FRANCHISE DISCLOSURE DOCUMENT
LITTLE DIGGERS FRANCHISING, LLC
6327 Sawmill Road
Dublin, Ohio 43017
614-259-7559
zach@littlediggersplayspace.com

The franchisor, Little Diggers Franchising, LLC ("Little Diggers," "us" or "we"), is in the business of operating and franchising indoor playgrounds for children under the "Little Diggers" name that features a venue for recreational activities, birthday parties, and other group events, and that features attractions related to sandbox play within each respective indoor playground facility. The franchisee will operate a Little Diggers facility.

The total investment necessary to begin operation of a Little Diggers franchise ranges from **$349,760-$495,425**. This includes a total of **$88,905-$95,500** that must be paid to the franchisor.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to 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 us at Little Diggers Franchising, LLC, 6327 Sawmill Road, Dublin, OH 43017.

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 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.

ISSUED: April 28, 2026

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.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Little Diggers 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 Little Diggers franchisee?	Item 20 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 B.

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

Special Risks to Consider About *This* Franchise Certain states require that the following risk(s) be highlighted:

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

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

3. **Start-Up Franchisor**. Franchisor is a new franchisor who does not have a long history of franchising.

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

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.

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Item 1:
The Franchisor, and Any Parents, Predecessors and Affiliates

Franchisor, Parent, and Affiliates

The Franchisor is Little Diggers Franchising, LLC, which will be referred to as "**LITTLE DIGGERS**", "**we**", "the franchisor," or "**us**". The principal address of the franchisor is **6327 Sawmill Road, Dublin, OH 43017**. The franchisor has no parents or affiliates that offer franchises in any line of business.

The franchisor has not conducted business in any other line of business. It has not offered franchises in any other line of business.

The franchisor's affiliate, Tophouse Tech, LLC, an Ohio limited liability company, is the only approved supplier for the required customer relationship management software.

The franchisor's affiliate, HWC Distributing, LLC, an Ohio limited liability company, is the only approved supplier for the certain sand toys and other related items.

The franchisor's affiliate, Little Diggers Playspace, LLC, an Ohio limited liability company, is the owner of three corporate facilities.

The franchisor began offering franchises for sale on January 1, 2025.

The term "**you**" means the person, corporation, limited liability company, partnership or other legal entity that is granted the franchise (as well as the direct and indirect owners of any corporation, limited liability company, partnership, or other legal entity that becomes a franchisee).

We are an Ohio limited liability company. We currently do business under the name "Little Diggers."

Predecessors

There are no predecessors to Little Diggers Franchising, LLC.

Franchisor's Date of Formation

Little Diggers Franchising, LLC was formed as an Ohio limited liability company on November 18, 2024.

The Business We Offer

We grant franchises for facilities operating under the "Little Diggers" name (and using our other Little Diggers trademarks) and using our proprietary operations systems. (For reference purposes in this Franchise Disclosure Document, we call the Facilities in our system "Little Diggers Facilities"; we use the term "Facility" to describe the Little Diggers Facility that you will operate.)

Play facilities include specially formulated sand, as well as proprietary systems and processes for keeping the play areas clean and presentable, that are branded, trademarked, and/or packaged

exclusively for our system and franchise owners. We create the standards for our indoor playgrounds and facilities. If you acquire a franchise, you must operate your Facility according to our business formats, methods, procedures, designs, layouts, and specifications.

Prior Experience

The officers of Little Diggers Franchising, LLC have owned and operated the Little Diggers Facilities in Dublin, Ohio and Cleveland, Ohio since 2023.

Agent For Service of Process

Our agents for service of process are listed in Exhibit B.

The Little Diggers Franchise

We may periodically make changes to the systems, standards, signage, and equipment requirements. You may have to make additional investments in the franchised business periodically during the term of the franchise if those kinds of changes are made or if your Facility's equipment or facilities wear out or become obsolete, or for other reasons (for example, as may be needed to comply with a change in the system standards or local, state, or federal law). All Little Diggers Facilities must be developed and operated to our specifications and standards. Consistency of experience with Little Diggers is important, and you have no discretion to offer products or services other than those set forth in our Operating Manual, which may be amended by us from time to time. The franchise agreement is limited to a single Little Diggers Facility, which will be set forth in the franchise agreement. However, we will not franchise or license others in your Territory (see Item 12). All of our franchised facilities are exclusive to our first franchisee in that respective licensed Territory.

Industry-Specific Regulations

You must comply with all local, state, and federal laws that apply to your Facility operations, including health, sanitation, EEOC, OSHA, discrimination, employment, and sexual harassment laws. You should investigate the application of these laws further.

General Description of the Competition to the Franchisee's Business

Your Facility will offer products and services to the general public throughout the year and compete with other indoor playgrounds, trampoline parks, and outdoor playgrounds. The market for indoor sandbox playgrounds is new and developing. The market is competitive. Nevertheless, we believe that Little Diggers Facilities appeal to consumers because of our concept, product and service quality.

Item 2:
Business Experience

CEO: Zach Bowers

Mr. Bowers has been the CEO of Little Diggers Franchising, LLC, 6327 Sawmill Road, Dublin, OH 43017, since April 2023. Prior to that, he served as CTO and co-founder of Tribevest, 1275 Kinnear Road, Columbus, from 2019 until 2023.

