obligation proposed by Franchisee is unacceptable to Franchisor in any respect, Franchisor and Franchisee shall negotiate during the following thirty (30) day period to agree upon an acceptable Additional Development Obligation. If the Additional Development Obligation proposed by Franchisee is acceptable to Franchisor, or if Franchisor and Franchisee reach agreement on an alternative Additional Development Obligation within the thirty (30) day period after the date of the Additional Development Notice, Franchisor shall deliver to Franchisee its Then-Current form of Area Development Agreement (the "Additional Development Agreement") setting forth the agreed upon Additional Development Obligation. Within thirty (30) days after Franchisee's receipt of the Additional Development Agreement, Franchisee shall execute the Additional Development Agreement, and return it to Franchisor. If Franchisee has so executed and returned the Additional Development Agreement, and has satisfied the conditions precedent set forth in Section 2.6.2, Franchisor shall execute the Additional Development Agreement, and return a fully executed copy to Franchisee.

2.6.2 Franchisor shall execute the Additional Development Agreement, if, and only if, (i) Franchisor elects to grant the Additional Development Rights to Franchisee, (ii) Franchisee has fully performed all of its obligations under this Agreement and all other agreements between Franchisor and Franchisee and is in Good Standing on the date of the Additional Development Notice and on the date of Franchisor's execution of the Additional Development Agreement, (iii) Franchisee has demonstrated Franchisee's Then-Current financial ability to timely implement and complete the Additional Development Obligation, (iv) Franchisee continues to operate no less than the aggregate number of Franchised Businesses in the Development Area as required by the Minimum Development Obligation, (v) Franchisee has executed the Additional Development Agreement and delivered it to Franchisor together with the initial franchise fees and development fees payable to Franchisor for the Additional Development Rights, and (vi) Franchisee executes and delivers to Franchisor a General Release in a form acceptable to Franchisor.

2.7 Force Majeure. Neither Party will be in Default in the performance of its obligations under this Agreement if such performance is prevented or delayed due to Force Majeure. If Franchisee is unable to meet the Minimum Development Obligation for any Development Period solely as the result of Force Majeure or any legal disability of Franchisor to deliver a Disclosure Document, which results in the inability of Franchisee to open the Franchised Businesses as required by this Agreement, Franchisee shall provide Franchisor, within ten (10) days after the occurrence of an event that Franchisee believes is an event of Force Majeure, with notice of the specific nature and extent of the Force Majeure and an explanation as to how the event has delayed Franchisee's performance under this Agreement. The determination of whether an event of Force Majeure has occurred shall be made by Franchisor upon Franchisor's assessment of the event causing the delay. Franchisee shall provide Franchisor with continuing updates and all information requested by Franchisor regarding Franchisee's progress and diligence in responding to and overcoming the event of Force Majeure.

2.8 Entity Franchisee. If Franchisee is an Entity, Franchisee shall not use the Hawks Marks, or Franchisor's trade name, or any words or symbols which are confusingly phonetically or visually similar to the Hawks Marks, as all or part of Franchisee's name. In addition, if Franchisee is an Entity, Franchisee represents and warrants that the information set forth in Exhibit A is accurate and complete in all material respects. Franchisee shall notify Franchisor in writing within ten (10) days of any change in the information set forth in Exhibit A, and shall submit to Franchisor a revised Exhibit A, which shall be certified by Franchisee as true, correct and complete and upon acceptance thereof by Franchisor shall be attached as Exhibit A. Franchisee shall promptly provide any additional information that Franchisor may from time to time request concerning all Persons who may have any direct or indirect financial interest in Franchisee, including providing copies of

all amendments to Franchisee's "Entity Documents" as defined in Exhibit A. The Entity Documents of Franchisee shall recite that the issuance and transfer of any interest therein is subject to the restrictions set forth in this Agreement and any Franchise Agreement executed pursuant to this Agreement. In addition, except as otherwise approved in writing by Franchisor, if Franchisee is an Entity, it shall: (i) confine its activities exclusively to operating the Franchised Businesses; (ii) furnish Franchisor with a copy of Entity Documents as Franchisor may reasonably request, and any amendments thereto; (iii) maintain stop transfer instructions on its records against the transfer of any Equity securities and shall only issue securities upon the face of which a legend, in a form satisfactory to Franchisor, which references the transfer restrictions imposed by this Agreement; and (iv) not issue any non-voting securities convertible into voting securities. In addition, the Owners of Franchisee, as Franchisor may request, shall jointly and severally guarantee Franchisee's performance of this Agreement by executing a Guarantee in the form attached as Exhibit C.

2.9 No Rights to Use the Hawks Marks or Hawks System. This Agreement is not a Hawks Franchise Agreement, and does not grant Franchisee any right to use the Hawks Marks or the Hawks System. To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same, Franchisee's rights to use the Hawks Marks and the Hawks System will be granted to Franchisee solely under the terms of a Hawks Franchise Agreement executed by both Franchisee and Franchisor.

3. INITIAL TERM AND RENEWAL TERM

3.1 Initial Term. The Initial Term shall commence on the Effective Date and shall expire on the Expiration Date. This Agreement is not renewable.

3.2 Effect of Expiration. As of the Expiration Date, (i) Franchisee shall have no further right to develop additional Franchised Businesses in the Development Area and no further rights or obligations under this Agreement, (ii) Franchisee shall have the right to continue to own and operate Franchised Businesses opened by Franchisee prior to the Expiration Date under Franchise Agreements with Franchisor that remain in full force and effect on the Expiration Date, and (iii) Franchisor, may, but shall not be required to, develop, own and operate, and grant franchises to third parties to develop, own and operate Franchised Businesses at any location within or outside of the Development Area, without restriction, subject only to any Protected Area rights previously granted to Franchisee under a Franchise Agreement with Franchisor that remains in full force and effect on the Expiration Date.

4. PAYMENTS BY FRANCHISEE

4.1 Development Fee. On the Effective Date, Franchisee shall pay Franchisor a Development Fee for the rights granted to Franchisee under this Agreement by a wire transfer of immediately available funds to a bank account designated by Franchisor. The Development Fee is fully earned by Franchisor when paid and is nonrefundable, in whole or in part, under any circumstances.

4.2 Initial Franchise Fees. Franchisee shall pay Franchisor an Initial Franchise Fee for each Franchised Business to be operated under this Agreement by a wire transfer of immediately available funds to a bank account designated by Franchisor. Franchisee shall then sign the Franchise Agreement for the first Franchised Business and pay Franchisor an Initial Franchise Fee, when Franchisee signs this Agreement, in full on the Effective Date by a wire transfer of immediately available funds to a bank account designated by Franchisor. The Initial Franchise Fee for each additional Franchised Business shall be payable upon execution by Franchisee of each Franchise Agreement entered into for a Franchised Business under this Agreement. The

Initial Franchise Fee for each Franchised Business is fully earned by Franchisor when paid and is non-refundable, in whole or in part, under any circumstances.

4.3 US Dollars. All payments by Franchisee shall be made in US Dollars free and clear of any tax, deduction, offset or withholding of any kind. Franchisee shall register for and collect and report sales tax in compliance with all Applicable Laws. All taxes and penalties thereon, presently or in the future levied in the Protected Area on the payments due to Franchisor under this Agreement shall be fully borne by Franchisee.

4.4 Payment Methods and Frequencies. Franchisor has the right to periodically specify (in the Manuals or otherwise in writing) different payees, payment frequencies and/or payment methods, such as, without limitation, weekly/biweekly/monthly payment, payment by auto-draft, credit card and payment by check upon thirty (30) days' written notice to Franchisee. In such event, Franchisee's reporting obligations may also be modified by Franchisor accordingly.

5. OBLIGATIONS OF FRANCHISOR

5.1 Limited Obligations. Franchisee acknowledges and agrees that Franchisor's obligations under this Agreement are limited to identifying the Development Area and that Franchisor has no ongoing obligations for training or operational support for Franchisee under this Agreement. All initial and continuing obligations of Franchisor to Franchisee shall be provided by Franchisor under Franchisor's Then-Current Franchise Agreement for each Franchised Business to be opened in the Development Area by Franchisee.

5.2 Conditions to Franchisor's Obligations. To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same, Franchisee acknowledges and agrees that, as a condition precedent to Franchisee's right to develop each Franchised Business, all of the following conditions precedent must be satisfied and Franchisor shall execute a Then-Current Franchise Agreement for each Franchised Business if, and only if (i) Franchisee has fully performed all of its obligations under this Agreement and all other agreements between Franchisor and Franchisee and is in Good Standing on the date of Franchisor's execution of a Franchise Agreement; (ii) Franchisee demonstrates Franchisee's Then-Current financial ability to implement and complete the opening of the Franchised Businesses; (iii) Franchisee has opened and continues to operate no less than the aggregate number of Franchised Businesses required by the Minimum Development Obligation in compliance with the Development Schedule; (iv) Franchisee has executed a Then-Current Franchise Agreement and delivered it to Franchisor; (v) Franchisee executes and delivers a General Release to Franchisor in a form acceptable to Franchisor; and (vi) Franchisee has paid Franchisor the Initial Franchise Fee when Franchisee executed the Franchise Agreement and returned it to Franchisor.

5.3 No Assumption of Liability. Franchisor shall not, by virtue of any approvals or advice provided to Franchisee under this Agreement assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable. Franchisee acknowledges that any assistance provided by Franchisor or its designee is only for the purpose of determining compliance with the Hawks System standards.

5.4 Delegation of Duties. Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by the Agreement, as Franchisor may direct.

6. OBLIGATIONS OF FRANCHISEE

To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets, and the goodwill associated with the same:

6.1 Development and Operation of Franchised Businesses. Franchisee shall, at all times during the Term, exert Franchisee's best efforts to faithfully, honestly and diligently develop, own and operate the number of Franchised Businesses in the Development Area in order to satisfy the Minimum Development Obligation and the Development Schedule in accordance with the requirements of this Agreement and each Franchise Agreement for each Franchised Business. No more than once per month, within seven (7) days after the end of each month during the Term, Franchisee may be required to send Franchisor a report of Franchisee's business activities during the previous month, including information about Franchisee's efforts to find sites for Franchised Businesses in the Development Area and the status of openings for each Franchised Business under development in the Development Area.

6.2 Hawks Businesses. Franchisee shall operate the Franchised Businesses in compliance with the terms of the Franchise Agreements and the Manuals. Franchisee acknowledges and agrees that Franchisee alone shall exercise day-to-day control over all operations, activities and elements of the Franchised Businesses, including over Franchisee's employees, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees that the various requirements, restrictions, prohibitions, specifications and procedures of the Hawks System that Franchisee must comply with under the Franchise Agreements, the Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Businesses, which Franchisee alone controls, but only constitute standards to which Franchisee must adhere when exercising Franchisee's control over the day-to-day operations of the Franchised Businesses consistent with the policies of Franchisor. Franchisee shall comply with each Franchise Agreement and shall operate the Franchised Businesses in conformity with the methods, standards, and specifications that Franchisor may from time to time prescribe in the Manuals or otherwise. Since every detail of the Hawks System is essential in order to develop and maintain quality operating standards, to increase the demand for the products and services sold by Franchised Businesses under the Hawks System and to protect the Hawks Marks and reputation and goodwill, Franchisor shall have the right to disapprove, as it believes necessary, any modification of, or addition to, the Hawks System suggested by Franchisee that is reasonably likely to have an adverse material effect on the Hawks System, the Hawks Marks or Franchisor's reputation or goodwill.

6.3 Designating One or More Managers. Franchisee shall designate one or more qualified Managers to supervise the operation of each Franchised Business developed under this Agreement; provided, that Franchisee and its Principal Owner shall remain fully responsible for each Manager's performance.

6.4 Principal Owner and Managers. Franchisee must promptly notify Franchisor if the Principal Owner or a Manager cannot continue to serve in that capacity or no longer qualifies as such, and must take corrective action within thirty (30) days thereafter. During such thirty (30) day period, Franchisee must provide for interim management of its operations in accordance with this Agreement. Any failure to comply with this Section 6.4 will be a breach of this Agreement.

7. HAWKS MARKS

Franchisor and its Affiliates continue to develop, use and control the use of the Hawks Marks in order to identify for the public the source of services and products marketed under the Hawks Marks and the Hawks

System, and to represent the Hawks System's high standards of quality, appearance and service. To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same:

7.1 Ownership and Goodwill of Hawks Marks. Franchisee acknowledges that its right to use the Hawks Marks is derived solely from this Agreement and is limited to use in operating as Franchisee pursuant to and in compliance with this Agreement and as a Franchisee pursuant to the Franchise Agreements between Franchisee and Franchisor. Any unauthorized use of the Hawks Marks by Franchisee shall constitute a breach of this Agreement and an infringement of Franchisor's rights in and to the Hawks Marks. Franchisee acknowledges and agrees that (i) Franchisor owns the Hawks Marks and the Hawks System, (ii) Franchisee owns no goodwill or rights in the Hawks Marks or the Hawks System except for the license granted by this Agreement, and (iii) Franchisee's use of the Hawks Marks and any goodwill established by that use shall inure to the exclusive benefit of Franchisor. Franchisee agrees not to contest, or assist any other Person to contest, the validity of Franchisor's rights and interest in the Hawks Marks or the Hawks System either during the Term or after this Agreement terminates or expires.

7.2 Limitations on Use Franchisee shall not use any Hawks Marks (i) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed to Franchisee under this Agreement), (ii) in connection with unauthorized services or products, (iii) as part of any domain name or electronic address maintained on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system, or (iv) in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give all notices of trademark and service mark registration that Franchisor specifies and shall use and obtain all fictitious or assumed name registrations required by Franchisor or under Applicable Law. Franchisee further agrees that no service mark other than "Hawks Kids" or other Hawks Marks specified by Franchisor shall be used in marketing, promoting, or operating the Franchised Business.

7.3 Modifications. Franchisor reserves the right to (i) modify or discontinue licensing any of the Hawks Marks, (ii) add new names, marks, designs, logos or commercial symbols to the Hawks Marks and require that Franchisee use them, and (iii) require that Franchisee introduce or observe new practices as part of the Hawks System in operating the Franchised Businesses. Franchisee acknowledges and agrees that the term Hawks Marks means the specific names, marks, designs, logos or commercial symbols licensed by Franchisor at any given point in time, subject to Franchisor's right to impose changes. Franchisee shall comply, at Franchisee's sole expense, with Franchisor's directions regarding changes in the Hawks Marks and Hawks System within a reasonable time after written notice from Franchisor. Franchisor shall have no liability to Franchisee for any cost, expense, loss or damage that Franchisee incurs in complying with Franchisor's directions and conforming to required changes.

7.4 Defense of Hawks Marks and Hawks System. Franchisor shall have the sole right to handle disputes with Franchisees and third parties concerning Franchisor's or Franchisor's Affiliates' ownership of, rights in, or Franchisee's use of, the Hawks Marks or the Hawks System. Franchisee shall immediately notify Franchisor in writing if Franchisee receives notice, or is informed, of any: (i) improper use of any of the Hawks Marks or elements of the Hawks System, including misuse by Franchisees, (ii) use by any third party of any mark, design, logo or commercial symbol which, in Franchisee's judgment, may be confusingly similar to any of the Hawks Marks, (iii) use by any third party of any business practice which, in Franchisee's judgment, unfairly simulates the Hawks System in a manner likely to confuse or deceive the public, or (iv) claim, challenge, suit or demand asserted against Franchisee based upon Franchisee's use of the Hawks Marks or the Hawks System. Franchisor shall have sole discretion to take all action as it deems appropriate, including, without limitation, to take no action, and the sole right to control any legal proceeding or negotiation arising out of any

infringement, challenge or claim or otherwise relating to the Hawks Marks or the Hawks System. Franchisee shall not settle or compromise any claim, suit or demand asserted against it and agrees to be bound by Franchisor's decisions in handling disputes regarding the Hawks Marks and the Hawks System. Franchisee shall cooperate fully with Franchisor and execute all documents and perform all actions as may, in Franchisor's judgment, be necessary, appropriate or advisable in the defense of all claims, suits or demands and to protect and maintain Franchisor's rights in the Hawks Marks and the Hawks System. Unless it is established that a third party claim asserted against Franchisee is based directly upon Franchisee's misuse of the Hawks Marks or the Hawks System, Franchisor agrees to defend Franchisee against the third party claim and indemnify Franchisee for any losses resulting therefore, provided Franchisee has notified Franchisor as soon as practical after learning of the claim and fully cooperates in the defense of the Action. Because Franchisor will defend the third party claim, Franchisee is not entitled to be reimbursed for legal or other professional fees or costs paid to independent legal counsel or others in connection with the matter. Franchisee has no right, independent of Franchisor, to make any demand against any such user or challenger or to prosecute any claim of any kind or nature whatsoever relating to the Hawks Marks.