Regional Manager: Olivia Sciulli

Ms. Sciulli has been the regional manager of Little Diggers Franchising, LLC since October 2023. Prior to that, Ms. Sciulli was the Client Care Coordinator at Capital Health Home Care, 6479 Reflections Drive, #100, Dublin, OH 43017.

VP Franchise Development: Isaac Bowers

Mr. Bowers has been the regional manager of Little Diggers Franchising, LLC since October 2023. Prior to that, he was Director of Enterprise Accounts at SwipeJobs by Premier Employee Solutions, L199 Walker St North, Sydney, NSW 2060 Australia.

Item 3:
Litigation

There is no litigation that must be disclosed in this item.

Item 4:
Bankruptcy

No bankruptcy information is required to be disclosed in this Item.

Item 5:
Initial Fees

Initial Franchise Fees ("IFF"): The initial franchise fee for a Little Diggers Facility is **Fifty Thousand Dollars ($50,000)**.

You must open your Facility within twelve (12) months of the date you sign the franchise agreement. If you fail to do so, we will retain one half of the IFF, plus any expenses that we actually incurred on your behalf (including, but not limited to travel, marketing, etc.). We will return the remainder of the IFF to you after we deduct half of the IFF, plus the costs that we incurred on your behalf.

A portion of the franchise fee may be refundable if the franchise agreement is terminated early due to your failure to open the Facility within twelve (12) months.

Notes:

We may offer other reduced or deferred IFFs in special circumstances, such as to franchisees who commit to and have the ability to develop a large number of territories. Additionally, we may have special incentive offers in certain markets, such as new and developing markets, which include reduced, waived or deferred IFFs. These special incentives may be offered to existing and/or new franchisees. These reduced fees only apply to those who are in compliance with all of our agreements and requirements. We reserve the right to cancel or modify any incentive program or discount at any time.

Deferral of Initial Franchise Fees in Minnesota and Illinois: In the state of Illinois, the payment of the Initial Franchise Fee from Franchisee to Franchisor shall be deferred until Franchisor has satisfied its pre-opening obligations to Franchisee and the Franchisee has commenced business operations. The Illinois Attorney General's Office and the Minnesota Department of Commerce imposed this deferral requirement due to Franchisor's financial condition.

Refunds:

Unless otherwise mandated by law, and, except as stated above, the IFF is not refundable to you under any circumstance and is paid in consideration of the costs incurred by us in connection with the execution of the Franchise Agreement and with our lost or deferred opportunity to enter into a Franchise Agreement with other prospects.

Initial Fees and Payments For Services or Goods Received From the Franchisor or its Affiliates Before the Business Opens:

Franchisee is responsible for paying franchisor the Initial Franchise Fee, which is **Fifty Thousand Dollars ($50,000)**, before the business opens. This fee is not refundable, except as stated above.

Installment Payments:

Installment payments are not available.

Item 6:
Other Fees

Type of Fee	Amount	Due Date	Remarks
Continuing Franchise Royalty	8% of Net Sales, but not less than $500 per Week (Note 2)	Weekly, Payments will be drawn via ACH on each Wednesday for the prior Monday through Sunday. (Note 2)	Net sales include all revenue from the franchise location actually received by Franchisee, minus sales tax, comps, and voids. Not refundable.
Advertising (Note 3)	2% of Net Sales, but not less than $125 per Week (An additional 1% of Net Sales shall be spent on advertising within Franchisee's market.) Franchisor has the right to increase the ad fund to 3% upon written notice.	Drawn on the same basis as Continuing Franchise Royalty. (Note 2)	Net sales include all revenue from the franchise location actually received by Franchisee, minus sales tax, comps, and voids. Not refundable.
Transfer Fee (Note 4)	$3,000 if transfer is to an existing Little Diggers franchisee or $5,000 if transfer is to a non-affiliated third party	Prior to consummation of transfer	Payable when you sell your franchise. Not refundable.
Transferee Training Fee	Up to $5,000 (Note 4)	Prior to consummation of transfer	Payable when you transfer franchise. Not refundable.
Renewal Fee (Note 5)	$10,000	Upon executing a new franchise agreement	Payable when you exercise your option to renew. Not refundable.
Audit	Cost of audit, plus twice the deficiency	Immediately upon invoice	Payable only if audit shows an understatement of at least 2% of Net Sales for the period audited. Not refundable.
Late Royalty Payment	$100 for each seven day period	When payment of royalty is overdue	Not refundable.

(Note 2)	that the Royalty is late.		
Financial Information Late Fee (Note 6)	$200 per week or any fraction thereof until franchisee has provided financial information	Immediately upon invoice	Not refundable.
Failure to Provide Documents Fee	$100 per week or any fraction thereof until franchisee has provided requested Documents	Beginning 7 days after Little Diggers' written request for Documents	Not refundable.
Relocation Fee (Note 7)	Cost of Relocation Approval Expenses not to exceed $2,500	$2,500 deposit is paid to us upon your request for relocation	Refundable to the extent that our out of pocket Relocation Approval Expenses are less than $2,500
Meeting Non-Attendance Fee (Note 8)	$500	Within 10 days after the seminar or program Franchisee failed to attend	Not refundable.
Meeting Fee (Note 8)	Currently $150 per person, but may be increased to as much as $250 per person.	Prior to the annual Little Diggers Owner Conference	Not refundable.
Insurance Late Fee (Note 6)	$200 per week after 7 day demand, plus 2% of Net Sales Brand Standards Liquidated Damages if proof of insurance is not provided within fourteen (14) days of Little Diggers' written demand	Due immediately. Collected through Electronic Payments.	Not refundable.
Termination as the result of default	$200 per week for each week remaining during the franchise agreement	Within 90 days after the termination as the result of a default	Amount of future minimum royalties which will not be paid. Not refundable.
Brand Standards Fee (Note 9)	$400 per violation, after first receiving written notice	Within 5 days after Franchisee received written notice of the Brand Standard not being met and has	Not refundable.

		received an opportunity to cure it; however, if the notice is for issues related to cleanliness or sand quality, the required period to remedy before being charged the Brand Standards fee is within 72 hours of the notice	
Brand Standards Liquidated Damages	2% of Net Sales after Franchisee has failed to remedy the issue that led to the Brand Standards Fee for a period of five (5) business days	After 5 days of failure to cure the Brand Standards violation after the initial Brand Standards Fee has been charged. Continues until the violation is remedied.	Not refundable.
Franchisor Equipment Default Return Fees	Out of pocket expenses when Franchisor is required to travel or move equipment associated with surrender of secured equipment to Franchisor after Franchisee's breach	Upon invoice from Franchisor.	Not refundable.
Gift Card Program Fee	The amount attributable to your Facility for a gift card program fee that is paid by Franchisor on behalf of your Facility, currently $19.50 per month	Drawn on the same basis as Continuing Franchise Royalty.	Not refundable.
Operation Upon Death or Disability	Upon death or disability of Guarantor or Operator, $500 per day that Franchisor has to operate your Facility until a new	Upon invoice from Franchisor.	Not refundable.

	Operator can be identified and trained, for up to 90 days.		
Assumption of Management Upon Default	Upon abandonment of the Facility, failure to comply with the System and cure the breach noted within the time proscribed in the notice from Franchisor, or the expiration or termination of the Franchise Agreement, $600 per day that Franchisor has to operate your Facility until a new Operator and Franchisee can be identified and trained, for up to 90 days.	Upon invoice from Franchisor.	Not refundable.
Grand Opening Without Franchisor's Permission Fee	$2,500 per day for each day the Facility is open without obtaining written permission from Franchisor for the Grand Opening	Upon invoice from Franchisor. Drawn via ACH.	Not refundable.
Unauthorized Employee Fee	$50,000 for each person (who was employed by any Little Diggers facility or Franchisor within the last 365 days) that you or your affiliates hire during or after the term of your Franchise Agreement is over.	Upon invoice from Franchisor. Paid by Check or Wire Transfer.	Not refundable.
De-Identification Fee	If you fail to remove all Little Diggers signage at	Upon invoice from Franchisor. Paid by Electronic	Not refundable.

	the conclusion of the Term of your Franchise Agreement, you must pay Franchisor for its actual expenses in removing all Little Diggers branding from the Facility, including engaging third parties and/or travel costs, including mileage, rentals, gas, parking, tolls, hotels, and food on the road as applicable.	Payments or other methods.	
Technology Fee	$75/month	Paid monthly to Tophouse Tech, LLC	Not refundable.
Background Check	Franchisor reserves the right to conduct a criminal background check on Franchisee, the cost of which shall not exceed $250.	Prior to Franchisor's execution of the Franchise Agreement	Not refundable
Music licensing fee	Varies by license type	Paid monthly	Approved Supplier
Additional Branded Email Address Fee	$20 per additional email per month	Drawn by Franchisor via Electronic Payments	One branded email address is provided at no charge. Fee applies to each additional branded Little Diggers email address requested by Franchisee. Not refundable.

All fees are uniformly imposed, with the exception of the Continuing Franchise Royalty and the Advertising Fund.

The Continuing Franchise Royalty is charged to all franchisees. However, franchisees may have varying royalty rates, depending on what the royalty rate was at the time that the franchisee opened the business.

The Advertising Fund is charged to all franchisees and corporate facilities.

None of the fees above are refundable.

Note 1. Intentionally omitted.

Note 2. You are required to adopt a 52/53 week year for income tax purposes. Each week, Monday through Sunday, shall be a reporting period ("Reporting Period"). We reserve the right to change the Reporting Period to any less frequent accounting period or method (including monthly, bi-weekly) provided that any such change is communicated to you and that you are provided a commercially reasonable amount of time to prepare for said change. Franchisee shall pay the Royalty Fee following the Reporting Period in which Net Sales were made on the Wednesday following the Sunday that ended the Reporting Period ("Payment Date"). We will require you to purchase and maintain a designated point of sale system ("POS"). We will calculate your royalty based upon sales reflected in the POS royalty report, or an estimated amount if we are unable to ascertain your actual net sales. If the Royalty Fee is not paid timely, you must pay, in addition to the royalty fee, an amount equal to one hundred dollars ($100) for each week (defined as a period of seven (7) days) that you are late on your royalty payment. Beginning the first day of the Reporting Period after the royalty is due, you must pay an additional late fee of One Percent (1%) per month until the royalty fee is paid. Some franchisees may have lower royalty fee rates, depending on what the royalty fee rate was at the time that they entered their respective franchise agreement, some of which were entered into before Franchisor was the owner of the Little Diggers brand.