8. CONFIDENTIAL INFORMATION

8.1 Hawks Proprietary Materials. Franchisee shall operate the Franchised Business in accordance with the standards, methods, policies and procedures specified in the Hawks Proprietary Materials. Franchisee shall treat the Hawks Proprietary Materials, any additional manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall maintain the information as secret and confidential. Except as otherwise expressly provided in this Agreement, Franchisee shall not at any time copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized Person. The Hawks Proprietary Materials and all of its components shall at all times remain the sole property of Franchisor. Franchisee shall ensure that its copies of the Hawks Proprietary Materials are kept current at all times, and in the event of any dispute as to the contents of the same, the terms of the master copy of the Hawks Proprietary Materials maintained by Franchisor shall be controlling.

8.2 Hawks Data. All data pertaining to the Franchised Business and all data created or collected by Franchisee in connection with Franchisee's operation of the Franchised Business, including, without limitation, data pertaining to, or otherwise concerning, the Franchised Business' Campers and other customers and the names and other pertinent data about the venues serviced by Franchisee, the coaches employed by Franchisee and the Campers serviced by the Franchised Business as customers, or otherwise collected by Franchisee, including, without limitation, data uploaded to, or downloaded from Franchisee's computer system (collectively " Hawks Data") is Hawks Confidential Information and is the sole property of Franchisor. Franchisor shall have the right to review and use the Hawks Data in any manner that Franchisor deems appropriate without any compensation to Franchisee. Franchisee shall provide Franchisor with copies and/or originals of the Hawks Data within five (5) days after Franchisor's request for the Hawks Data at no cost to Franchisor and at any time during the Term and upon the expiration and/or termination of this Agreement. Franchisor hereby licenses use of the Hawks Data to Franchisee during the Term, at no cost, solely for Franchisee's use in the operation of the Franchised Business. Franchisee shall maintain the Hawks Data as secret and confidential throughout the Term and shall not make any of the Hawks Data available to any unauthorized Person without the prior written consent of Franchisor and then only in the manner permitted by Franchisor.

8.3 Confidential Information. Franchisee acknowledges and agrees that the Hawks System is comprised of confidential information that has been developed by Franchisor and its affiliates by the investment of time, skill, effort and money and is widely recognized by the public, is of substantial value, and is proprietary, confidential and constitutes Hawks Trade Secrets, and includes, without limitation, (i) the Hawks Materials and Hawks Data; (ii) the names and other pertinent data about the Campers serviced by a Hawks Franchisee as customers; (iii) instructions on the actions a Hawks Franchisee would take to establish its business after buying a Hawks Franchise; (iv) instructions on the actions a Hawks Franchisee would take to identify potential customers of Hawks programs; (v) instructions on how to attract and enroll Campers in Hawks Proprietary Materials, (vi) instructions on how to recruit educators; (vii) the relationship between Franchisor and Hawks Franchisees; (viii) restrictions on ownership of Hawks franchises, and (ix) all Hawks Data, other proprietary data and confidential information developed by, and belonging to Franchisor, including, tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, services and products, sources of materials and equipment, client management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, designs, developmental or experimental work and services, Improvements, discoveries, plans for research, potential new or supplemental services and products, websites, advertisements or ancillary services and products, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, customer lists and customer data, information regarding the skills and compensation of employees of Franchisor and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, Hawks Trade Secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, Persons or Entities, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's operation of the Franchised Business under the terms of this Agreement, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or Persons unaffiliated with Franchisor or its Affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential (collectively, the "Confidential Information").

8.4 Value. Franchisee acknowledges and agrees the Confidential Information is not generally known by the public or parties other than Franchisor, its affiliates, its franchisees and Franchisee; derives independent economic value (actual or potential) from not being generally known to the public or Persons unaffiliated with Franchisor or Franchisee; and is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Confidential Information, including, without limitation (i) not revealing the Confidential Information to unauthorized parties; (ii) requiring its franchisees to acknowledge and agree in writing that the Confidential Information is confidential; (iii) requiring its franchisees to agree in writing to maintain the confidentiality of the Confidential Information; (iv) monitoring electronic access to the Confidential Information by the use of passwords and other restrictions so that electronic access to the Confidential Information is limited to authorized parties; and (v) requiring its franchisees to return all Confidential Information to Franchisor upon the expiration or termination of their Franchise Agreements.

8.5 Maintain Confidentiality. To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same, Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of anyone else, any information that Franchisor considers Hawks Trade Secrets and/or Confidential Information. Franchisee shall divulge Confidential Information only to supervisorial or managerial employees who must have access to it in order to perform their employment responsibilities.

8.6 Irreparable Injury from Disclosure of Confidential Information. Franchisee acknowledges that failure to comply with the requirements of this Article 8 will result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to the requirements of this Article 8.

8.7 Confidentiality Covenants from Individuals Associated with Franchisee. Franchisee shall require any supervisorial or managerial personnel who may have access to any Confidential Information of Franchisor to execute covenants that they will maintain the confidentiality of the Confidential Information they receive in connection with their association with Franchisee. Such covenants shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them.

8.8 No Restriction. Nothing in this Article 8 is intended to prohibit or restrict any activity which prohibition or restriction violates Franchisee's employees' rights to engage in protected concerted activity under the National Labor Relations Act.

9. TRANSFER OF INTEREST

9.1 Transfer by Franchisor.

9.1.1 Franchisor shall have the right to transfer or assign all or any part of its rights or obligations under this Agreement to any Person or Entity without the consent or approval of Franchisee. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations, and shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. Franchisor and or its Affiliates may sell their assets, the Hawks Marks, or the Hawks System, may sell securities in a public offering or in a private placement, may merge, acquire other corporations, or be acquired by another corporation, and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring (collectively, a "Capital Event"), all without the consent or approval of Franchisee. In connection with any of the foregoing, at Franchisor's request, Franchisee shall deliver to Franchisor a statement in writing certifying (a) that this Agreement is unmodified and in full force and effect (or if there have been modifications that the Agreement as modified is in full force and effect and identifying the modifications); (b) that Franchisee is not in Default under any provision of this Agreement, or if in Default, describing the nature thereof in detail; and (c) as to such other matters as Franchisor may reasonably request; and Franchisee agrees that any such statements may be relied upon by Franchisor and any prospective purchaser, assignee or lender of Franchisor.

9.1.2 Upon the occurrence of a Capital Event, Franchisor shall have the right (the "Take-Along Right") to compel Franchisee to sell and, in such event, Franchisee shall sell the assets of any or all of the Franchised Businesses (collectively the "Take-Along Assets") at the same value attributable to Franchised Businesses owned and operated by Franchisor or its Affiliates at the closing of a Capital Event. Franchisor shall exercise this Take-Along Right to compel the sale of the Take-Along Assets by Franchisee by providing Franchisee with written notice (the "Take-Along Notice") setting forth the time and place of the closing of the Capital Event, which time and place shall not be less than thirty (30) days after the date of the Take-Along Notice, and the expected price and form of consideration to be paid for the Take-Along Assets at the closing.

9.2 Assignment by Franchisee. Franchisee acknowledges and agrees that the rights granted to Franchisee under this Agreement are personal and are granted in reliance upon, among other considerations, the individual or collective character, skill, aptitude, attitude, experience, business ability and financial condition and capacity of Franchisee and, if Franchisee is an Entity, that of the Owners. Accordingly, to protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same, Franchisee shall not offer, sell, or negotiate the sale of its rights under this Agreement to any third party, either in Franchisee's own name or in the name and/or on behalf of Franchisor, except as otherwise provided in this Agreement. Franchisee acknowledges and agrees that Franchisee has no right, by operation of law or otherwise, to sell, assign, transfer, pledge, donate, encumber or otherwise deal with, directly or indirectly, (i) any interest in this Agreement, or (ii) the right to use the Hawks System or the Hawks Marks granted pursuant to this Agreement (an "Assignment") without Franchisor's prior written consent. Franchisor shall not unreasonably withhold its consent to an Assignment if, in Franchisor's judgment, Franchisee satisfies the conditions to the Assignment identified in this Agreement.

9.2.1 Unless the Parties otherwise agree in writing, Franchisee shall not make any Assignment of this Agreement except in conjunction with a concurrent Assignment to the same approved assignee of Franchised Businesses then owned and operated by Franchisee in the Development Area. As a condition to Franchisor's consent to such an Assignment, the assignee must execute Franchisor's Then-Current form of Franchise Agreement for each Franchised Business sold to the assignee. Further, without Franchisor's prior written consent, which may be withheld by Franchisor in its discretion (i) Franchisee shall not offer for sale or transfer at public or private auction any of the rights of Franchisee under this Agreement, and (ii) Franchisee shall not, directly or indirectly, pledge, encumber, hypothecate or otherwise grant any third party a security interest in this Agreement in any manner whatsoever. To the extent that the foregoing prohibition may be ineffective under Applicable Law, Franchisee shall provide not less than ten (10) days' prior written notice (which notice shall contain the name and address of the secured party and the terms of such pledge, encumbrance, hypothecation or security interest) of any pledge, encumbrance, hypothecation or security interest in this Agreement.

9.2.2 For purposes of this Agreement, each of the following events is an Assignment subject to the conditions to transfer identified in this Agreement: (i) the death or Incapacity of any Owner, (ii) the offer or sale of securities of Franchisee pursuant to a transaction subject to registration under applicable securities laws or by private placement pursuant to a written offering memorandum, (iii) the sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance of more than twenty percent (20%) in the aggregate, whether in one or more transactions, of the equity or voting power of Franchisee, by operation of law or otherwise or any other events or transactions which, directly or indirectly, effectively changes control of Franchisee, (iv) the issuance of any securities by Franchisee which itself or in combination with any other transactions results in the Owners, as constituted on the Execution Date, owning less than forty percent (40%) of the outstanding Equity or voting power of Franchisee, and (v) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of the Franchisee, however effected. Franchisee

shall promptly provide Franchisor with written notice (stating such information as Franchisor may from time to time require) of each and every transfer, assignment and encumbrance by any Franchisee Owner of any direct or indirect equity or voting rights in Franchisee, notwithstanding that the same may not constitute an "Assignment" as defined under this Article 9.

9.2.3 Neither Franchisor's right of first refusal nor the other conditions of Assignment shall apply to a transfer by Franchisee of all of Franchisee's rights under this Agreement to a newly-formed corporation, limited liability company or other business Entity provided all of the equity or voting interests of the new business Entity are owned by the same Owners (a "Qualified Assignment"). Any attempted or purported Assignment which fails to comply with the requirements of this Article 9 shall be null and void and shall constitute a Default under this Agreement.

9.3. Right of First Refusal. Except with respect to a "Qualified Assignment", if Franchisee or an Owner receive a bona fide written offer ("Third Party Offer") from a third party (the "Proposed Buyer") to purchase or otherwise acquire any interest in Franchisee which will result in an Assignment within the meaning of this Agreement, Franchisee or the Proposed Buyer, shall, within five (5) days after receiving the Third Party Offer and before accepting it, apply to Franchisor in writing for Franchisor's consent to the proposed Assignment. To constitute a bona fide written offer, the Third Party Offer must also apply to all of the Franchised Businesses then owned and operated by Franchisee in the Development Area.

9.3.1 Franchisee, or the Proposed Buyer, shall attach to its application for consent to complete the transfer a copy of the Third Party Offer together with (i) information relating to the proposed transferee's experience and qualifications, (ii) a copy of the proposed transferee's current financial statement, and (iii) any other information material to the Third Party Offer, proposed transferee and proposed assignment or that Franchisor requests.

9.3.2 Franchisor or its nominee shall have the right, exercisable by written notice ("Purchase Notice") given to Franchisee or the Proposed Buyer, within thirty (30) days following receipt of the Third Party Offer, all supporting information, and the application for consent, to notify Franchisee or the Proposed Buyer that it will purchase or acquire the rights, assets, equity or interests proposed to be assigned on the same terms and conditions set forth in the Third Party Offer, except that Franchisor may (i) substitute cash for any form of payment proposed in the offer discounted to present value based upon the rate of interest stated in the Third Party Offer, and (ii) deduct from the purchase price the amount of all amounts then due and owing from Franchisee to Franchisor under this Agreement or otherwise.

9.3.3 If Franchisor or its nominee elects to purchase or acquire the rights, assets, equity or interests proposed to be assigned to the Proposed Buyer, the closing shall take no later than sixty (60) days following the date that the Purchase Notice was issued by Franchisor.

9.3.4 If Franchisor does not elect to purchase or acquire the rights, assets, equity or interests proposed to be assigned to the Proposed Buyer, the closing of the sale to the Proposed Buyer shall take no later than ninety (90) days following the date that the Third Party Offer was received by Franchisee. If there is any material change in the terms of the Third Party Offer before the closing of the sale, Franchisor shall have a right of first refusal to accept the new terms subject to the conditions stated in this Section 9.3.

9.4 Conditions of Assignment to Third Party. As a condition to obtaining Franchisor's consent to an Assignment, all of the following conditions must be satisfied:

9.4.1 The Proposed Buyer must submit a completed franchise application to Franchisor and meet Franchisor's Then-Current qualifications for new Hawks Franchisees, including qualifications pertaining to financial condition, credit rating, experience, moral character and reputation.

9.4.2 Franchisee must be in Good Standing on the date consent is requested and until the date of closing of the Assignment.

9.4.3 The sales price of the interest to be conveyed must not be so high, or the terms of the sale so onerous, that, in the judgment of Franchisor, the Proposed Buyer will be unlikely to meet the Proposed Buyer's financial and other obligations to Franchisor, third party suppliers and creditors following the closing. Franchisor shall have no liability to either Franchisee or the Proposed Buyer if Franchisor approves the Assignment and the Proposed Buyer thereafter experiences financial difficulties.

9.4.4 The Proposed Buyer must sign Franchisor's Then-Current form of Area Development Agreement, the terms of which may differ materially from any and all of the terms contained in this Agreement, and which shall supersede this Agreement in all respects. In exchange for signing the Then-Current Area Development Agreement, the Proposed Buyer shall receive the rights provided for in this Agreement, as modified by the terms of the Then-Current form of Area Development Agreement. If Franchisor is not offering new area development franchises, is in the process of revising, amending or renewing Franchisor's form of Area Development Agreement or Disclosure Document or is not lawfully able to offer Franchisor's Then-Current form of Area Development Agreement at the time of an Assignment, Franchisor may offer to amend this Agreement, upon terms and conditions that will be established by Franchisor and the Proposed Buyer at that time, or may offer to amend the term of this Agreement on substantially the terms and conditions set forth in this Agreement on a month-to-month basis for as long as Franchisor deems necessary or appropriate so that Franchisor may subsequently offer and utilize a Then-Current form of Area Development Agreement.

9.4.5 Franchisee will remain subject to all obligations stated in this Agreement that expressly, or by implication due to their nature, survive the transfer, termination or expiration of this Agreement, including, without limitation, the provisions prohibiting competition, non-interference and non-disclosure of Confidential Information.

9.4.6 Franchisee and the Proposed Buyer shall execute a General Release in a form acceptable to Franchisor.

9.4.7 Franchisee shall pay Franchisor the sum of $15,000 as a transfer fee to apply against Franchisor's administrative and other costs to process the Assignment.

9.4.8 Franchisee must simultaneously transfer its rights all contracts for which continuation is necessary for operation of the Franchised Businesses to the Proposed Buyer and satisfy any separate conditions to obtain any third party consents required for the transfer of Franchisee's rights to the Proposed Buyer. The Proposed Buyer must execute all other documents and agreements required by Franchisor to consummate the Assignment. All required third party consents to the Assignment must be obtained. If the Proposed Buyer is a corporation, limited liability company or other business Entity, each Person who at the time of the Assignment, or later, owns or acquires, either legally or beneficially, twenty percent (20%) or more of the equity or voting interests of the Proposed Buyer must execute a Guarantee in a form acceptable to Franchisor.

9.4.9 Franchisee's right to receive the sales proceeds from the Proposed Buyer in consideration of the Assignment shall be subordinate to the obligations of the Proposed Buyer owed to Franchisor and its Affiliates under, or pursuant to, this Agreement or any other agreement. All contracts by and between Franchisee and the Proposed Buyer shall expressly include a subordination provision permitting payment of the sales proceeds to Franchisee only after any outstanding obligations owed to Franchisor and its Affiliates are fully satisfied.

9.4.10 Except when the transferee is an existing Franchisee or franchisee of Franchisor, the Proposed Buyer, and a supervisorial or managerial employee of the Proposed Buyer who will have general management and supervisory responsibilities for the Franchised Businesses, must complete to Franchisor's sole satisfaction Franchisor's Initial Training Program prior to the effective date of the Assignment.

9.4.11 The Proposed Buyer must conform the Franchised Businesses with Franchisor's Then-Current appearance and design standards and equipment specifications applicable to new Franchised Businesses.

9.5 Death or Incapacity. In the event of the death or Incapacity of an Owner, the spouse, heirs or personal representative of the deceased or incapacitated Person, or the remaining shareholders, members, partners or owners (the "Successor") shall have one hundred eighty (180) days from the date of death or Incapacity in which to (i) purchase the interest of the deceased or incapacitated Person, or (ii) complete an Assignment of the interest of the deceased or incapacitated Person to a qualified, approved third party, subject to the provisions of this Article 9. If a Successor has not purchased the interest of the deceased or incapacitated Person or completed an Assignment of the interest of the deceased or incapacitated Person to a qualified, approved third party within one hundred eighty (180) days from the date of death or Incapacity, Franchisor may terminate this Agreement.