Note 3. You will pay two percent (2%) of your Net Sales for regional and/or national advertising to be utilized in our sole discretion, provided that said funds are actually utilized for advertising, branding, or marketing expenses ("the Ad Charge"). The Ad Charge will be paid at the same time and in the same manner as the Royalty Fee. We reserve the right to increase the Ad Charge to a maximum of three percent (3%) of net sales. If we increase the Ad Charge, we will provide you with written notice of the increase prior to implementing the increase. If the Ad Charge is not paid timely, you must pay, in addition to the Ad Charge, an amount equal to five percent (5%) of the royalty fee. Beginning the first day of the Reporting Period after the royalty is due, you must pay an additional late fee of One Percent (1%) per month until the royalty fee is paid. You must spend at least One Thousand Five Hundred Dollars ($1,500) on local advertising at the time your Facility opens. In the event of relocation or reopening, you must spend a minimum of Five Thousand Dollars ($5,000) on local advertising at the time of the relocation or reopening.

Note 4. If you transfer your franchise to a transferee who is not a Little Diggers franchisee or which is not owned more than ten percent (10%) by a Little Diggers franchisee, the transfer fee will be $5,000. If you transfer your franchise to a transferee who is a Little Diggers franchisee or is owned more than ten percent (10%) by a Little Diggers franchisee, the transfer fee will be $3,000. We must approve all transfers. We will not unreasonably withhold our consent. We may require your approved transferee to receive training from us on-site at your Little Diggers Facility. In such an event, in addition to the transfer fee, you may be required to pay the out of pocket costs of Franchisor for the on-site training up to a maximum of Ten Thousand Dollars ($10,000). We may require that you or your buyer deposit up to Five Thousand Dollars ($5,000) with us for the on-site training expenses before we approve the transfer from you to your buyer. If we incur less than Five Thousand Dollars ($5,000) in out of pocket costs related to on-site training of your buyer, and your buyer has in fact paid us Five Thousand Dollars ($5,000) we will reimburse your buyer for the amount that was overpaid to us.

Note 5. If you do not materially breach your franchise agreement, you will have the option to renew it for another ten (10) year term. If you exercise your option to renew the agreement, you will be required to pay a Ten Thousand Dollar ($10,000) renewal fee.

Note 6. If a late fee relating to financial statements, financial information, reinspection, audit, insurance, or a penalty relating to an annual meeting is not paid, you must pay interest at the rate of One and One Half Percent (1.5%) per month, but in no event greater than applicable law.

Note 7. Upon request for relocation, Franchisee shall pay a non-refundable deposit of Two Thousand Five Hundred Dollars ($2,500) to us to be applied by us to the Relocation Approval Expenses, which include, but are not limited to, airfare, mileage, food, and lodging.

Note 8. You may be required to attend the annual Little Diggers Owner Conference. There will be a reasonable conference attendance fee per person, not to exceed Two Hundred Fifty Dollars ($250). If you (or a representative of your Little Diggers Facility) fails to attend the annual Little Diggers Owner Conference, you will be charged with a $500 Meeting Non-Attendance Fee via ACH within ten (10) days of the missed conference. The annual Little Diggers Owner Conference is very important to your success as an owner. We reserve the right to waive the Meeting Non-Attendance Fee if the reason for your non-attendance is extremely compelling (e.g. birth of a child, death in the family, illness, etc.).

Note 9. If you fail to uphold the Little Diggers brand standards, you may be charged with a fee of $250 for each instance of brand non-compliance. However, we will not charge you with a Brand Standards Fee unless you have first received written notice (including email) of the nature of the non-compliance and specific steps for what you must do to cure the non-compliance, and you have had that notice for five (5) days. After 5 days, if you do not remedy the non-compliance, we may charge a Brand Standards Fee, or we may choose to deem the non-compliance a default.

Note 10. If you fail to uphold the Little Diggers brand standards, even after you have been charged a Brand Standards Fee, Franchisor will provide you with an additional written notice and give you five (5) more days to remedy the non-compliant issue. If you fail to remedy the brand non-compliance in that period of time, Little Diggers Franchising may charge the Brand Standards Liquidated Damages of 2% of Net Sales for the period of your continuing non-compliance.

Item 7:
Estimated Initial Investment

Your Estimated Initial Investment

Type of Expenditure	Amount	Method of Pay	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee	$50,000 (Note 1)	Lump sum	At signing of Franchise Agreement (and, if applicable, upon obtaining financing)	Us
Commercial Lease Security Deposit and First Month's Rent	$14,000 - $21,000	Lump sum (Note 2)	Prior to opening	Landlord
Other Security Deposits	$0-$750	As incurred	Prior to opening	Utility companies (if applicable)
Licenses and Permits	$500-$1,000	As incurred	Prior to opening	Licensing authorities/government entities
Leasehold Improvements (Note 3)	$175,000 - $270,000	Lump sum	Prior to opening	Contractors
Architect	$11,000 – $13,000	Lump sum	Prior to opening	Architect
Audio-Visual Equipment and Installation	$750-$2,500	Lump sum	Prior to opening	Contractors/Third Parties
Café Equipment, Cooler, and Coffee Kegerator	$1,500-$3,000	As incurred	Prior to opening	Approved Supplier
Furniture, Fixtures, and Equipment	$22,080 - $26,075	As incurred	Prior to opening	Approved Suppliers
Point of Sale System (including license and computer equipment)	$2,500-$3,200	Lump sum	Prior to opening	Approved Supplier

Sandbox Toy Start-Up Package	$5,500-$6,500	Lump sum	Prior to opening	Us or our affiliate
Custom Toy Start-Up Package	$7,905-$9,000	Lump sum	Prior to opening	Us or our affiliate
Sand Purchase and Installation	$25,500-$30,000	Lump sum	Prior to opening	US or our affiliate
Launch Party/ Grand Opening (Note 6)	$1,500 - $3,000	Lump sum	Prior to opening	Various Media and Advertising
Insurance (Note 4)	$750 - $1,500	Lump sum	Prior to opening	Insurance Company
Interior Signage	$6,000-$7,500	Lump sum	Prior to opening	Approved Supplier
Exterior Signage	$7,500 - $12,000	Lump sum	Prior to opening	Local Sign Installer, Local Print Company, Approved Neon Supplier
Travel and Living Expenses During Training (Note 5)	$1,500 - $3,500	As incurred	Prior to opening	Accommodations, air travel, transportation, etc.
Professional Fees	$0- $250	As incurred	Prior to opening	Attorneys and accountants
Initial Office Supplies and Cleaning Inventory	$1,950-$3,000	As incurred	Prior to opening	Approved Supplier
Phone/Internet System	$75-$150	As incurred	Prior to opening	To Approved Supplier
Security System and Cameras	$750-$1,500	As incurred	Prior to opening	Vendors
Additional Funds for 3 Months of Operating Expenses (Note 7)	$15,000 - $30,000	As incurred	As incurred	Employees, vendors, utilities, etc.
TOTAL (Note 8)	**$349,760 – $495,425**			

Notes:

Note 1. The franchise fee for your first franchise will be $50,000. This amount will also be the

initial franchise fee for each additional franchise. A portion of the franchise fee may be refundable if the franchise agreement is terminated early due to your failure to open the Facility within twelve (12) months. See Item 5 for more information.

Note 2. You must secure suitable real estate for your Facility. Typical locations for traditional Little Diggers Facilities are 3,900 to 4,100 square feet. Normally, the real estate is leased. You must obtain our written approval to own your own real estate. The amounts indicated assume that real estate is leased and reflect a typical range of monthly rentals. The amount of your rent is dependent upon factors such as size, condition, market prices, and location. Neither Franchisor, nor its affiliates if any, will lease real estate to you. However, you may be required to engage a real estate broker or construction management company that is an approved vendor of the franchise. The amount of rent, the time at which the rent is due and to whom the rent is paid is subject to negotiation by you and the landlord. Security deposits are payable to landlords and utility companies. We will review your lease to make sure that it is suitable for Franchisor. We will not review your lease on your behalf. You are encouraged to retain a real estate attorney to represent your interests for lease review and negotiation.

Note 3. The opening costs listed in this Item 7 do not include the offset in potential income that many franchisees receive in the form of tenant improvement credits from commercial landlords. The amount of the expense for your leasehold improvements will vary depending upon the existing condition of the real estate, including but not limited to, whether demolition is required, whether additional plumbing or electrical work is required, the status of the HVAC system, and any additional requirements of governmental entities. Typically, the more money a tenant receives in tenant improvement credits, the more expensive the rent will be over the course of the Lease term.

Note 4. You must maintain the following insurance coverage: workers' compensation and occupational disease; general liability, including products liability; with a limit of not less than $1,000,000 per occurrence, and non-owned and hired auto liability with a limit of not less than $1,000,000 per occurrence. Franchisor must be listed as an additional insured on all policies. If you fail to obtain the required insurance, Franchisor may purchase the insurance on your behalf and charge you for it. Franchisor may increase the minimum required amounts of insurance in the future upon thirty (30) days written notice.

Note 5. You will participate in at least five (5), but up to (20) days of hands-on training at a Little Diggers location that will be approved by Franchisor. You are responsible for paying for your own living and travel expenses. You will not be charged any additional fee to be trained. You will not be paid during your training. You will be required to pass a written or electronic test at the conclusion of your training to be permitted to open your Facility. The remainder of your training will be provided by us at your Facility and via the online video classes.

Note 6. You must spend a minimum of One Thousand Five Hundred Dollars ($1,500) on local advertising at the time your facility opens.

Note 7. This estimates your initial start-up expenses, including payroll costs. These estimates are for owner-operated stores and no owner's draw or salary is included in the estimate. These figures are our estimates. We cannot guarantee that you will not have additional expenses starting your business.

Note 8. We have relied on our experience in the indoor playground business to complete these

estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not offer financing.

Item 8:
Restrictions on Sources of Products and Services

The only Approved Supplier for your CRM Software System is our affiliate, Tophouse Tech, LLC ("Tophouse"). You will be required to use the Tophouse CRM. We will not allow alternative suppliers for this item. You must pay the Technology Fee to Tophouse.