9.6 Restriction on Publicly Traded and Private Securities. Securities, partnership or other ownership interests in Franchisee may not be offered to the public under the Securities Act of 1933, as amended, nor may they be registered under the Securities Exchange Act of 1934, as amended, or any comparable federal, state or foreign law, rule or regulation. Such interests may be offered by private offering or otherwise only with the prior written consent of Franchisor, which consent shall not be unreasonably withheld. All materials required for any private offering by federal or state law shall be submitted to Franchisor for a limited review as discussed below prior to being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to Franchisor for such review prior to their use. No offering by Franchisee shall imply that Franchisor is participating in an underwriting, issuance or offering of securities of Franchisee or Franchisor, and Franchisor's review of any offering materials shall be limited solely to the subject of the relationship between Franchisee and Franchisor, and its Affiliates. Franchisor may, at its option, require Franchisee's offering materials to contain a written statement prescribed by Franchisor concerning the limitations described in the preceding sentence. Franchisee, its Owners and other participants in the offering must fully agree in writing to defend and indemnify Franchisor, its Affiliates, their respective partners and the officers, directors, manager(s) (if a limited liability company), shareholders, members, partners, agents, representatives, independent contractors, servants and employees of each of them, from and against any and all losses, costs and liability in connection with the offering and shall execute any documentation required by Franchisor to further evidence this indemnity. For each proposed offering, Franchisee shall pay to Franchisor a non-refundable fee of $10,000, which shall be in addition to any Transfer Fee under any Franchise Agreement and/or Development Agreement or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including without limitation,

legal and accounting fees. Franchisee shall give Franchisor written notice at least thirty (30) days prior to the date of commencement of any offering or other transaction covered by this Article.

10. TRANSFER BY FRANCHISEE IN BANKRUPTCY

If, for any reason, this Agreement is not terminated pursuant to Section 11.1 and this Agreement is assumed, or Assignment of the same to any Person or Entity who has made a bona fide offer to accept an Assignment of this Agreement is contemplated, pursuant to the United States Bankruptcy Code, then notice of the proposed Assignment or assumption, setting forth (a) the name and address of the proposed assignee, and (b) all of the terms and conditions of the proposed Assignment and assumption, shall be given to Franchisor within twenty (20) days after receipt of the proposed assignee's offer to accept Assignment of this Agreement, and, in any event, within ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into the Assignment and assumption, and Franchisor shall thereupon have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed Assignment and assumption, to accept an Assignment of this Agreement to Franchisor itself upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions which may be payable by Franchisee out of the consideration to be paid by the assignee for the Assignment of this Agreement.

11. DEFAULT AND TERMINATION

11.1 Termination In the Event of Franchisee's Bankruptcy or Insolvency. Franchisee shall be deemed to be in Default under this Agreement, and all rights granted to Franchisee of this Agreement shall automatically terminate without notice to Franchisee, (i) if Franchisee or its Principal Owner becomes insolvent or makes a general assignment for the benefit of creditors, (ii) if a petition in bankruptcy is filed under the United States Bankruptcy Act by Franchisee or its Principal Owner or such a petition is filed against and not opposed by Franchisee or its Principal Owner, (iii) if Franchisee or its Principal Owner is adjudicated as bankrupt or insolvent, (iv) if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or its Principal Owner or other custodian for any Franchised Businesses is filed and consented to by Franchisee or its Principal Owner, (v) if a receiver or other custodian (permanent or temporary) of Franchisee's or its Principal Owner's assets or property, or any part thereof, is appointed by any court of competent jurisdiction, (vi) if proceedings for a composition with creditors under any Applicable Law is instituted by or against Franchisee or its Principal Owner, (vii) if a final judgment in excess of $100,000 against any Franchised Businesses remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed), (viii) if Franchisee or its Principal Owner admits Franchisee or its Principal Owner is unable to generally pay Franchisee's or its Principal Owner's debts as they become due, (ix) if execution is levied against any Franchised Business or property, (x) if suit to foreclose any lien or mortgage against any Franchised Business or the equipment of any Franchised Business is instituted against Franchisee or its Principal Owner and not dismissed within thirty (30) days, or (xi) if any Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

11.2 Termination With Notice and Without Opportunity to Cure. Franchisee shall be in Default under this Agreement, and Franchisor may, at its option, terminate this Agreement and all rights granted under this Agreement, without affording Franchisee any opportunity to cure the Default, effective immediately upon receipt of notice by Franchisee (i) if Franchisee or an Owner is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the Hawks System, the Hawks Marks, the goodwill associated therewith, or Franchisor's interest therein,

(ii) if Franchisee fails to comply with the Development Schedule, (iii) if any of the Franchise Agreements or any other agreement between Franchisee and Franchisor or its Affiliates are terminated due to a breach or Default by Franchisee, (iv) if any purported assignment or transfer of any direct or indirect interest in this Agreement, in the Franchised Businesses, or in all or substantially all of Franchisee's assets is made to any third party by Franchisee or an Owner without Franchisor's prior written consent, (v) if any transfer of the equity ownership interests of Franchisee or an Owner is made to any third party without Franchisor's prior written consent, (vi) if Franchisee or an Owner discloses or divulges the contents of Franchisor's Manuals, Hawks Trade Secrets or other Confidential Information provided to Franchisee by Franchisor, (vii) if an approved Assignment, as required by Section 9.5, is not effected within the time provided following death or Incapacity of an Owner, (viii) if Franchisee or an Owner fails to comply with the covenants in Article 13 or fails to obtain execution of and deliver the covenants required under Section 13.6, (ix) if Franchisee or an Owner has made any material misrepresentations in connection with their application to Franchisor for the development rights granted by this Agreement, (x) if Franchisee or an Owner, after curing a Default pursuant to Section 11.3, commits the same, similar, or different Default, whether or not cured after notice, (xi) if any Owner fails or refuses to deliver to Franchisor, within ten (10) days after Franchisor's written request, a Guarantee in substantially the form attached to this Agreement as Exhibit C and current financial statements as may from time to time be requested by Franchisor, (xii) if Franchisee, an Owner or an Affiliate fails to comply with any or all of the terms of this Agreement, or any other agreement between Franchisor, or its Affiliates, and Franchisee or an Owner beyond the applicable cure period or (xiii) upon a breach of Franchisee's obligations under this Agreement or any other agreement between Franchisee and Franchisor, which by its nature is not capable of being cured by Franchisee.

11.3 Termination With Notice and Opportunity to Cure. Except as provided in Sections 11.1 and 11.2, Franchisee shall have thirty (30) days after its receipt of written notice from Franchisor within which to remedy any Default under this Agreement and to provide evidence thereof to Franchisor. If any such Default is not cured within the specified time, or such longer period as Applicable Law may require, this Agreement shall terminate without further notice to Franchisee effective immediately upon expiration of the thirty (30) day period or such longer period as Applicable Law may require. Franchisee shall be in Default pursuant to this Section 11.3 for failure to substantially comply with any of the requirements imposed by this Agreement, as it may from time to time reasonably be modified or supplemented by the Manuals, or for failure to carry out the terms of this Agreement in good faith.

11.4 Options at Termination. Upon any Default under Sections 11.2 or 11.3, Franchisor may take any one or more of the following actions, by written notice to Franchisee: (i) terminate this Agreement and all rights granted to Franchisee under this Agreement; (ii) accelerate or decelerate the Development Schedule; (iii) reduce the Minimum Development Obligation; (iv) eliminate or diminish Franchisee's rights with respect to the Development Area or the size of the Development Area; (v) increase the fees to be paid by Franchisee to Franchisor; or (vi) terminate the Franchise Agreements for, and purchase Franchisee's interest in, any or all Franchised Businesses in accordance with the terms of the Franchise Agreements.

11.5 Cross-Default. Any Default by Franchisee under the terms and conditions of this Agreement, any Franchise Agreement, or any other agreement between Franchisor, or its Affiliates, and Franchisee, shall be deemed to be a Default of each and every other such agreement. In the event of the termination of this Agreement for any cause, or the termination of any other agreement between Franchisor, or its Affiliates, and Franchisee, Franchisor may, at its option, terminate any or all of such other agreements.

12. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted under this Agreement to Franchisee shall forthwith terminate, and:

12.1 No Right to Open Additional Franchised Businesses. To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same, upon termination or expiration of this Agreement: (i) Franchisee shall have no further right to open any Franchised Businesses; (ii) Franchisee shall have no further rights or obligations under this Agreement or the Franchise Agreements that were terminated; (iii) Franchisee shall have the right to continue to own and operate Franchised Businesses opened by Franchisee prior to the termination date under Franchise Agreements with Franchisor that remain in full force and effect on the termination date; and (iv) Franchisor may thereafter develop, own and operate, and grant franchises to third parties to own and operate Franchised Businesses at any location within or outside of the Development Area, without restriction, subject only to any Protected Area rights previously granted to Franchisee for any Franchised Business under a Franchise Agreement that remains in full force and effect on the termination date.

12.2 Payment of Monies Due. Franchisee shall promptly pay all sums owing to Franchisor and its Affiliates. If this Agreement is terminated because of a Default by Franchisee, such sums also shall include all damages, costs, and expenses, including attorneys' fees, incurred by Franchisor as a result of the Default. Franchisor shall have the right to set off any amounts which Franchisor deems are payable to Franchisor by Franchisee.

12.3 Return of Materials and Other Confidential Information. Franchisee shall immediately deliver to Franchisor the Manuals and all other records, files, and any instructions containing Confidential Information which are in Franchisee's possession and all copies thereof (all of which are acknowledged to be the property of Franchisor).

13. COVENANTS

13.1 Non-Competition During Term of Agreement. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and Confidential Information, including, without limitation, Confidential Information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the Hawks System. Franchisee and each Owner covenants that during the Term, except as otherwise approved in writing by Franchisor, Franchisee and each Owner shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any Person, or Entity (i) divert or attempt to divert any present or prospective Hawks customer to any competitor, 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 Hawks Marks and the Hawks System, or (ii) own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business, provided, however, the restrictions stated in this Section 13.1 shall not apply to any Owner after two (2) years from the date the Owner ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Franchisee.

13.2 Non-Competition After Expiration or Termination of Agreement. Commencing upon the date of: (i) an Assignment permitted under Article 9 (ii) the Expiration Date of this Agreement, (iii) the termination of

this Agreement (regardless of the cause for termination), or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of this Section 13.2, and continuing for an uninterrupted period of two (2) years thereafter, Franchisee and each Owner shall not, own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business located within twenty (20) miles of the Development Area; provided, however, the restrictions stated in this Section 13.2 shall not apply to any Owner after two (2) years from the date the Owner ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Franchisee in the Development Area.

13.3 Exceptions to Non-Compete Covenants. Sections 13.1 and 13.2 shall not apply to ownership by Franchisee or an Owner of a less than five percent (5%) beneficial interest in the outstanding equity securities of any Competitive Business registered under the Securities Act of 1833, the Securities Exchange Act of 1834.

13.4 Reducing Scope of Covenants. Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 13.1 and 13.2, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

13.5 Enforceability of Covenants Not Affected by Franchisee Claims. The existence of any claims Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 13. Franchisee shall pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Article 13.

13.6 Covenants from Individuals. Franchisee shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Article 13 (including covenants applicable upon the termination of a Person's relationship with Franchisee) from all Owners. Every covenant required by this Section 13.6 shall be in a form acceptable to Franchisor, and shall include, without limitation, a designation of Franchisor as a third party beneficiary of the covenants with the independent right to enforce them.

13.7 Breach of Covenants Causes Irreparable Injury. Franchisee acknowledges that the violation of any covenant in this Article 13 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

13.8 Effect of Applicable Law. In the event any portion of the covenants in this Article 13 violates laws affecting Franchisee, or is held invalid or unenforceable in a final judgment to which Franchisor and Franchisee are parties, then the maximum legally allowable restriction permitted by Applicable Law shall control and bind Franchisee. The provisions of this Article 13 shall be in addition to and not in lieu of any other confidentiality obligation of Franchisee, or any other Person, whether pursuant to another agreement or pursuant to Applicable Law.

13.9 Survival. The provisions of this Article 13 shall survive the expiration and termination of this Agreement and shall not limit, restrain or otherwise affect any right or cause of Action which may accrue to Franchisor for any infringement of, violation of, or interference with, this Agreement, or the Hawks Marks,

the Hawks System, the Confidential Information, the Hawks Trade Secrets, or any other proprietary aspects of Franchisor's business.

14. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1 No Fiduciary Relationship. This Agreement does not create a fiduciary relationship between the Parties. Franchisee shall be an independent contractor, and nothing in this Agreement is intended to constitute or appoint either Party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

14.2 Public Notice of Independent Status. Franchisee shall conspicuously identify itself in all dealings with its customers, contractors, suppliers, public officials, and others, as an independent contractor of Franchisor. Franchisee shall hold itself out to the public as an independent contractor operating pursuant to this Agreement. Franchisee shall take all action necessary to that end, including without limitation, exhibiting a notice on signage and contracts, as required by Franchisor as to content and manner of disclosure.

14.3 Independent Contractor. Franchisee acknowledges and agrees that it is not authorized to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligations in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, nor shall Franchisor be liable by reason of any act or omission of Franchisee in its conduct of the operation of the Franchised Businesses or for any claim or judgment arising therefrom against Franchisee or Franchisor. This Agreement does not create either Party as an agent, legal representative, subsidiary, joint venturer, partner, employee or joint employer. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement, nor Franchisor's course of conduct, be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractors.

14.4 Indemnification. Franchisee and its Owners and Affiliates (collectively, the "Indemnitors") shall indemnify, defend and hold harmless to the fullest extent permitted by Applicable Law, Franchisor, its Affiliates and their respective directors, officers, employees, shareholders and agents (collectively, the "Indemnitees"), from any and all "Losses and Expenses" incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof, and regardless of whether the same is between Indemnitors and Indemnities (collectively, an "Indemnifiable Claim") which arises directly or indirectly from, as a result of, or in connection with Franchisee's operation of a Franchised Business and regardless of whether the Indemnifiable Claim or the Losses and Expenses resulted from any strict or vicarious liability imposed by law on Franchisee; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence of Franchisor (except to the extent that joint liability is involved, in which event the indemnification provided for in this Section 14.4 shall extend to any finding of comparative negligence or contributory negligence attributable to Franchisee). For the purpose of this Section 14.4, the term "Losses and Expenses" shall mean and include compensatory, exemplary, or punitive damages, fines and penalties, attorneys' fees, experts' fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, compensation for damages to a Party's reputation and goodwill, and all other costs associated with any of the foregoing Losses and Expenses.

14.4.1 The Indemnitees shall give the Indemnitors prompt notice of any Indemnifiable Claim of which the Indemnitees are aware for which indemnification is required under this Section 14.4. The notice

shall specify whether the Indemnifiable Claim arises as a result of an Indemnifiable Claim by a third party against the Indemnitees (a "Third Party Claim") or whether the Indemnifiable Claim does not result from an Indemnifiable Claim by a third party against the Indemnitees (a "Direct Claim"), and shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Indemnifiable Claim and the amount of the Indemnifiable Claim, if known. If, through the fault of the Indemnitees, the Indemnitors do not receive notice of any Indemnifiable Claim in time to effectively contest the determination of any Losses and Expenses susceptible of being contested, the Indemnitors shall be entitled to set off against the amount claimed by the Indemnitees the amount of any Losses and Expenses incurred by the Indemnitors resulting from the Indemnitees' failure to give such notice on a timely basis.

14.4.2 With respect to Third Party Claims, the Indemnitors shall have the right, at their expense and at their election, to assume control of the negotiation, settlement and defense of Third Party Claims through counsel of their choice. The election of the Indemnitors to assume such control shall be made within thirty (30) days after the Indemnitors' receipt of notice of a Third Party Claim. If the Indemnitors elect to assume control, the Indemnitors shall do so at the Indemnitors' sole expense. The Indemnitees shall have the right to be informed and consulted with respect to the negotiation, settlement or defenses of the Third Party Claim and to retain counsel to act on the Indemnitees' behalf, at the Indemnitees' sole expense, unless the Indemnitors consent to the retention of the Indemnitees' counsel at the Indemnitors' expense or unless the Indemnitors and the Indemnitees are both named in any Action or proceeding and the representation of both the Indemnitors and the Indemnitees by the same counsel would be appropriate because of the absence of any actual or potential differing interests between them (such as the availability of different defenses).