The only Approved Supplier for sand toys and related sand items is our affiliate, HWC Distributing, LLC. You will be required to make purchases from HWC Distributing, LLC. We will not allow alternative suppliers for these items.

Required Purchases:

The consistency of customer experience and quality of all Little Diggers facilities is at the core of the continued success of the Little Diggers brand and the future success of your Facility. Accordingly, to ensure quality across all Little Diggers facilities, you must purchase all of your sand, shovels, pails, conveyor belt tools, toys, and all other items that are used in the operation of your business from an Approved Supplier.

You must use a point of sale system through an Approved Supplier. The current Approved Supplier for the point of sale system is Square.

You must use the Approved Supplier for online accounting software.

Franchisor reserves the right to designated an Approved payroll company.

You must purchase all sand directly from Franchisor or its Approved Supplier. Franchisor may determine, at its sole reasonable discretion, that Franchisee must replace all of the sand if such sand becomes unacceptable and fails to meet brand standards due to contamination or other reasons. The cost of such new sand purchase shall not exceed Fifty Thousand Dollars ($50,000) and shall not be required more than once per Term of the Franchise Agreement.

You may be required to subscribe to a monthly music service, such as Rockbot, whereby Franchisor controls the music at the Facility. Such service will have a monthly fee that may be payable to the approved vendor, or may be payable to the Franchisor.

We reserve the right to require you to use vendors approved by us for real estate selection assistance, architectural and design services, and buildout and general contracting for your Facility. We may maintain a list of approved vendors for any or all of these services, which we may update from time to time. If we maintain such a list, you must select your real estate consultant, architect, and/or general contractor from that list. If we have not designated approved vendors for a particular service at the time you require it, you must obtain our prior written approval before retaining any such vendor. You are responsible for all costs associated with these professionals. Our approval of any vendor does not constitute a warranty or guarantee of the quality of their work. All buildout and construction work must conform to our design standards, plans, and specifications. See Section 9(U) of the Franchise Agreement.

In exchange for administering regional or national agreements brand or distributor agreements, Little Diggers Franchising, LLC may derive revenue from your purchases.

We may require that you purchase from a designated supplier of other goods and services in the future. Such requirements will be communicated to you through the Operating Manual and System.

Ownership Interest in Suppliers:

We reserve the right to be the only Approved Supplier for certain items.

Revenue from Franchisee Purchases:

Franchisor does not have any active franchisees at the time of the issuance date of this FDD. However, we may receive payments directly from franchisees and from designated and approved suppliers on account of franchisees' purchases of required and approved items from those suppliers.

Cooperatives:

We do not have any purchasing or distribution cooperatives at this time.

Negotiated Prices:

We negotiate purchase agreements with vendors for customized brand-consistent sand.

Material Benefits:

For your purchases, other than assurance of system wide quality control, we do not provide any material benefit to you if you buy from sources we approve. You will be notified if such material benefits are provided.

Estimated Proportion of Any Required Purchases and Leases in Relation to All Purchases and Leases to be Made by the Franchisee:

(A) The estimated proportion of required purchases and leases in relation to all purchases and leases to be made by the franchisee in establishing the business is approximately four fifths (4/5), or eighty percent (80%) of all purchases and leases to be made by franchisee.

The estimated proportion of required purchases and leases in relation to all purchases and leases to be made by the franchisee in operating the business is approximately three fifths ($3/5^{ths}$), or sixty percent (60%) of all purchases and leases to be made by franchisee.

Item 9:
Franchisee's Obligations

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site Selection and Acquisition/Lease	Franchise Agreement ("FA"): Sections 3(C), 14(B), (C)	Items 1 and 7
b. Pre-Opening Purchases	FA: Sections 8(E), 9(C), (H)	Item 7
c. Site Development and Other Pre-Opening Requirements	FA: Sections 3(C), 8, 9, 9(U)	Item 7
d. Initial and On-Going Training	FA: Section 3	Item 11
e. Opening	FA: Sections 4(A), 9(B), 11(D),	Item 11
f. Fees	FA: Section 4	Items 5 and 6
g. Compliance with Standards and Policies/Operating Manual	FA: Section 2	Item 11
h. Trademarks and Proprietary Information	FA: Section 13	Item 13
i. Restrictions on Products/Services Offered	FA: Sections 2, 9(D)	Item 16
j. Warranty and Customer Service Requirements	FA: Section 2	Item 11
k. Territorial Development and Sales Quotas	Not Applicable	Not Applicable
l. Ongoing Product/Service Purchases	FA: Section 9	Item 8
m. Maintenance, Appearance, and Remodeling Requirements	FA: Section 8(A-B), 8(D)	Not Applicable
n. Insurance	FA: Section 9(H)	Item 6
o. Advertising	FA: Section 11	Items 5 and 6
p. Indemnification	FA: Section 9(G)	Not Applicable
q. Owner's Participation in Management/Staffing	FA: Section 9(J)	Item 15
r. Records/Reports	FA: Section 4	Item 6
s. Inspections/Audits	FA: Sections 4, 11, 12	Items 6 and 11
t. Transfer	FA: Section 15	Item 17

u. Renewal	FA: Section 7(B)	Item 17
v. Post-Termination Obligations	FA: Sections 14, 15, 16	Item 17
w. Non-Competition Covenants	FA: Section 14	Item 17
x. Dispute Resolution	FA: Section 16(E)(vii)(2)	Not Applicable
y. Personal Guaranty of Franchisee's Obligations Security Interest	FA: Section14, Attachment B to FA FA: Section 5	Item 15 Not Applicable

Item 10:
Financing

We do not offer financing to any of our franchisees. We will not guaranty your note, lease, or other obligations.