14.4.3 If the Indemnitors elect to assume control, but thereafter fail to defend the Third Party Claim within a reasonable time, the Indemnitees shall be entitled to assume control and the Indemnitors shall be bound by the results obtained by the Indemnitees with respect to the Third Party Claim. If any Third Party Claim is of a nature that the Indemnitees are required by Applicable Law to make a payment to any claimant with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnitees may make such payment and the Indemnitors shall, within thirty (30) days after demand by the Indemnitees, reimburse the Indemnitees for the amount of the payment. If the Indemnitees' liability under the Third Party Claim, as finally determined, is less than the amount paid by the Indemnitors to the Indemnitees, the Indemnitees shall, within thirty (30) days after receipt of the difference from the claimant, pay the difference to the Indemnitors.

14.4.4 If the Indemnitors fail to assume control of the defense of any Third Party Claim, the Indemnitees shall have the exclusive right to consent, settle or pay the amount claimed. Whether or not the Indemnitors assume control of the negotiation, settlement or defenses of any Third Party Claim, the Indemnitors shall not settle any Third Party Claim without the written consent of the Indemnitees, which consent shall not be unreasonably withheld or delayed. The Indemnitees and the Indemnitors shall cooperate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect to Third Party Claims (including supplying copies of all relevant documentation promptly as they becomes available).

14.4.5 With respect to Direct Claims, following receipt of notice from the Indemnitees of the Direct Claim, the Indemnitors shall have thirty (30) days to make such investigation of the Direct Claim as is considered necessary or desirable. For the purpose of the investigation, the Indemnitees shall make available to the Indemnitors the information relied upon by the Indemnitees to substantiate the Direct Claim, together with all other information that the Indemnitors may reasonably request. If the Indemnitors and the Indemnitees agree at or prior to the expiration of the thirty (30) day period (or any mutually agreed upon

extension thereof) to the validity and amount of a Direct Claim, the Indemnitors shall immediately pay the Indemnitees the full agreed upon amount of the Direct Claim. If the Indemnitors fails to pay the same, the matter shall be resolved in the manner described in Article 15.

14.4.6 The Indemnitees shall exert commercially reasonable efforts to mitigate the Losses and Expenses upon and after becoming aware of any Indemnifiable Claim which could reasonably be expected to give rise to the payment of Losses and Expenses.

15. DISPUTE RESOLUTION

15.1 Judicial Relief; Governing Law. The Parties agree that all disputes arising out of or relating to this Agreement shall be brought in the Superior Court of the State of California, County of Los Angeles, or the United States District Court in and for the Central District of the State of California. To the fullest extent that the Parties may do so under Applicable Law, the Parties waive the defense of inconvenient forum to the maintenance of an Action in these Courts and agree not to commence any Action of any kind except in these Courts. This Agreement shall be interpreted and construed under the law of California. In the event of any conflict of law, the laws of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the Development Area is located outside of California and such provision would be enforceable under the laws of the state in which the Development Area is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 15.1 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of any state to which it would not otherwise be subject.

15.2 Waivers. The Parties agree, to the extent permitted by Applicable Law, that any Action of any kind by either Party arising out of or relating to this Agreement or its breach must be commenced by no later than the last to occur of the following: (i) one hundred eighty (180) days after obtaining knowledge of the facts which constituted or gave rise to the alleged violation or liability, or (ii) one year after the act, event, occurrence or transaction which constituted or gave rise to the alleged violation or liability. Franchisor and Franchise, for themselves, and for and on behalf of the Franchisor Owners and the Owners, respectively, hereby waive to the fullest extent permitted by Applicable Law, any right to, or claim for, punitive or exemplary damages against the other and agree that, in the event of a dispute between them, Franchisor and Franchisee shall each be limited to recovering only the actual damages proven to have been sustained by that Party, except as provided in Section 15.3.

15.3 Specific Performance. Franchisor and Franchisee acknowledge that each Party would be irreparably damaged if the provisions of this Agreement were not capable of being specifically enforced, and for this reason, Franchisor and Franchisee agree that the provisions of this Agreement shall be specifically enforceable. Franchisor and Franchisee further agree that any act or failure to act which does not strictly comply with the provisions and conditions of this Agreement may be specifically restrained, and that the equitable relief provided for in this Agreement shall not in any way limit or deny any other remedy at law or in equity that either Franchisor or Franchisee might otherwise have.

15.4 Attorneys' Fees. In any Action or proceeding brought to enforce any provision of this Agreement or arising out of, or in connection with, this Agreement, the prevailing Party shall be entitled to recover from the other Party its reasonable attorneys' fees and costs in addition to any other relief that may be awarded by a Court.

15.5 Injunctive Relief. Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Hawks Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Hawks Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) prohibit any act or omission by Franchisee or its employees that constitutes a violation of Applicable Law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.

15.6 Exclusive Remedy. In no event shall either Party make or have any claim for money damages based on any claim or assertion that the other Party has unreasonably withheld, conditioned or delayed any consent, approval or authorization required under this Agreement. Each Party waives any such claim for damages. Neither Party may claim any such damages by way of setoff, counterclaim or defense. Each Party's sole remedy for such a claim shall be an Action or proceeding to enforce the provisions of this Agreement, for specific performance or for declaratory judgment.

15.7 No Withholding of Payments. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its Affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's Affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

15.8 WAIVER OF JURY TRIAL. THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

15.9 WAIVER OF CLASS ACTIONS OR OTHER COLLECTIVE ACTIONS. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE HAWKS CAMPING BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

15.10 Waiver of Punitive Damages. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. Except for any damages or losses incurred by

Franchisor as a result of or arising out of any of Franchisee's (i) breach of its non-compete or confidentiality obligations under the Franchise Agreement, (ii) misuse or breach of its obligations under the Franchise Agreement as it relates to or arises out of the Proprietary Marks or the System, (iii) fraud or willful misconduct, or (iv) any other illegal conduct or bad faith actions, Franchisor hereby waives to the fullest extent permitted by law, any right to claim for any punitive damages (and only punitive damages) against Franchisee arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise). If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, Franchisee's waiver of any right to claim any consequential damages. Nothing in this Section 15.10 or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's Default, which the Parties agree and acknowledge Franchisor may claim under this Agreement.

15.11 Survival. The provisions of this Article 15 shall survive the expiration, termination or non-renewal of this Agreement.

16. ANTI-TERRORISM LAWS

Franchisee shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with 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 any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war (the "Anti-Terrorism Laws"). In connection with its compliance, Franchisee certifies, represents and warrants that none of Franchisee's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee is not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by Franchisee or Franchisee's employees or any "blocking" of Franchisee's assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements Franchisee has entered into with Franchisor or any of its Affiliates, in accordance with the provisions of Section 11.2.

17. NOTICES

All notices or demands to be given under this Agreement shall be in writing and shall be served in person, by air courier delivery with a guaranteed tracking facility, by certified mail, by facsimile transmission or by electronic transmission (email). Service shall be deemed conclusively made (i) at the time of service, if personally served; (ii) three (3) business days after delivery by the Party giving the notice, statement or demand if by air courier with a guaranteed tracking facility; (iii) three (3) business days after placement in the United States mail by Certified Mail, Return Receipt Requested, with postage prepaid; (iv) on the day of facsimile transmission to the facsimile number given below if confirmation of receipt is obtained by the sender promptly after completion of facsimile transmission; and (v) on the day of electronic transmission to the email address given below if confirmation of receipt is obtained by the sender promptly after completion of electronic transmission. Notices and demands shall be given to the respective Parties at the following addresses, unless and until a different address has been designated by written notice to the other Party:

Notices to Franchisor:

Hawks Kids Inc.
1525 N Alvarado St Unit 26012
Los Angeles, California 90026

Attention: Chief Executive Officer
Email: emma@hawkskids.com

With a copy to (which shall not constitute notice):

Barry Kurtz, Esq.
Lewitt Hackman
16633 Ventura Boulevard, 11th Floor
Encino, California 91436
Email: bkurtz@lewitthackman.com

Notices to Franchisee: See Exhibit A

Either Party may change its address for the purpose of receiving notices, demands and other communications provided by a written notice given in the manner aforesaid to the other Party.

18. ACKNOWLEDGMENTS

18.1 Waiver and Delay. No waiver by Franchisor of any Default, or series of Defaults in performance by Franchisee, and no failure, refusal or neglect of Franchisor to exercise any right, power or option given to it under this Agreement or under any agreement between Franchisor and Franchisee, whether entered into before, after or contemporaneously with the execution of this Agreement, or to insist upon strict compliance with or performance of Franchisee's obligations under this Agreement or any Franchise Agreement or other agreement between Franchisor and Franchisee, whether entered into before, after or contemporaneously with the execution of this Agreement, shall constitute a waiver of the provisions of this Agreement with respect to any continuing or subsequent Default or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

18.2 Survival of Covenants. The covenants contained in this Agreement which, by their nature or terms, require performance by the Parties after the expiration or termination of this Agreement shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

18.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Franchisor and shall be binding upon and inure to the benefit of Franchisee and his or their respective, heirs, executors, administrators, and its successors and assigns, subject to the prohibitions and restrictions against Assignment contained in this Agreement.

18.4 Joint and Several Liability. If Franchisee consists of more than one Owner, the obligations and liabilities of each Person or Entity to Franchisor are joint and several.

18.5 Entire Agreement. This Agreement and the Exhibits contain all of the terms and conditions agreed upon by the Parties concerning the subject matter of this Agreement. No other agreements concerning the subject matter of this Agreement, written or oral, shall be deemed to exist or to bind either of the Parties and all prior agreements, understandings and representations, including, without limitation, the Letter of Intent, are merged into this Agreement and superseded by this Agreement. No officer or employee or agent of Franchisor has any authority to make any representation or promise not included in this Agreement. This Agreement cannot be modified or changed except by written instrument signed by both of the Parties.

Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any representation made in the franchise disclosure document.

18.6 Titles and Recitals. Article and Section titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement. The Recitals set forth in Recitals A through C of this Agreement are true and correct and are hereby incorporated by reference into the body of this Agreement.

18.7 Gender and Construction. The terms of all Exhibits attached to this Agreement are hereby incorporated into and made a part of this Agreement as if the same had been set forth in full in this Agreement. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any Article or Section in this Agreement may require. As used in this Agreement, the words "include," "includes" or "including" are used in a non-exclusive sense. Unless otherwise expressly provided in this Agreement to the contrary, any consent, approval, acceptance or authorization of Franchisor or Franchisee that may be required under this Agreement shall be in writing and shall not be unreasonably withheld, conditioned or delayed by the Party whose consent, approval, acceptance or authorization has been requested. To protect the Hawks System, the Hawks Marks, the Hawks Trade Secrets and the goodwill associated with the same, on any occasion where Franchisor is required or permitted to make any judgment, determination or use its discretion, including any decision as to whether any condition or circumstance meets Franchisor's standards or satisfaction, Franchisor may do so in its sole subjective judgment and discretion. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by the Parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of both Parties. Franchisor and Franchisee intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

18.8 Severability; Modification. Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to Applicable Law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the Parties have no legal right to contract, the latter shall prevail, but in that event, the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

18.9 Counterparts and Electronic Transmission. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement.

18.10 Electronic Execution and Copies. This Agreement and all Exhibits to this Agreement may be signed electronically by the Parties and Electronic Signatures appearing on this Agreement and the Exhibits shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and

admissibility of this Agreement and the Exhibits. An executed copy of this Agreement (or any portion of this Agreement) may be delivered by either of the Parties by facsimile, electrical, digital, magnetic, optical, electromagnetic, or similar capability regardless of the medium of transmission (collectively, "electronic"), and delivery will be effective and binding upon the Parties, and will not in any way diminish or affect the legal effectiveness, validity or enforceability of this Agreement. Franchisee acknowledges and agrees that Franchisor may create an electronic record of any or all agreements, correspondence or other communications between the Parties or involving third parties and may thereafter dispose of or destroy the original of any of the agreements, correspondence or other communications. Any such electronic record will be inscribed on a tangible medium or stored in an electronic or other medium and be retrievable in perceivable form, and will be maintained in and readable by hardware and software generally available. Notwithstanding any Applicable Law to the contrary, any electronic version of this Agreement or any other agreements, correspondence or other communications between the Parties will have the same legal effect, validity and enforceability as an original of any document, even if the original of the document has been disposed of or intentionally destroyed.

18.11 Time of the Essence. Time is of the essence of this Agreement with respect to each and every provision of this Agreement in which time is a factor.

18.12 Acceptance of Conditions. Franchisee has read this Agreement and understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's standards of service and quality and the uniformity of those standards at Franchised Businesses in order to protect and preserve the Hawks System and the goodwill of the Hawks Marks.

18.13 Independent Investigation. Franchisee has conducted an independent investigation of the business contemplated by this Agreement. Franchisee recognizes that the Hawks System may evolve and change over time, that an investment in this franchise involves business risks, and that the success of the investment depends upon Franchisee's business ability and efforts.

18.14 Counsel. The Parties acknowledge and agree that each Party has been represented by independent legal counsel of their choice in connection with this Agreement or has had the opportunity to have legal counsel review this Agreement and advise the Party regarding the same, but has voluntarily chosen not to do so.

18.15 Business Judgment. Notwithstanding any provision in this Agreement to the contrary, Franchisee and the Owners acknowledge and agree that:

18.15.1 This Agreement (and the relationship of the Parties which arises from this Agreement) grants Franchisor the discretion to make decisions, take actions or refrain from taking actions not inconsistent with the explicit rights and obligations of Franchisee and the Owners hereunder that may affect Franchisee and the Owners' interests favorably or adversely. Franchisor shall use its Business Judgment in exercising such discretion based on its assessment of its own interests and balancing those interests against the interests, promotion, and benefit of the Hawks System and other Hawks Franchisees, Hawks Franchised Businesses generally, and specifically without considering the individual interests of Franchisee or the Owners or the individual interests of any other Hawks Franchisee. Franchisee and the Owners acknowledge and agree that Franchisor shall have no liability to Franchisee or the Owners for the exercise of its discretion in this manner; and even if Franchisor has numerous motives for a particular action or decision, so long as at least one motive is a reasonable business justification, no trier of fact in any Action shall substitute his or her judgment for Franchisor's judgment so exercised and no such Action or decision shall be subject to challenge for abuse of

discretion. If Franchisor takes any action or Franchisor chooses not to take any action in its discretion with regard to any matter related to this Agreement and its actions or inaction are challenged for any reason, the Parties expressly direct the trier of fact to find that Franchisor's reliance on a business reason in the exercise of its discretion is to be viewed as a reasonable and proper exercise of its discretion, without regard to whether other reasons for its decision may exist and without regard to whether the trier of fact would independently accord the same weight to the business reason.

18.15.2 In designating suppliers, setting standards and the like, Franchisor shall exercise its Business Judgment. However, in the exercise of its Business Judgment, Franchisor shall not be liable to Franchisee or the Owners or anyone else, if Franchisor's exercise of its Business Judgment results in a business loss or if the products or services provided fail to meet the expectations of Franchisor, Franchisee, the Owners or other parties. Franchisor disclaims all warranties and liability for the acts or omissions of any contractors, vendors, suppliers, products or employees which Franchisee uses, purchases, retains or hires pursuant to Franchisor's exercise of its Business Judgment.

18.15.3. If Applicable Law implies a covenant of good faith and fair dealing in this Agreement, the Parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if Applicable Law shall imply the covenant, Franchisee agrees that: (i) this Agreement (and the relationship of the Parties that is inherent in this Agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisor's explicit rights and obligations under this Agreement that may affect favorably or adversely Franchisee's interests; (ii) Franchisor will use its judgment in exercising the discretion based on Franchisor's assessment of its own interests and balancing those interests against the interests of the Hawks Franchisees generally (including Franchisor and its Affiliates if applicable), and specifically without considering Franchisee's individual interests or the individual interests of any other particular Hawks Franchisee; (iii) Franchisor will have no liability to Franchisee for the exercise of Franchisor's discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for Franchisor's judgment so exercised.

18.16 Intent to Comply. Franchisee has read this Agreement and understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's standards of service and quality and the uniformity of those standards at Franchised Businesses in order to protect and preserve Hawks System and the goodwill of the Hawks Marks. Franchisee, and its Owners, jointly and severally acknowledge and agree that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution of this Agreement, that they have obtained the advice of counsel in connection with entering into this Agreement, that they understand the nature of this Agreement, and that they intend to comply with the terms of this Agreement and be bound by the terms of this Agreement.

18.17 No Third-Party Beneficiaries. Except as expressly provided to the contrary in this Agreement, nothing in this Agreement is intended, nor shall be deemed, to confer on any Person or Entity other than Franchisee, Franchisor, Franchisor's officers, directors and personnel and such of Franchisee's and Franchisor's respective successors and assigns that may have any rights or remedies under or as a result of this Agreement.

18.18 Atypical Arrangements. Franchisee acknowledges and agrees that Franchisor may modify the offer of its franchises to other Hawks Franchisees and franchisees in any manner and at any time, which offers have

or may have terms, conditions, and obligations which may differ from the terms, conditions, and obligations in this Agreement. Franchisee further acknowledges and agrees that Franchisor has made no warranty or representation that Area Development Agreements or franchise agreements previously issued or issued after this Agreement by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Franchisor may, in its reasonable business judgment and its sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Agreements previously executed or executed after the date of this Agreement with other Hawks Franchisees and franchisees in a non-uniform manner.