Item 11:
Franchisor's Assistance, Advertising, Computer Systems and Training

Except as listed below, Franchisor is not required to provide you with any assistance.

We may provide any of these services through our employees and representatives, through our affiliates or through any third party provider we designate.

Pre-Opening Assistance

The following are our obligations prior to or at the opening of your Facility:

1. Assist you with and approve the location that you select (Franchise Agreement, Section 6). We do not own or lease the building in which you will be operating your business. We will not assist you in negotiating your lease. The Location you select must be within the geographic area specified in Section 6 of the Franchise Agreement. In evaluating the site for approval, we take into account local competition, parking, whether there is an unobstructed view of the location from the street, the number of people and households within the geographic area of the proposed site, the median age of the area residents, the average income of such residents, and the size of the proposed facility. Franchisor shall act promptly to determine whether or not to approve Franchisee's proposed location, but shall provide an answer to Franchisee within ten (10) business days of the date when Franchisee submitted all of the information requested by Franchisor as it relates to the proposed location. In the event that Franchisor and Franchisee cannot agree on a Location, Franchisee must submit another location for Franchisor's approval within the geographic area specified in Section 6 of the Franchise Agreement. The failure of Franchisor to approve a proposed location does not provide Franchisee with additional time to open. If the Facility is not open for business to the public within twelve (12) months of the date you sign the Franchise Agreement, the Agreement may be terminated at the option of either Franchisor or Franchisee. In the event of such a termination, Franchisor shall be entitled to keep one half of the Initial Franchise Fee paid by Franchisee, plus any costs Franchisor actually incurred on behalf of Franchisee ("Failure to Open Remedy Amount"). Franchisor shall return the Initial Franchise Fee actually paid by Franchisee, minus the Failure to Open Remedy Amount, within ten (10) business days of either party's notification in writing to the other party of its decision to terminate this Agreement; provided, however that if Franchisee provides only half of the IFF, Franchisor shall not be required to issue any refund. (Franchise Agreement Section 3, 6).

2. Assist you with the layout of the Facility (Franchise Agreement, Sections 2 and 3).

3. Provide you with the Little Diggers Operating Manual (Franchise Agreement, Section 2). This manual contains the proprietary System for operating a Little Diggers Facility.

4. Assist you with the selection of fixtures, signs, opening inventory, supplies, and equipment for your Facility. The franchisor reserves the right to sell these items directly to the franchisee, or to provide names of Approved Suppliers and written specifications. Franchisor does not deliver or install any signs, opening inventory, supplies, or equipment to your Facility. Specifications for fixtures and equipment are in the Operating Manual. You will be required to purchase all fixtures and equipment (Franchise Agreement, Section 9).

5. Specify approved sources of suppliers and distributors (Franchise Agreement, Sections 3

and 9).

6. Train you or the individual who will be personally involved in the conduct and operation of your Facility (Franchise Agreement, Section 3).

7. Travel to your Location and provide from at least one member of our training team at least three (3) days of pre-opening assistance at your Facility. (Franchise Agreement, Section 3)

8. Provide Franchisee with one (1) Little Diggers branded email address for the Facility at no additional charge. Additional branded email addresses are available at a cost of $20.00 per address per month. (Franchise Agreement, Section 8(G))

Opening Time

The typical length of time that it takes to open a Little Diggers Facility is two months to ten months after you execute the Franchise Agreement and obtain financing. The factors that affect this time are the identification of a suitable location, the ability to obtain a lease, building permits, local ordinances and zoning, the oppressiveness (or lack thereof) of the local governmental entity, weather conditions, the skill of the contractor hired for build out, the extent of the buildout that is required, and installation of equipment, fixtures, signage – and, *most importantly, your ability to continuously follow up with all parties*. We must approve your Facility before opening. (We will not unreasonably withhold our consent.) The time for opening may be longer if you purchase the real estate than if you are leasing.

We will designate the date you will open for business. If your Facility is not open and doing business within twelve (12) months after the Franchise Agreement is signed, either you or us may terminate the Franchise Agreement. In the event of such a termination, Franchisor will be entitled to keep one half of the Initial Franchise Fee, plus any costs Franchisor actually incurred on your behalf. (Franchise Agreement, Section 4). For the sake of clarity, if you only paid half of the IFF as a deposit prior to securing lending, none of the IFF deposit is refundable.

Post-Opening Assistance

During the operation of the Facility, we will do all of the following:

1. Assist you on site at your Facility for two (2) days, which will be the day of your grand opening, and the day after ("the initial onsite assistance").

2. If you request it, we will travel to your Facility and provide additional on-site assistance at your Facility. If you request our presence for any time after the initial onsite assistance opening, you must pay us the amount of Five Hundred Dollars ($500) per day, plus the actual travel expenses that we incur (including mileage, airfare, rental car, fuel, taxi/Uber, and tolls). (Franchise Agreement, Section 3). We will send you an invoice for the total amount of expenses (the daily $500 rate plus travel) incurred, which you will be responsible for paying within thirty (30) days of the invoice. You agree that we may collect the payment by Electronic Transfer.