18.19 Conflict with Franchise Agreements. Franchisee acknowledges and agrees that all individual Franchise Agreements executed by Franchisee and Franchisor for Franchised Businesses within the Development Area are independent of this Agreement. The continued effectiveness of any Franchise Agreement does not depend on the continued effectiveness of this Agreement. If any conflict arises with this Agreement and any Franchise Agreement, the Franchise Agreement controls and has precedence and superiority (except with respect to the Commencement Date for each Franchised Business Franchisee is granted the right to open under this Agreement). 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.

18.20 Copy of Agreement. Franchisee acknowledges that it received a copy of this Agreement, the Exhibits attached to this Agreement and all other agreements relating to this Agreement, if any, with all of the blank lines filled in, at least seven (7) days prior to the Effective Date.

18.21 Opportunity to Consult. Franchisee acknowledges that it has read and understood this Agreement, the Exhibits attached to this Agreement, and all other agreements relating to this Agreement, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

18.22 Franchise Disclosure Document. Franchisee acknowledges that it has received a copy of the complete Hawks Franchise Disclosure Document which contains a copy of this Agreement, at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

18.23 Acceptance. The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon its execution by both Franchisor and Franchisee. This Agreement shall not be binding on Franchisor unless and until accepted and signed on its behalf by an authorized officer of Franchisor.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the Parties have executed this Agreement on the Effective Date.

FRANCHISOR:

HAWKS KIDS INC.,
A California corporation

By: _____
Name: _____
Title: _____

FRANCHISEE:

(IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By: _____
Name: _____
Title: _____

OR

(IF FRANCHISEE IS AN INDIVIDUAL):

_____
Print Name

_____
Signature

_____
Print Name

_____
Signature

HAWKS KIDS INC.
AREA DEVELOPMENT AGREEMENT

EXHIBIT A
ENTITY INFORMATION DISCLOSURE

HAWKS KIDS INC.
AREA DEVELOPMENT AGREEMENT

EXHIBIT A
ENTITY INFORMATION DISCLOSURE

Franchisee represents and warrants that the following information is accurate and complete in all material respects:

(1) Franchisee is a (check as applicable):

[ ] corporation
[ ] limited liability company
[ ] general partnership
[ ] limited partnership
[ ] Other (specify): _____

State of incorporation/organization: _____
Name of Franchisee Entity: _____
Federal Tax Identification #: _____

(2) Franchisee shall provide to Franchisor concurrently with the execution of this Agreement true and accurate copies of its charter documents including Articles of Incorporation/Organization, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution of this Agreement and any amendments to the foregoing (the "Entity Documents").

(3) Franchisee promptly shall provide all additional information as Franchisor may from time to time request concerning all Persons who may have any, direct or indirect, financial interest in Franchisee.

(4) The name and address of each Owner is:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(5) The names, addresses and titles of the Owners who will be devoting their full time to the Franchisee business are:

NAME	ADDRESS	TITLE

(6) The address where Franchisee's financial records and Entity Documents are maintained is: _____.

(7) The Principal Owner is _____.

(8) Franchisee represents and warrants to Franchisor, as an inducement to Franchisor's execution of the Development Agreement, that the information set forth in this Entity Information Disclosure is true, accurate and complete in all material respects on the Effective Date and that Franchisee shall provide Franchisor with all additional information Franchisor may request with respect to the Owners and the ownership of Franchisee. In addition, Franchisee shall notify Franchisor within ten (10) days of any change in the information set forth in this Entity Information Disclosure and shall provide Franchisor with a revised Entity Information Disclosure certified by Franchisee to be true, correct and complete in all material respects. Franchisor grants Franchisee the rights in the Development Agreement in reliance upon each and all of the terms of this Entity Information Disclosure.

IN WITNESS WHEREOF, the Parties have executed this Exhibit A on the Effective Date.

FRANCHISOR:

HAWKS KIDS INC.
A California corporation

By: _____
Name: _____
Title: _____

FRANCHISEE:

(IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By: _____
Name: _____
Title: _____

OR

(IF FRANCHISEE IS AN INDIVIDUAL):

_____
Print Name

_____
Signature

_____
Print Name

_____
Signature

HAWKS KIDS INC.
AREA DEVELOPMENT AGREEMENT

EXHIBIT B
DEVELOPMENT AREA, OBLIGATION, SCHEDULE, PERIODS AND FEES

HAWKS KIDS INC.
AREA DEVELOPMENT AGREEMENT

EXHIBIT B
DEVELOPMENT AREA, OBLIGATION, SCHEDULE, PERIODS AND FEES

A. The DEVELOPMENT AREA is defined as the territory within the boundaries described below:

_____
_____
_____

If the Development Area is defined by streets, highways, freeways or other roadways then the boundary of the Development Area shall extend to the center line of each street, highway, freeway or other roadway.

B. MINIMUM DEVELOPMENT OBLIGATION: _____ Franchised Businesses

C. INITIAL FRANCHISE FEE: $49,500 for the first Franchised Business; $37,500 per Franchised Business for 2 – 5 Franchised Businesses; $35,000 per Franchised Business for more than 5 Franchised Businesses.

D. DEVELOPMENT FEE: $_____ (@ $10,000 for each Franchised Business, except for Franchised Business #1).

E. DEVELOPMENT SCHEDULE: _____ Franchised Businesses must be opened in ___ months.

F.

DEVELOPMENT PERIOD ENDING	CUMULATIVE NUMBER OF HAWKS CAMPING BUSINESSES TO BE IN OPERATION
TOTAL	

G. ADDRESS OF FRANCHISEE _____
_____.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Exhibit B on the Effective Date.

FRANCHISOR:

HAWKS KIDS INC.
A California corporation

By: _____
Name: _____
Title: _____

FRANCHISEE:

(IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By: _____
Name: _____
Title: _____

OR

(IF FRANCHISEE IS AN INDIVIDUAL):

_____
Print Name

_____
Signature

_____
Print Name

_____
Signature

HAWKS KIDS INC.
AREA DEVELOPMENT AGREEMENT

EXHIBIT C
GUARANTEE OF AREA DEVELOPMENT AGREEMENT

HAWKS KIDS INC.
AREA DEVELOPMENT AGREEMENT

EXHIBIT C
GUARANTEE OF AREA DEVELOPMENT AGREEMENT

The undersigned (collectively, "Guarantors") have requested HAWKS KIDS INC., a California corporation ("Franchisor"), to enter into an Area Development Agreement dated _____ (the "Development Agreement") with _____, a _____ ("Franchisee"). In consideration for, and as an inducement to, Franchisor's execution of the Development Agreement, Guarantors hereby grant this guarantee (this "Guarantee") and agree as follows:

1. "Obligations" means and includes any and all obligations of Franchisee arising under or pursuant to the Development Agreement and all other obligations, whether now existing or hereafter arising, of Franchisee to Franchisor of whatever nature.

2. Guarantors irrevocably and unconditionally, fully guarantee to Franchisor the prompt, full and complete payment of any and all Obligations of Franchisee to Franchisor and the performance of any and all Obligations of Franchisee including, without limitation, Obligations under the Development Agreement or any other agreement, instrument or document relating to, evidencing or securing any Obligations.

3. If Franchisee fails to pay any of the Obligations, Guarantors shall, within five (5) days after a written demand therefore has been given to Guarantors by Franchisor, pay all of the Obligations in like manner as if the Obligations constituted the direct and primary obligation of Guarantors. Guarantors agree that if any Obligation, covenant or agreement contained in the Development Agreement is not observed, performed or discharged as required by the Development Agreement (taking into consideration any applicable cure periods), Guarantors shall, within five (5) days after a written demand therefore has been given to Guarantors by Franchisor, observe, perform or discharge such obligation, covenant or agreement in like manner as if the same constituted the direct and primary obligation of Guarantors.

4. No exercise or non-exercise by Franchisor of any right under this Guarantee, no dealing by Franchisor with Franchisee or any other Person and no change, impairment or suspension of any right or remedy of Franchisor shall in any way affect any Obligations of Guarantors under this Guarantee or give Guarantors any recourse against Franchisor. Without limiting the generality of the foregoing, Guarantors agree that, regardless of whether Franchisor gives notice thereof or obtains the consent of Guarantors thereto, Guarantors' liability under this Guarantee shall not be released, extinguished or otherwise reduced in any way by reason of (i) any amendment, modification, renewal, extension, substitution or replacement of the Development Agreement or of any of the Obligations, in whole or in part; (ii) any acceptance, enforcement or release by Franchisor of any security for the Development Agreement or of any of the Obligations, any addition, substitution or release of any of the Guarantors, or any enforcement, waiver, surrender, impairment, release, compromise or settlement of any matter with respect to the Development Agreement or the Obligations or any security therefore; (iii) any assignment of this Guarantee, in whole or in part by Franchisor, or any assignment or transfer of the Development Agreement (or any of them) by Franchisor or Franchisee; (iv) the invalidity or unenforceability of any provision of the Development Agreement or any of the Obligations; or (v) any failure, omission or delay of Franchisor in enforcing the Development Agreement, the Obligations or this Guarantee.

5. Guarantors waive and agree not to assert or take advantage of (i) any right to require Franchisor to proceed against Franchisee or any other Person, firm or corporation or to proceed against or exhaust any

security held by Franchisor at any time or to pursue any other remedy in Franchisor's power; (ii) any statute of limitations in any Action under this Guarantee to collect any Obligations guaranteed hereby; (iii) any defense that may arise by reason of Franchisee's Incapacity, lack of authority, insolvency or bankruptcy or Franchisor's failure to file or enforce a claim against the estate (either in bankruptcy or other proceeding) of Franchisee, any other or others; (iv) any defense arising out of any alteration of the Development Agreement or the Obligations; (v) notice of Franchisee's Default in the payment or performance of any of the Obligations; (vi) demand, protest and notice of any kind including, without limitation, notice of acceptance, notice of the existence, creation or incurring of new or additional Obligations or of any action or non-action on the part of Franchisee, Franchisor, any endorser, creditor of Franchisee or Guarantors under this or any other instrument, or any other Person, in connection with any obligation or evidence of Obligations held by Franchisor or in connection with any Obligations hereby guaranteed; (vii) all rights and defenses arising out of an election of remedies by Franchisor, even though that election of remedies, such as non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Guarantors' rights of subrogation and reimbursement against Franchisee by operation of Applicable Law or otherwise; (viii) any duty of Franchisor to disclose to Guarantors any facts that Franchisor may now or hereafter know about Franchisee, regardless of whether Franchisor has reason to believe that any such facts materially increase the risk beyond that which Guarantors intends to assumes or has reason to believe that such facts are unknown to Guarantors or has a reasonable opportunity to communicate such facts to Guarantors, it being understood and agreed that Guarantors is responsible to be and to keep informed of Franchisee's financial condition and of all circumstances bearing on the risk of nonpayment of any Obligations hereby guaranteed; and (ix) any right to the benefit of or to direct the application of any security held by Franchisor.

6. Until all Obligations to Franchisor are paid in full and fully performed, Guarantors shall have no right of subrogation and waive any right to enforce any remedy that Franchisor now has or may hereafter have against Franchisee. All existing or future indebtedness of Franchisee to Guarantors and any right to withdraw capital invested in Franchisee by Guarantors are hereby subordinated to all Obligations.

7. Guarantors' liabilities and all rights, powers and remedies of Franchisor under this Guarantee and under any other agreement now or at any time hereafter in force between Franchisor and Guarantors shall be cumulative and not alternative and such rights, powers and remedies shall be additional to all rights, powers and remedies given to Franchisor by Applicable Law. Without limiting the generality of anything contained in this Guarantee, Guarantors waive and agree not to assert or take advantage of (i) all rights described in California Civil Code Section 2856(a)(1) through 2856(a)(3), inclusive, including, without limitation, any rights or defenses which are or may become available to Guarantors by reason of California Civil Code Sections 2787 through 2855, inclusive; and (ii) California Civil Code Sections 2899.

8. The liability of Guarantors under this Guarantee shall be an absolute, direct, immediate and unconditional continuing guarantee of payment and performance and not of collection. Guarantors' obligations under this Guarantee are independent of Franchisee's Obligations. This is a continuing Guarantee. It shall be irrevocable during the initial term and through any extensions, amendments, modifications, substitutions or replacements of the Development Agreement and until all Obligations have been fully paid and the Obligations have been fully performed. In the event of any Default under this Guarantee, a separate Action and/or successive Actions may be brought and prosecuted against Guarantors regardless of whether Action is brought against Franchisee or whether Franchisee is joined in any such Action or Actions. Franchisor may maintain successive Actions for other Defaults. Franchisor's rights under this Guarantee shall not be exhausted by Franchisor's exercise of any rights or remedies or by any such Action or by any number of successive Actions until and unless all Obligations have fully been paid and performed. The obligations of Guarantors shall be primary and are independent of the Obligations of Franchisee and Franchisor may directly

enforce its rights under this Guarantee without proceeding against or joining Franchisee or any other Person or Entity, or applying or enforcing any security of the Development Agreement. Guarantors acknowledge and agree that Guarantors shall, and hereby are, bound by each and all of the confidentiality and non-competition provisions of the Franchise Agreement.

9. Nether any provision of this Guarantee nor right of Franchisor under this Guarantee can be waived, nor can Guarantors be released from Guarantors' obligations under this Guarantee except by a written agreement executed by Franchisor. If any provision or portion of any provision of this Guarantee is found by a court of competent jurisdiction to be illegal or unenforceable, all other provisions shall, nevertheless, remain enforceable and effective. This Guarantee constitutes the entire agreement of Guarantors and Franchisor with respect to the subject matter of this Guarantee and no representation, understanding, promise or condition concerning the subject matter of this Guarantee shall bind Franchisor unless expressed in this Guarantee.

10. All written notices permitted or required under this Guarantee shall be deemed given and delivered in accordance with Article 18 of the Development Agreement. Notices to Guarantors shall be sent to the address set forth below each Guarantors' signature below.

11. This Guarantee may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Guarantee with signatures that have transmitted by email or by facsimile shall constitute and be deemed original copies of this Guarantee for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Guarantee. In addition, this Guarantee may be signed electronically by Guarantors and electronic signatures appearing on this Guarantee shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Guarantee.

12. This Guarantee shall be interpreted and construed under the laws of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Guarantee would not be enforceable under the laws of California, and if the Development Area is located outside of California and such provision would be enforceable under the laws of the state in which the Development Area is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Paragraph 12 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of the state of California to which it would not otherwise be subject. Venue for purposes of any legal proceedings brought in connection with or arising out of this Guarantee shall be conclusively presumed to be the District Court of the State of California, County of Washoe, or the United States District Court in and for the District of California.

Executed by or on behalf of Guarantors on the date set forth below.

_____ _____
_____

_____ _____
_____

HAWKS KIDS INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT C
CONFIDENTIALITY AGREEMENT FOR PROSPECTIVE FRANCHISEES

HAWKS KIDS INC.
CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (this "**Agreement**") is made this __ day of _____, 20__, by and between **HAWKS KIDS INC.**, a California corporation ("**Franchisor**"), on the one hand, and _____, a _____ ("**Candidate**"), on the other hand, with reference to the following facts:

A. Franchisor and its Affiliate have developed the "**Hawks System**" for the establishment and operation of nature-based hiking day camps, summer camps, birthday parties and other nature-based school enrichment programming that Franchisor's Affiliate and Hawks Franchisees provide for campers (the "**Hawks Proprietary Programs**") for children ages 4-16 at various at locations, including public and private green spaces, parks, gardens, nature centers and museums under the trade name and service mark "**Hawks Kids**" and other related trademarks, service marks, logos and commercial symbols (collectively, the "**Hawks Marks**").

B. The distinguishing characteristics of the Hawks System include, without limitation, the Manuals, the Hawks Proprietary Programs, written instruction routines, educational methods, techniques, manuals, curriculums, lesson plans, additional materials that incorporate proprietary information and related written content created, owned and copyrighted or copyrightable by Franchisor, Franchisor's websites, student handbooks, camp guidelines, marketing materials, lists of approved suppliers and various standard forms in electronic and/or hard-copy form, service standards, standards and procedures for operations, procedures for training and assistance and advertising and promotional programs, all of which may be changed, improved, and further developed by Franchisor from time to time (collectively the "**Hawks Proprietary Materials**"). Franchisor continues to invest time, skill, effort and money to further develop, test and use the Hawks Proprietary Materials and the Hawks System in order to maintain the Hawks System's high standards of quality, skill and service.

C. Franchisor may provide Candidate with confidential and proprietary information regarding the Hawks System prior to granting or declining to grant Candidate a franchise or entering into a franchise agreement with Candidate. Franchisor desires that Candidate maintain the confidentiality of all such confidential and proprietary information on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IT IS AGREED:

1. **INCORPORATION OF RECITALS**.

The recitals set forth in Paragraph A through Paragraph C above are true and correct and are hereby incorporated by reference into the body of this Agreement.

2. **CONFIDENTIALITY**.

2.1. **Confidential Information**. Candidate acknowledges and agrees that the Hawks System is comprised of confidential information that has been developed by Franchisor and its affiliates by the investment of time, skill, effort and money and is widely recognized by the public, is of substantial value, and is proprietary, confidential and constitutes trade secrets of Franchisor and its affiliates, and includes, without limitation, tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, products and services, sources of materials and equipment, client management and other software,

data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, designs, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, customer lists and customer data, information regarding the skills and compensation of employees and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, persons or entities, knowledge or know-how concerning the methods of operation of Hawks Restaurants which may be communicated to Candidate, or of which Candidate may be apprised, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential (collectively, the "**Confidential Information**"). Confidential Information does not include any information that was in the lawful and unrestricted possession of Candidate prior to its disclosure by Franchisor; is or becomes generally available to the public by acts other than those of Candidate after receiving it; has been received lawfully and in good faith by Candidate from a third party who did not derive it from Franchisor or Candidate; or is shown by acceptable evidence to have been independently developed by Candidate.

2.2. **Value**. Candidate acknowledges and agrees the Confidential Information is not generally known by the public or parties other than Franchisor, its affiliates, its franchisees and Candidate; derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor, its franchisees or Candidate; and is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Confidential Information, including, without limitation (i) not revealing the Confidential Information to unauthorized parties; (ii) requiring its franchisees to acknowledge and agree in writing that the Confidential Information is confidential; (iii) requiring its franchisees to agree in writing to maintain the confidentiality of the Confidential Information; (iv) monitoring electronic access to the Confidential Information by the use of passwords and other restrictions so that electronic access to the Confidential Information is limited to authorized parties; and (v) requiring its franchisees to return all Confidential Information to Franchisor upon the expiration or termination of their Franchise Agreements.

2.3. **Maintain Confidentiality**. Candidate shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of anyone else, any information that Franchisor considers its trade secrets and/or Confidential Information. Candidate shall divulge such Confidential Information only to such of its employees who must have access to it in order to perform their employment responsibilities.

3. **GENERAL**.

3.1. **Injunction**. Candidate recognizes the unique value and secondary meaning attached to the Confidential Information and the elements of the Hawks System and agrees that any noncompliance with the terms of this Agreement or any unauthorized or improper use of the Confidential Information will cause

irreparable damage to Franchisor and its franchisees. Candidate therefore agrees that if Candidate should engage in any such unauthorized or improper use of the Confidential Information, Franchisor shall be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction without notice or the posting of any bond, in addition to any other remedies prescribed by law.

3.2. **Heirs and Successors**. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

3.3. **Entire Agreement**. This Agreement represents the entire understanding between the parties regarding the subject matter of this Agreement and supersedes all other negotiations, agreements, representations and covenants, oral or written. This Agreement may not be modified except by a written instrument signed by Franchisor and Candidate that expressly modifies this Agreement. The parties intend this Agreement to be the entire integration of all of their agreements on this subject of any nature regarding the subject matter of this Agreement. No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties.

3.4. **No Warranties**. Candidate acknowledges and agrees that Franchisor has made no promises, representations or warranties to Candidate that are inconsistent with the terms of this Agreement or Franchisor's Franchise Disclosure Document concerning the profitability or likelihood of success of the franchised business, that Candidate has been informed by Franchisor that there can be no guaranty of success in the franchised business and that Candidate's business ability and aptitude is primary in determining his success.

3.5. **No Right to Use the Hawks System or the Hawks Marks**. This Agreement is not a Franchise Agreement or a license of any sort, and does not grant Candidate any right to use or to franchise or license the use of, the Confidential Information, which right is expressly reserved by Franchisor.

3.6. **Waiver.** Failure by Franchisor to enforce any rights under this Agreement shall not be construed as a waiver of such rights. Any waiver, including a waiver of default, in any one instance shall not constitute a continuing waiver or a waiver in any other instance.

3.7. **Validity.** Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portions and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in full force and effect.

3.8. **Headings and Gender.** The headings herein are for purposes of convenience only and shall not be used in construing the provisions hereof. As used herein, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

3.9. **Attorneys' Fees.** If Franchisor becomes a party to any legal proceedings concerning this Agreement by reason of any act or omission of Candidate or its authorized representatives, Candidate shall be liable to Franchisor for the reasonable attorneys' fees and court costs incurred by Franchisor in the legal proceedings. If either party commences a legal proceeding against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

3.10. **Cumulative Remedies.** Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth herein or allowed or allowable by law.

3.11. **Notices**. All notices or demands to be given under this Agreement shall be in writing and shall be served in person, by air courier delivery or by certified mail. Service shall be deemed conclusively made (i) at the time of service, if personally served, (ii) three (3) business days after delivery by the Party giving the notice, statement or demand if by air courier with a guaranteed tracking facility, and (iii) three (3) business days after placement in the United States mail by Certified Mail, Return Receipt Requested, with postage prepaid. Notices and demands shall be given to the respective Parties at the following addresses, unless and until a different address has been designated by written notice to the other Party:

Notices to Franchisor:

Hawks Kids Inc.
1525 N Alvarado St Unit 26012
Los Angeles, CA, 90026
Attention: Chief Executive Officer
Email: emma@hawkskids.com

With a copy to (which shall not constitute notice):

Barry Kurtz, Esq.
Lewitt, Hackman, Shapiro, Marshall and Harlan
16633 Ventura Boulevard, 11th Floor
Encino, California 91436
Email: bkurtz@lewitthackman.com

Notices to Candidate:

_____
_____
_____
Attention: _____
Email**:** _____

Either party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party.

3.12. **Governing Law**. This Agreement takes effect upon its acceptance and execution by Franchisor in California, and shall be interpreted and construed under the laws of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules.

3.13. **Venue**. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought in the Superior Courts of the State of California, County of Los Angeles, or the United States District Court in and for the Central District of California and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

3.14. **Counterparts and Electronic Transmission; Electronic Signatures**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that are transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement may be signed electronically by the Parties and electronic signatures appearing on this Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the Effective Date.

FRANCHISOR:

HAWKS KIDS INC.,
A California corporation

By: _____
Name: _____
Title: _____

CANDIDATE:

(IF CANDIDATE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Candidate Entity]

By: _____
Name: _____
Title: _____

OR

(IF CANDIDATE IS AN INDIVIDUAL):

_____
Print Name

_____
Signature

_____
Print Name

_____
Signature

HAWKS KIDS INC.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D
NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT FOR EMPLOYEES OF FRANCHISEE

NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT

THIS NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT (this "**Agreement**") is made on _____, 20__ (the "**Effective Date**"), by and between _____ ("**Franchisee**"), on the one hand, and _____ ("**Recipient**"), on the other hand, who are individually referred to in this Agreement as a "**Party**", and collectively referred to in this Agreement as "**Parties**", with reference to the following facts:

A. Hawks Kids Inc., a California corporation ("**Franchisor**") and Franchisor's affiliate, Hawks Nature Programming, a California corporation (the "**Operating Company**"), have developed the "**Hawks System**" for the for the establishment and operation of nature-based hiking day camps, summer camps, birthday parties and other nature-based school enrichment programming that Franchisor's Affiliate and Hawks Franchisees provide for campers (the "**Hawks Proprietary Programs**") for children ages 4-16 at various locations, including public and private green spaces, parks, gardens, nature centers and museums under the trade name and service mark "**Hawks Kids**" and other related trademarks, service marks, logos and commercial symbols (collectively, the "**Hawks Marks**").

B. The "**Hawks System**" includes, without limitation, the Manuals, the Hawks Proprietary Programs that incorporate trade secrets and proprietary information, written instruction routines, educational methods, techniques, manuals, curriculums, lesson plans, materials and related written content created, owned and copyrighted or copyrightable by Franchisor. Franchisor's websites, student handbooks, camp guidelines, marketing materials, lists of approved suppliers and various standard forms in electronic and/or hard-copy form, service standards, standards and procedures for operations, procedures for training and assistance, advertising, promotional and public relations programs, and Franchisor's website, all as Franchisor may modify the same from time to time, and may be disclosed to Recipient by Franchisee all of which may be changed, improved, and further developed by Franchisor from time to time (collectively the "**Hawks Proprietary Materials**").

C. Franchisor has protected and continues to protect the confidentiality of the "**Confidential Information**" by, among other things: (i) not revealing the confidential contents of the Confidential Information to unauthorized parties; (ii) requiring Franchisees to acknowledge and agree in writing that the Confidential Information is confidential; (iii) requiring Franchisees to agree in writing to maintain the confidentiality of the Confidential Information; (iv) monitoring electronic access to the Confidential Information by the use of passwords and other restrictions so that electronic access to the Confidential Information is limited to authorized parties; and (v) requiring its franchisees to return all Confidential Information to Franchisor upon the expiration and termination of their Franchise Agreements.

D. Franchisor and Franchisee have entered into a Franchise Agreement under which Franchisor has granted Franchisee the right to own and operate a Hawks franchised business and to use the Hawks System, the Hawks Marks, the Manuals, and the Confidential Information in the operation of the Hawks franchised business

E. Franchisee is obligated under its Franchise Agreement with Franchisor to obtain a written agreement from all supervisorial and managerial personnel employed by Franchisee and each independent contractor engaged by Franchisee who may have access to the Confidential Information and who may be the recipient of the disclosure of the Confidential Information to maintain the confidentiality of the Confidential Information, to obtain the written agreement from all supervisorial and managerial personnel employed by Franchisee and each independent contractor to not use the Confidential Information other than in the course of his or her

employment or engagement by Franchisee and to not disclose any of the Confidential Information to any unauthorized parties during the period of time that he or she is providing services for Franchisee and forever after his or her employment or engagement by Franchisee ends.

NOW, THEREFORE, IT IS AGREED:

1. **ACKNOWLEDGMENTS OF RECIPIENT**.

1.1 **No Prior Experience, Information or Knowledge**. Prior to his or her employment or engagement by Franchisee, Recipient had no experience, information or knowledge about operating nature-based hiking camps, summer camps, birthday parties and other nature-based school enrichment programming. Recipient's knowledge of the Confidential Information was obtained only from Franchisee following the Effective Date and only in the course of Recipient's employment or engagement by Franchisee.

1.2 **Confidential Information**. The Confidential Information includes all of the items included elsewhere in this Agreement and, in addition, without limitation, all tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, styles, products and services, sources of materials and equipment, customer management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, customer lists and other customer data, information regarding the skills and compensation of employees and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, persons or entities, the Hawks System, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential. Confidential Information also includes the manner in which any of the above described items may be combined with any other information or products or synthesized or used by Recipient. Confidential Information does not include any information that was in the lawful and unrestricted possession of Recipient prior to its disclosure by Franchisee to Recipient; is or becomes generally available to the public by acts other than those of Recipient after receiving it; has been received lawfully and in good faith by Recipient from a third party who did not derive it from Franchisor, Franchisee or Recipient; or is shown by acceptable evidence to have been independently developed by Recipient.

1.3 **Independent Value**. The Confidential Information: (i) is not generally known by the public or parties other than Franchisor, its affiliates, its franchisees and Franchisee; (ii) derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or

Franchisee; and (iii) is the subject of extensive efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Confidential Information.

1.4 **Valuable and Proprietary**. The Confidential Information has been developed by Franchisor, its founder and their affiliates by the investment of time, skill, effort and money and is widely recognized by the public, of substantial value, and is proprietary, confidential and constitutes trade secrets of Franchisor, its founder and their affiliates.

2. **COVENANTS OF RECIPIENT**.

Recipient agrees that so long as Recipient is employed or engaged by Franchisee and forever after his or her employment or engagement by Franchisee ends:

2.1 **Maintain Confidentiality.** Recipient will fully and strictly maintain the confidentiality of the Confidential Information, will exercise the highest degree of diligence in safeguarding the Confidential Information and will not disclose or reveal the Confidential Information to any person other than Franchisee or other personnel employed by Franchisee or independent contractors engaged by Franchisee while a supervisorial or managerial employee or independent contractor of Franchisee and will then do so only to the degree necessary to carry out Recipient's duties as a supervisorial or managerial employee or independent contractor of Franchisee.

2.2 **No Reproduction or Use**. Recipient will not directly or indirectly reproduce or copy any Confidential Information and will make no use of any Confidential Information for any purpose whatsoever except as may be required while Recipient is employed or engaged by Franchisee and will then do so only in accordance with the provisions of this Agreement and only to the degree necessary to carry out Recipient's duties as a supervisorial or managerial employee or independent contractor of Franchisee.

2.3 **Restrictions**. Recipient specifically acknowledges and agrees Recipient may receive valuable specialized training and Confidential Information, including, without limitation, Confidential Information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the Hawks System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy. Recipient therefore covenants that while employed or engaged by Franchisee, Recipient shall not, either directly or indirectly, for himself or herself, or through, on behalf of, or in conjunction with any person, or legal entity: (i) divert or attempt to divert any present or prospective Hawks Restaurant customer to any competitor, 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 Hawks Marks and the Hawks System; or (ii) own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any business that offers nature-based hiking camps that provide day camps, summer camps, birthday parties and/or other nature-based school enrichment programming for children, or any business that looks like, copies, imitates, operates with similar trade dress or décor, or is otherwise substantially the same as or similar to Hawks Restaurants.

2.4 **Third Party Beneficiary**. Franchisor is, and shall be and remain, a third party beneficiary of this Agreement and will have the independent right to enforce the terms of this Agreement.

2.5 **No Restriction**. Nothing in this Article 2 is intended to prohibit or restrict any activity which prohibition or restriction violates Recipient's rights to engage in protected concerted activity under the National Labor Relations Act.

3. **GENERAL TERMS**.

3.1 **Injunction**. Recipient recognizes the unique value and secondary meaning attached to the Confidential Information and the elements of the Hawks System and agrees that Recipient's noncompliance with the terms of this Agreement or any unauthorized or improper use of the Confidential Information by Recipient will cause irreparable damage to Franchisor and its franchisees. Recipient therefore agrees that if Recipient should engage in any unauthorized or improper use or disclosure of the Confidential Information, Franchisor and Franchisee, independently, will be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction without notice or the posting of any bond, to prevent any unauthorized or improper use or disclosure of the Confidential Information in addition to any other remedies prescribed by law. Due to the irreparable damage that would result to Franchisor and Franchisee from any violation of this Agreement, Recipient acknowledges and agrees that any claim Recipient believes he or she may have against Franchisor or Franchisee will be deemed to be a matter separate and apart from Recipient's obligations under this Agreement and will not entitle Recipient to violate or justify any violation of the provisions of this Agreement.

3.2 **Heirs and Successors; Entire Agreement**. This Agreement shall be binding upon and inure to the benefit of the Parties, their heirs, successors and assigns. This Agreement represents the entire understanding between the Parties regarding the subject matter of this Agreement and supersedes all other negotiations, agreements, representations and covenants, oral or written. This Agreement may not be modified except by a written instrument signed by Franchisor and Recipient that expressly modifies this Agreement. The Parties intend this Agreement to be the entire integration of all of their agreements on this subject of any nature regarding the subject matter of this Agreement. No other agreements, representations, promises, commitments or the like, of any nature, exist between the Parties.

3.3 **No Right to Use Hawks Marks or Hawks System**. This Agreement is not a license of any sort, and does not grant Recipient any right to use or to license the use of, the Hawks System, the Hawks Marks or the Confidential Information, which right is expressly reserved by Franchisor.

3.4 **Waiver and Validity**. Failure by Franchisor to enforce any rights under this Agreement shall not be construed as a waiver of such rights. Any waiver, including a waiver of default in any one instance, shall not constitute a continuing waiver or a waiver in any other instance. Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portions and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in full force and effect.

3.5 **Headings and Gender**. The headings in this Agreement are for purposes of convenience only and shall not be used in construing the provisions of this Agreement. As used in this Agreement, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

3.6 **Attorneys' Fees**. If Franchisor becomes a party to any legal proceedings concerning this Agreement by reason of any act or omission of Recipient, Recipient shall be liable to Franchisor for the reasonable attorneys' fees and court costs incurred by Franchisor in the legal proceedings. If any Party to this Agreement commences any legal proceeding against another Party arising out of or in connection with this Agreement,

the prevailing Party shall be entitled to recover from the other Party its reasonable attorneys' fees and costs of suit.

3.7 **Cumulative Remedies**. Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth herein or allowed or allowable by law.

3.8 **Notices**. All notices or demands to be given under this Agreement shall be in writing and shall be served in person, by air courier delivery with a guaranteed tracking facility, by certified mail, by facsimile transmission or by electronic transmission (email). Service shall be deemed conclusively made (i) at the time of service, if personally served; (ii) three (3) business days after delivery by the Party giving the notice, statement or demand if by air courier with a guaranteed tracking facility; or (iii) three (3) business days after placement in the United States mail by Certified Mail, Return Receipt Requested, with postage prepaid; (iv) on the day of facsimile transmission to the facsimile number given below if confirmation of receipt is obtained by the sender promptly after completion of facsimile transmission; and (v) on the day of electronic transmission to the email address given below if confirmation of receipt is obtained by the sender promptly after completion of electronic transmission. Notices and demands shall be given to the respective Parties at the following addresses, unless and until a different address has been designated by written notice to the other Party:

Any notice or demand to Franchisee shall be given to:

_____
_____
_____

With a copy to:

Hawks Kids Inc.
1525 N Alvarado St Unit 26012
Los Angeles, CA 90026
Attention: Chief Executive Officer
Email: emma@hawkskids.com

Any notice or demand to Recipient shall be given to:

_____
_____
_____

Any Party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other Party.

3.9 **Counterparts and Electronic Transmission; Electronic Signatures**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all

purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement may be signed electronically by the Parties and electronic signatures appearing on this Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the Effective Date.

FRANCHISEE:	**RECIPIENT**:
_____	
A _____	_____
By: _____	
Name: _____	
Title: _____	

HAWKS KIDS INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT E
GENERAL RELEASE

HAWKS KIDS INC.
GENERAL RELEASE AGREEMENT

THIS GENERAL RELEASE AGREEMENT (this "**Release Agreement**") is made and entered into as of _____ (the "**Effective Date**"), by and among **HAWKS KIDS INC.,** a California corporation ("**Franchisor**"), on the one hand, and _____ _____ _____ a _____ ("**Franchisee**"), and _____ ("**Owner**"), on the other hand, who are collectively referred to in this Release Agreement as the "**Releasing Parties**", with reference to the following facts:

A. Franchisor and Franchisee are parties to that certain Franchise Agreement and related ancillary agreements dated _____ (collectively, the "**Franchise Agreement**") pursuant to which Franchisor granted Franchisee a license (the "**License**") to use the service mark and trade name "**Hawks Kids**" and other related trademarks, service marks, logos and commercial symbols (the "**Hawks Marks**") and the "**Hawks System**" in connection with the operation of nature-based hiking camps that provide day camps, summer camps, birthday parties and other nature-based school enrichment programming for children ages 4-16.

B. Franchisee desires to enter into a _____.

C. This Release Agreement has been requested at a juncture in the relationship of the parties where Franchisor is considering either a change or an expansion of the relationship between the parties and/or their affiliates. Franchisor is unwilling to make the anticipated change or expansion in the relationship of the parties unless it is certain that it is proceeding with a "clean slate" and that there are no outstanding grievances or Claims against it. Releasing Parties, therefore, gives this Release Agreement as consideration for receiving the agreement of Franchisor to an anticipated change or expansion of the relationship between the parties. Releasing Parties acknowledges that this Release Agreement is intended to wipe the slate clean.

NOW, THEREFORE, IT IS AGREED:

1. **DEFINITIONS**. As used in this Release Agreement, the following capitalized terms have the meanings ascribed to them.

1.1 "**Claims**" means all actual and alleged claims, demands, Losses, charges, agreements (whether written or oral), covenants, responsibilities, warranties, obligations, contracts (whether oral or written), debts, violations, suits, counterclaims, cross claims, third party claims, accounts, liabilities, costs, expenses (including attorneys' fees and court costs), rights to terminate and rescind, rights of action and causes of action of any kind or nature, whatsoever, whether known or unknown, matured or unmatured, accrued or unaccrued, suspected or unsuspected, contingent or non-contingent, liquidated or unliquidated, choate or inchoate, and whether or not asserted, threatened, alleged, or litigated, at law, equity, or otherwise.

1.2 "**Constituents**" means past, present and future affiliates, subsidiaries, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, parents, predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing.

1.3 "**Excluded Matters**" means Franchisor's continuing contractual obligations which arise or continue under and pursuant to the Franchise Agreement on and after the date of this Release Agreement.

1.4 "**Franchisor Released Parties**" means Franchisor and each of its Constituents.

1.5 "**Losses**" means all damages, debts, liabilities, accounts, suits, awards, judgments, payments, diminutions in value and other losses, costs and expenses, however suffered or characterized, all interest thereon, all costs and expenses of investigating any Claim, reference proceeding, lawsuit or arbitration and any appeal therefrom, all actual attorneys' fees incurred in connection therewith, whether or not such Claim, reference proceeding, lawsuit or arbitration is ultimately defeated and, all amounts paid incident to any compromise or settlement of any such Claim, reference proceeding, lawsuit or arbitration.

2. **GENERAL RELEASE AGREEMENT.** Releasing Parties, for themselves and their Constituents, hereby release and forever discharge Franchisor Released Parties from any and all Claims, whether known or unknown, based upon anything that has occurred or existed, or failed to occur or exist, from the beginning of time to the Effective Date, including, without limitation any and all Claims which relate to the Franchise Agreement, the Hawks System, the License, the Hawks Marks, or to any other agreement entered into prior to the Effective Date between Franchisor Released Parties, on the one hand, and Releasing Parties, on the other hand, except for the Excluded Matters and obligations under this Release Agreement. This waiver, release and discharge is effective immediately in its fullest and most comprehensive sense.

3. **WAIVER OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE**.

3.1 **Section 1542 of the California Civil Code**. Releasing Parties, for themselves and their Constituents, acknowledge that they are familiar with Section 1542 of the California Civil Code, which reads as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASED 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.

3.2 **Waiver**. With respect to those Claims being released pursuant to Section 2, Releasing Parties, for themselves and their Constituents, acknowledge that they are releasing unknown Claims and waive all rights they have or may have under Section 1542 of the California Civil Code or any other statute or common law principle of similar effect. For purposes of this Section 3, Releasing Parties shall be considered to be creditors of the Franchisor Released Parties, and each of them.

4. **UNKNOWN CLAIMS.** Releasing Parties acknowledge and agree that among the wide and comprehensive range of Claims being waived, released, and discharged by this Release Agreement, they are waiving, releasing, and discharging unknown and unsuspected Claims which, if known or suspected by Releasing Parties to exist in their favor at the time of executing this Release Agreement, may have materially affected Releasing Parties' decision to enter into this Release Agreement. It is understood by Releasing Parties that, after the Effective Date, the facts under which this Release Agreement is entered into may turn out to be other than or different from the facts Releasing Parties knew or believed to be true on the Effective Date. Releasing Parties, therefore, expressly assume the risk of the facts turning out to be so different and agree that

this Release Agreement shall be in all respects final and effective and not subject to termination or rescission by any such difference in facts.

5. **REPRESENTATIONS AND WARRANTIES**. Releasing Parties hereby represent and warrant that, in entering into this Release Agreement, Releasing Parties: (i) are doing so freely and voluntarily, either upon the advice of counsel and business advisors of Releasing Parties' own choosing, or without such advice because Releasing Parties, free from coercion, duress or fraud, declined to obtain such advice; (ii) have read and fully understand the terms and scope of this Release Agreement; (iii) understand that this Release Agreement is final and conclusive, and intends to be final and conclusive, as to the matters set forth in this Release Agreement; and (iv) have not assigned, transferred, or conveyed to any third party all or any part of their interest, or any contingent interest, in any of the Claims released by this Release Agreement now or in the future, and are aware of no third party who contends or claims otherwise, and shall not purport to assign, transfer, or convey any interest in any such Claim after the Effective Date.

6. **COVENANTS NOT TO SUE**. Releasing Parties hereby irrevocably covenant that they will not, directly or indirectly: (i) commence, initiate, or cause to be commenced or initiated any proceeding, claim, or demand of any kind against Franchisor Released Parties based upon any Claims released under this Release Agreement; or (ii) assist or encourage any person or entity to investigate, inquire into, commence, initiate, or cause to be commenced or initiated any proceeding, claim, or demand of any kind against Franchisor Released Parties based upon any Claims released under this Release Agreement.

7. **INDEMNITY**. Without in any way limiting any of the rights and remedies otherwise available to the Franchisor Released Parties, Releasing Parties shall defend, indemnify and hold harmless each Franchisor Released Party from and against all Claims whether or not involving third-party Claims, arising directly or indirectly from or in connection with: (i) the assertion by or on behalf of Releasing Parties or their Constituents of any Claim or other matter released pursuant to this Release Agreement; (ii) the assertion by any third party of any Claim or demand against any Franchisor Released Party which Claim or demand arises directly or indirectly from, or in connection with, any Claims or other matters released pursuant to this Release Agreement; (iii) any breach of representations, warranties or covenants hereunder by Releasing Parties or its Constituents; or (iv) the Franchise Agreement, the Franchised Restaurant, the Franchised Location, and/or any and all claims of creditors, customers, vendors, suppliers or invitees of the Franchised Restaurant, or other third parties, for obligations incurred and/or acts or omissions to act by Franchisee, both prior to and following the Effective Date.

8. **GENERAL PROVISIONS**.

8.1 **Amendment**. This Release Agreement cannot be modified, altered or otherwise amended except by an agreement in writing signed by all of the parties.

8.2 **Entire Agreement**. This Release Agreement, together with the agreements referenced in this Release Agreement, constitute the entire understanding between and among the parties with respect to the subject matter of this Release Agreement and supersedes any prior negotiations and agreements, oral or written, with respect to the subject matter of this Release Agreement. The Recitals set forth in Paragraphs A through C of this Release Agreement are true and correct and are incorporated into this Release Agreement as part of this Release Agreement.

8.3 **Counterparts and Electronic Transmission; Electronic Signatures**. This Release Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Release Agreement with

signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Release Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Release Agreement. In addition, this Release Agreement may be signed electronically by the parties and electronic signatures appearing on this Release Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Release Agreement.

8.4 **Heirs, Successors and Assigns**. This Release Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and permitted assigns. In addition, each of Franchisor Released Parties that is not a party shall be a third party beneficiary of this Release Agreement, with the right to enforce this Release Agreement for his, her, or its benefit, whether acting alone or in combination with any other Franchisor Released Party.

8.5 **Interpretation**. The rule that an agreement is to be construed against the party drafting the agreement is hereby waived by the parties, and shall have no applicability in construing this Release Agreement or any of its terms. The headings used in this Release Agreement are for purposes of convenience only and shall not be used in construing the provisions of this Release Agreement. As used in this Release Agreement, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

8.6 **Severability and Validity**. Any provision of this Release Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions of this Release Agreement or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

8.7 **Governing Law and Venue**. This Release Agreement shall be interpreted and construed under the laws of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Release Agreement would not be enforceable under the laws of California, and if the Franchised Restaurant is located outside of California and such provision would be enforceable under the laws of the state in which the Franchised Restaurant is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 8.7 is intended by the parties to subject this Release Agreement to any franchise or similar law, rules, or regulation of the state of California to which it would not otherwise be subject. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought the in Superior Court of the State of California, County of Los Angeles, or the United States District Court in and for the Central District of the State of California, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

8.8 **Authority of Franchisor**. Franchisor represents and warrants that (i) Franchisor has the power and authority to enter into this Release Agreement and to perform its obligations under this Release Agreement without the approval or consent of any other person or entity, and (ii) the individual who executes this Release Agreement on Franchisor's behalf is duly authorized to do so without the approval or consent of any other person or entity.

8.9 **Authority of Releasing Parties**. Releasing Parties represent and warrant that (i) they have the power and authority to enter into this Release Agreement and to perform their obligations under this Release Agreement without the approval or consent of any other person or entity, and (ii) the individuals who execute

this Release Agreement on Releasing Parties' behalf are duly authorized to do so without the approval or consent of any other person or entity.

8.10 **No Waiver**. No delay, waiver, omission, or forbearance on the part of any party to exercise any right, option, duty, or power arising out of any breach or default by any other party of any of the terms, provisions, or covenants of this Release Agreement, and no custom or practice by the parties at variance with the terms of this Release Agreement, shall constitute a waiver by any party to enforce any such right, option, or power as against the other parties, or as to a subsequent breach or default by the other parties.

8.11 **Attorneys' Fees**. If any legal action is brought to enforce the terms of this Release Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs, and any and all costs of collection, in addition to any other relief to which that party may be entitled.

8.12 **Further Acts**. The parties agree to execute, acknowledge and deliver to any requesting party, and to procure the execution, acknowledgment and delivery to any requesting party, of any additional documents or instruments which the requesting party may reasonably require to fully effectuate and carry out the provisions of this Release Agreement.

IN WITNESS WHEREOF, the parties to this Release Agreement have executed this Release Agreement as of the Effective Date.

FRANCHISOR:

HAWKS KIDS INC.
A California corporation

By: _____
Name: _____
Title: _____

RELEASING PARTIES:

FRANCHISEE:

_____
A _____

By: _____
Name: _____
Title: _____

OWNER:

_____

_____

HAWKS KIDS INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT F
STATE SPECIFIC ADDENDA

HAWKS KIDS INC.
STATE SPECIFIC ADDENDA

HAWKS KIDS INC.
CALIFORNIA
ADDENDUM TO DISCLOSURE DOCUMENT

The Disclosure Document is amended as follows:

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT 14 DAYS PRIOR TO EXECUTION OF ANY AGREEMENT.

OUR WEBSITE WWW.HAWKSKIDS.COMHAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

> Neither we nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark 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, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

2. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

> California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.
>
> The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Franchise Disclosure Document.
>
> The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section

31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The highest interest rate allowed by law in California is 10% annually.

The Franchise Agreement and Area Development Agreement contain covenants not to compete which extend beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

3. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

CALIFORNIA
ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT (this "Addendum") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "Franchise Agreement") dated _____, by and between HAWKS KIDS INC., a California corporation, as franchisor ("Franchisor"), and _____, as franchisee ("Franchisee"). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

1. For the purposes of Cal. Bus. & Prof. Code Section 20022, Franchisor and Franchisee agree that:

   a. They will use the declining-balance depreciation method to calculate the value of Franchisee's assets (inventory, supplies, equipment, fixtures, and furnishings) for the purposes of a purchase by Franchisor under Section 20022. The purchase price by Franchisor for these assets will not include the cost of removal and transportation of those assets, which will be Franchisee's responsibility.

   b. For the purposes of Section 20022, Franchisee is not able to provide to Franchisor with "clear title and possession" to Franchisee's Assets if those Assets are subject to liens or encumbrances including: (i) purchase money security interests; (ii) blanket security interests; (iii) rights of first refusal; (iv) liens by franchisee's landlord; or (v) tax liens.

   c. For the purposes of Section 20022(h), Franchisor's right of offset will include the following amounts owed by Franchisee to Franchisor or Franchisor's Affiliates: (i) Continuing Royalty Fees; (ii) Advertising Fund Fees; (iii) Transfer Fees; and (iv) any other type of fee owed by Franchisee to Franchisor or Franchisor's Affiliates.

2. For the purposes of Cal. Bus. & Prof. Code Section 20035, Franchisor and Franchisee agree that:

   a. "Fair market value of the franchise assets" means the value of Franchisee's Assets, valued according to the declining-balance method of depreciation. The purchase price by Franchisor for the Assets will not include the cost of removal and transportation of those assets, which will be Franchisee's responsibility.

   b. "Fair market value of the franchised business" means the "fair market value of the franchise assets" as defined above, plus goodwill. The parties agree that the value of goodwill is the amount of Royalty Fees paid by Franchisee to Franchisor within the twelve (12) month period immediately before Franchisor's termination or failure to renew if Franchisor are in violation of the California Franchise Relations Act.

3. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision.

This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:

HAWKS KIDS INC.
A California corporation

By: _____
Name: _____
Title: _____

FRANCHISEE:

(IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By: _____
Name: _____
Title: _____

OR

(IF FRANCHISEE IS AN INDIVIDUAL):

_____
Print Name

_____
Signature

_____
Print Name

_____
Signature

CALIFORNIA

ADDENDUM TO AREA DEVELOPMENT AGREEMENT

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this "Addendum") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Area Development Agreement (the "Development Agreement") dated _____, by and between HAWKS KIDS INC., a California corporation, as franchisor ("Franchisor"), and _____, as Area Developer ("Area Developer"). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

1. For the purposes of Cal. Bus. & Prof. Code Section 20022, Franchisor and Area Developer agree that:

   a. They will use the declining-balance depreciation method to calculate the value of Area Developer's Assets (inventory, supplies, equipment, fixtures, and furnishings) for the purposes of a purchase by Franchisor under Section 20022. The purchase price by Franchisor for these assets will not include the cost of removal and transportation of those Assets, which will be Area Developer's responsibility.

   b. For the purposes of Section 20022, Area Developer is not able to provide to Franchisor with "clear title and possession" to Area Developer's Assets if those Assets are subject to liens or encumbrances including: (i) purchase money security interests; (ii) blanket security interests; (iii) rights of first refusal; (iv) liens by Area Developer's landlord; or (v) tax liens.

   c. For the purposes of Section 20022(h), Franchisor's right of offset will include the following amounts owed by Area Developer to Franchisor or Franchisor's Affiliates: (i) Continuing Royalty Fees; (ii) Advertising Fund Fees; (iii) Transfer Fees; and (iv) any other type of fee owed by Area Developer to Franchisor or Franchisor's Affiliates.

2. For the purposes of Cal. Bus. & Prof. Code Section 20035, Franchisor and Area Developer agree that:

   a. "Fair market value of the franchise assets" means the value of Area Developer's Assets, valued according to the declining-balance method of depreciation. The purchase price by Franchisor for the Assets will not include the cost of removal and transportation of those assets, which will be Area Developer's responsibility.

   b. "Fair market value of the franchised business" means the "fair market value of the franchise assets" as defined above, plus goodwill. The parties agree that the value of goodwill is the amount of Royalty Fees paid by Area Developer to Franchisor within the twelve (12) month period immediately before Franchisor's termination or failure to renew if Franchisor are in violation of the California Franchise Relations Act.

3. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed

by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:

HAWKS KIDS INC.
A California corporation

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

(IF AREA DEVELOPER IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Area Developer Entity]

By: _____
Name: _____
Title: _____

OR

(IF AREA DEVELOPER IS AN INDIVIDUAL):

_____
Print Name

_____
Signature

_____
Print Name

_____
Signature

HAWKS KIDS INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT G
FINANCIAL STATEMENTS

HAWKS KIDS INC

FINANCIAL STATEMENTS

AUGUST 15, 2024

(AUDITED)

CWGB&S CPAs
CASHUK, WISEMAN, GOLDBERG, BIRNBAUM, & SALEM, LLP
Certified Public Accountants

2851 Camino Del Rio South | Suite 410 | San Diego, CA 92108-3808 | P (619) 563-0145 | F (619) 563-9584 | www.cwgcpa.com

HAWKS KIDS INC
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Member of AICPA

PARTNERS

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Michael Selamet Kwee, CPA

CWGB&S CPAs

Certified Public Accountants

CalCPA

OFFICE MANAGER

Tanya Davis

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholder of
Hawks Kids Inc

Opinion

We have audited the accompanying financial statements of Hawks Kids Inc (a California corporation), which comprise the balance sheet as of August 15, 2024, and the related statements of income, stockholder's equity, and cash flows for the 75 days then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hawks Kids Inc as of August 15, 2024, and the results of its operations and its cash flows for the 75 days 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. 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 Hawks Kids Inc 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 Hawks Kids Inc 's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

2851 Camino Del Rio South | Suite 410 | San Diego, CA 92108-3808 | P (619) 563-0145 | F (619) 563-9584 | www.cwgcpa.com

In performing an audit in accordance with generally accepted auditing standards, 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 Hawks Kids Inc '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 Hawks Kids Inc '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.

Cashuk, Wiseman, Goldberg, Birnbaum & Salem, LLP

CASHUK, WISEMAN, GOLDBERG, BIRNBAUM AND SALEM, LLP

San Diego, California
August 16, 2024

HAWKS KIDS INC
BALANCE SHEET
August 15, 2024

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents (Note A)	$	100,000
TOTAL ASSETS	**$**	**100,000**

LIABILITIES AND STOCKHOLDER'S EQUITY

TOTAL LIABILITIES	$	-
STOCKHOLDER'S EQUITY		
Common Stock - 40,000,000 Shares Authorized, 1,000 Issued and Outstanding		1,000
Additional Paid in Capital		99,000
Retained Earnings (Accumulated Deficit)		-
TOTAL STOCKHOLDER'S EQUITY (DEFICIT)		100,000
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$**	**100,000**

The accompanying notes are an integral part of these financial statements.

CWGB&S CPAs
Certified Public Accountants
Telephone (619) 563-0145
Fax (619) 563-9584 • www.cwgcpa.com

HAWKS KIDS INC
STATEMENT OF INCOME
75 Days Ended August 15, 2024

TOTAL REVENUES (Note A)	$ -
TOTAL EXPENSES	-
INCOME (LOSS) BEFORE TAXES	-
Income Tax Expense (Note B)	-
NET INCOME (LOSS)	$ -

The accompanying notes are an integral part of these financial statements.

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HAWKS KIDS INC
STATEMENT OF STOCKHOLDER'S EQUITY
75 Days Ended August 15, 2024

	Common Stock		Additional Paid In Capital	Retained Earnings	Total
	Shares	Amount			
Beginning Balance, July 1, 2024	-	$ -	$ -	0	$ -
Contributions	1,000	1,000	99,000	-	100,000
Distributions	-	-	-	-	-
Net Income (Loss)	-	-	-	-	-
Ending Balance, August 15, 2024	**1,000**	**$ 1,000**	**$ 99,000**	**$ -**	**$ 100,000**

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HAWKS KIDS INC
STATEMENT OF CASH FLOWS
75 Days Ended August 15, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income (Loss)	$ -
Adjustments to Reconcile Net Income to Net Cash	
Provided(Used) by Operating Activities:	
Depreciation	-
Cash Provided(Used) by Changes in	
Operating Assets and Liabilities:	
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	-
INVESTING ACTIVITIES	
Purchases of Property & Equipment	-
CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	-
FINANCING ACTIVITIES	
Proceeds from Issuance of Stocks and Add'l Paid-in-Capital	100,000
CASH PROVIDED BY FINANCING ACTIVITIES	100,000
INCREASE IN CASH AND CASH EQUIVALENTS	100,000
Cash and Cash Equivalents at Beginning of Year	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 100,000

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NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Hawks Kids Inc (the Company) was incorporated under the laws of the State of California on July 1, 2024. The Company has adopted a December 31 calendar year end for reporting requirements.

2. The Company is a franchisor that will provide a unique franchise system to its franchisees. The Company will sell franchise licenses to business owners in certain states. The license will provide the franchisee the right to the Company's trademarks, training, processes, software and other supports to help them operate an independent nature-based youth enrichment programs (including afterschool, day camps and other programs). The Company will collect monthly royalty and support fees from the franchisees.

3. Revenue Recognition-The Company accounts for revenue using the accounting method prescribed under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topics 606, "*Revenue from Contracts with Customers*" which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in the United States of America generally accepted accounting principles. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

   Under the new guidance, the Company determines if the pre-opening activities contain any distinct goods or services. A good or service that is promised to a franchisee is distinct if both of the following criteria are met: (a) the franchisee can benefit from the good or service either on its own or together with other resources that are readily available to the franchisee, and (b) the Company's promise to transfer the good or service to the franchisee is separately identifiable from other promises in the contract. The transaction is then allocated to distinct performance obligations based on standard selling prices.

   In January 2021, FASB issued Accounting Standards Update No. 2021-02, *"Franchisor-Revenue from Contracts with Customers"*, creating a practical expedient that simplifies the identification of performance obligations for private company franchisors for certain pre-opening services. The Company made the election to use this practical expedient to recognize the pre-opening services as a single performance obligation.

   Pre-opening services are defined as follows:

   a. Assistance in the selection of a site
   b. Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and lease negotiation
   c. Training of the franchisee's personnel or the franchisee
   d. Preparation and distribution of manuals and similar materials concerning operations, administration, and record keeping

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NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CON'T:

Revenue Recognition-Con't

e. Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes or about regulations affecting the franchisee's business
f. Inspection, testing, and other quality control programs

As provided by the practical expedient, pre-opening services provided by the Company to a franchisee are accounted for as a single performance obligation, distinct from franchisee license. Accordingly, initial fees allocated to pre-opening services are recognized when those services are performed consistent with current GAAP. There was no deferred revenue in 2023.

Revenue is recognized when all material services or conditions relating to the sale have been substantially, performed or satisfied by the company (usually upon commencement of franchisee obtaining capacity of earning fees). Fees received before this time are deferred and included in deferred franchise fees. There was no franchise fees as of August 15, 2024.

Franchise royalties and support fees are recognized when earned and are stated net of all related franchisee costs. There were no royalties and support fees in 2023.

4. Cash & Cash Equivalents for purposes of the statement of cash flows, include cash on hand, cash in checking and savings accounts with banks. All short-term debt securities with a maturity of three months or less are considered cash equivalents.

5. Accounts Receivable-consist of fees related to services rendered and sales completed in the current year but were not received as of the balance sheet date. Management determines an allowance for doubtful accounts based on specific identification of uncollectible receivables and historical collection rates. Uncollectible receivables are written off after all attempts at collection are exhausted. There was no accounts receivable as of August 15, 2024.

6. Use of Estimates-The preparation of financial statements in conformity with generally accepted accounting principles 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 the estimates.

7. Leases-Effective January 1, 2022, the Company adopted the requirements of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-02, "*Leases* (Topic 842)" and all related amendments. The Company elected to apply the practical expedient of forgoing the restatement of comparable periods. Consequently, the 2021 financial statements and disclosures do not reflect the effects of implementing the new lease standard. In addition, the Company elected the practical expedients permitted under transition guidance to not reassess leases entered into prior to adoption.

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NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CON'T:

As permitted under ASC 842, the Company made an accounting policy election to exempt leases with an initial term of 12 months or less from balance sheet recognition. Instead, short-term leases are expensed over the lease term with no impact to the balance sheet.

Under this approach, operating leases are measured and recorded as operating leases as of January 1, 2022 and existing capital leases are carried over at their carrying value and classified as finances leases. The Company's operating lease at August 15, 2024 is a short-term lease and has been elected to be exempt from balance recognition. The Company had no finance leases as of August 15, 2024.

8. Concentration of Cash and Credit Risk-The Company maintains corporate cash balances which, at times, may exceed federally insured limits. Management believes it is not exposed to any significant risk on its cash balances. At year end, the Company has no uninsured cash balances.

9. Property and Equipment are stated at cost. The straight-line method of depreciation is followed for financial reporting purposes. Depreciation is provided in amounts sufficient to relate the cost of assets to operations over their estimated service lives or the lives of the respective leases, whichever is shorter. As the Company's accounting policy, maintenance and repairs are charged to expense. Major renewals and improvements are capitalized. Gains and losses on dispositions are credited or charged to earnings as incurred. For federal income tax purposes, depreciation is computed using the accelerated cost recovery system and the modified accelerated cost recovery system.

   There was no property and equipment as of August 15, 2024.

10. Fair Value of Financial Instruments-Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, "*Fair Value Measurements and Disclosures*", defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

    The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

    Cash and Cash Equivalents-The carrying amounts reported in the balance sheets for these items are a reasonable estimate of fair value.

11. Advertising Costs are expensed in the year incurred. The Company incurred no advertising expense in period ended August 15, 2024.

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NOTE B-INCOME TAXES:

The Company accounts for income taxes in accordance with the FASB ASC Topic 740, *Income Taxes*, which requires the recognition of deferred income taxes for the differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate principally to depreciation and amortization of property and equipment, related party interest and allowance for loan losses. Deferred tax assets and liabilities represent the future tax consequence for those differences, which will either be deductible or taxable when the assets and liabilities are recovered or settled. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company adopted the provisions of FASB ASC 740-10-25, which prescribes a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns. FASB ASC 740-10-25 also provides guidance on de-recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, and accounting for interest and penalties associated with tax positions.

The Company does not have any accruals for uncertain tax positions as of August 15, 2024. It is not anticipated that unrecognized tax benefits would significantly increase or decrease within 12 months of the reporting date.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to report information regarding its exposure to various tax position taken by the Company. The Company has determined whether any tax positions have met the recognition threshold and have measured the Company's exposure to those tax positions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Company are recorded in operating expenses. No interest or penalties from federal or state taxing authorities were recorded in the accompanying financial statements.

No income tax was recorded for the 75days period ended August 15, 2024.

NOTE C-RETIREMENT PLAN:

The Company does not sponsor any retirement plan for its employees.

NOTE D-FAIR VALUE MEASUREMENTS:

FASB ASC Topic 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs).

In accordance with FASB ASC Topic 820, the following summarizes the fair value hierarchy:

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NOTE D-FAIR VALUE MEASUREMENTS-CON'T:

Level 1 Inputs—Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.

Level 2 Inputs—Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs—Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

FASB ASC Topic 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of August 15, 2024, there were no assets and liabilities measured at fair value.

NOTE E-SUBSEQUENT EVENT:

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through August 16, 2024, the date the financial statements were available to be issued. There were no other subsequent events requiring adjustments to and disclosures in the financial statements as of and for the period ended August 15, 2024.

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HAWKS KIDS INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT H
STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 (866) 275-2677 Website: www.dfpi.ca.gov Email: Ask.DFPI@dfpi.ca.gov	California Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 (866) 275-2677 Website: www.dfpi.ca.gov, Email: Ask.DFPI@dfpi.ca.gov
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96810 (808) 586-2722	Commissioner of Securities, Department of Commerce & Consumer Affairs 335 Merchant Street Room 203 Honolulu, Hawaii 96813 (808) 586-2722
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA	Indiana Secretary of State Securities Division 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State Securities Division 201 State House 200 West Washington Street, Indianapolis, Indiana 46204 (317) 232-6531
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360	Maryland Securities Commissioner Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN	Consumer Protection Division, Antitrust and Franchising Unit Michigan Department of Attorney General 670 G. Mennen Williams Building 525 West Ottawa, 1st Floor Lansing, Michigan 48933 (517) 335-7567	Michigan Department of Commerce Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, Michigan 48909 (517) 241-6345
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600	Minnesota Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NEW YORK	Office of the New York State Attorney General Investor Protection Bureau Franchise Section 28 Liberty Street, 21st Floor New York, New York 10005-1495 (212) 416-8236 (Phone) (212) 416-6042 (Fax)	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor, Department 414 Bismarck, North Dakota 58505-0510 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol Fifth Floor, Department 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387
RHODE ISLAND	Securities Division State of Rhode Island Department of Business Regulation Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue, Cranston, Rhode Island 02920-4407 (401) 462 9582	Director, Securities Division Department of Business Regulation, Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue, Cranston, Rhode Island 02920-4407 (401) 462 9582
SOUTH DAKOTA	Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Director, Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising First Floor 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, First Floor Richmond, Virginia 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Road S.W., 3rd Floor Tumwater, Washington 98501 (360) 902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road S.W., 3rd Floor Tumwater, Washington 98501 (360) 902-8760
WISCONSIN	Franchise Registration Division of Securities 201 West Washington avenue, Suite 300 Floor Madison, Wisconsin 53703 (608) 266-2139	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703 (608) 266-2139

HAWKS KIDS INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT I
LIST OF FRANCHISES

LIST OF FRANCHISEES
AS OF DECEMBER 31, 2023

List of Current Franchisees

None

List of Transfers

None

Outlets that were Terminated, Not Renewed or Ceased Operations for Other Reasons

None

List of Franchisees Who Signed Agreements but the Locations are not Open

None

IF YOU BUY THIS FRANCHISE, YOUR CONTACT INFORMATION MAY BE DISCLOSED TO OTHER BUYERS WHEN YOU LEAVE THE FRANCHISE SYSTEM.

HAWKS KIDS INC.
FRANCHISE DISCLOSURE DOCUMENT

EFFECTIVE DATES

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration as of the Effective Date stated below:

State	Effective Date
California	Pending

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.

HAWKS KIDS INC.
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT J
RECEIPTS

RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Hawks Kids Inc. offers you a franchise, Hawks Kids Inc. must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that we give you this Disclosure Document at the earlier of 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Hawks Kids Inc. 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 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 H.

The franchisor is Hawks Kids Inc., located at 1525 N Alvarado St Unit 26012, Los Angeles, California 90026; Telephone: (323) 213-9763.

Issuance Date: August 16, 2024

The name, principal business address and telephone number of each Franchise Seller offering the Franchise: Emma Flanders, 1525 N Alvarado St Unit 26012, Los Angeles, California 90026, Telephone: 323-213-9763; and_____.

We authorize the persons and/or entities listed on Exhibit H to receive service of process for us.

I have received a Disclosure Document dated August 16, 2024. This Disclosure Document includes the following Exhibits:

Exhibit A Franchise Agreement
Exhibit B Area Development Agreement
Exhibit C Confidentiality Agreement for Prospective Franchisees
Exhibit D Non-Disclosure and Confidentiality Agreement for Employees of Franchisee
Exhibit E General Release
Exhibit F State Specific Addenda
Exhibit G Financial Statements
Exhibit H State Administrators and Agents for Service of Process
Exhibit I List of Franchisees
EFFECTIVE DATES
Exhibit J Receipts

_____ _____

Date Franchisee

Please sign this copy of the Receipt, date your signature, and return it to: Emma Flanders, 1525 N Alvarado St Unit 26012, Los Angeles, California 90026, Telephone: 323-213-9763; Email: emma@hawkskids.com.

RECEIPT

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The franchisor is Hawks Kids Inc., located at 1525 N Alvarado St Unit 26012, Los Angeles, California 90029; Telephone: (323) 213-9763.

Issuance Date: August 16, 2024

The name, principal business address and telephone number of each Franchise Seller offering the Franchise: Emma Flanders, 1525 N Alvarado St Unit 26012, Los Angeles, California 90029, Telephone: (323) 213-9763; and_____.

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Exhibit H State Administrators and Agents for Service of Process
Exhibit I List of Franchisees EFFECTIVE DATES
Exhibit J Receipts

_____ _____

Date Franchisee

Keep this copy for your records. This Disclosure Document may be available in several formats including on paper, on a CD, in pdf format or on our website: www.hawkskids.com.