3. Periodically meet or consult with you concerning the operation of your Facility. We do not have (an obligation to meet or consult with you at any specific time, rate, or frequency (Franchise Agreement, Section 3).

4. Loan you a copy of the Operating Manual, which currently contains 72 pages, but is regularly updated via the online intranet. The Operating Manual is strictly confidential and remains our property. We may modify the Operating Manual, but any alteration of the Operating Manual will not modify your rights under the Franchise Agreement (Franchise Agreement, Section 2).

Advertising/Marketing

The Ad Charge of two percent (2%) of Net Sales will be debited on a weekly basis from your bank account. Facilities owned by us (if any) or by our officers (if any) will be subject to the same Ad Charge as any other Little Diggers Facility. We may increase the amount of the Ad Charge to as high as three percent (3%) by providing ninety (90) days written notice to you.

The Ad Fund (funded by Ad Charges) will be used for national advertising, marketing, and public relations campaigns, through a number of means, including, but not limited to Internet, video, print media, television, billboards, or any other advertising or marketing medium. The funds from the Ad Charge will be spent by and controlled by us. The Ad Charge funds will be held in a separate Ad Fund.

Franchisee is not permitted to create a website for the Facility. Franchisee is not permitted to create a social media account (broadly defined as the term is commonly understood) for the Facility, unless Franchisee has been given permission in writing (including email) from Little Diggers and strictly adheres to any guidelines set forth by Little Diggers regarding such social media usage.

At the time of the issuance of this FDD, there have not yet been any Ad Charge payments collected, received, or spent.

A franchisee may obtain an accounting of the Ad Fund on request.

The franchisor is not required to spend any amount on advertising in franchisee's area or territory.

No advertising funds have been or will ever be used to solicit new franchise sales.

You must spend at least one percent (1%) of your Net Sales on Local Advertising; provided, however, that such advertising must first be approved by Franchisor. You shall maintain for inspection by us all bills, invoices, canceled checks, and other proof of expenditures for Local Advertising. All Local Advertising and marketing materials (including coupons) that you desire to use shall be subject to our prior written approval, which approval shall not be unreasonably withheld. To obtain approval, you must send us samples of said Local Advertising by email. If you do not receive written disapproval from us regarding prospective Local Advertising or marketing materials within five (5) business days of our receipt of same, we shall be deemed to have approved the Local Advertising and marketing materials. In the event that we disapprove of Local Advertising or marketing materials in writing, you shall immediately cease the use of the same.

In the event that you use unapproved Local Advertising or marketing materials, you must pay a Brand Standards Fee of $250 per occurrence, which shall be debited from your account through Electronic Payments after you have been provided written notice and five (5) days to cure. "Local Advertising" includes, but is not limited to, flyers, labor for delivering flyers, print media, Google Adwords, Facebook advertising, promotions, sponsorships, or any other commercially reasonable

expenditure of money for the purpose of increasing the notoriety of your Facility.

No franchisee is currently required to participate in a cooperative program. However, we reserve the right to alter this policy in the future.

Computer System Requirements

We will require you to purchase and utilize an integrated computer system and applicable software, including a customer relationship management software that is owned by our affiliate, Tophouse Tech, LLC. You will also be required to use the approved point of sale system for Little Diggers, which is currently Square, but may be changed by Little Diggers issuing a System update. We will designate the specifications of the computer hardware to be used, however, you are free to purchase the computer hardware from any vendor. The estimated cost of your point of sale system, including software, telephones, and computer equipment is $2,275-$3,000. We may designate the requirements for the computer that you purchase and the software that you are required to use.

The computer system consists of a point of sale computer system and a customer relationship management system that will be located in your Facility. The types of information stored on the system includes customer phone numbers, addresses, and visit histories, as well as overall inventory and sales reports. Franchisor owns all customer information that is compiled through the Point of Sale System and Customer Relationship Management System, including, but not limited to, names, phone numbers, email addresses, and social media handles.

Franchisor will have independent access to the information generated and stored in the computer system.

You are required to purchase and utilize a video surveillance system that will allow us to monitor the activity at the Facility from a site selected by us. We may designate the manufacturer, model number, and other similar requirements for the video surveillance system. (Franchise Agreement, Section 8).

Training (Franchise Agreement, Section 3)

The Little Diggers training program is mandatory. You and one other individual who will be involved in the operation of your Facility must successfully complete the training program to our satisfaction. The Operator is required to travel to a designated Little Diggers Facility for a total of five (5) days of training. Each day you will work approximately 8 hours during training. You will not be compensated for this time. You or your representative who will be involved in the day to day operations of the Facility must complete the five (5) day training. Franchisor, in its sole discretion, may require additional training at an approved Little Diggers location, depending on your performance during training. If additional training is required, you will have to pay Little Diggers personnel for its travel expenses (including airfare, mileage, rental car, hotel, etc.), if any, as well as the amount of Two Hundred Fifty Dollars $250 per day.

There is no specific timeline that governs exactly how long after signing the Franchise Agreement or before opening the Facility you must complete your training. However, you must complete all training as required by Franchisor prior to opening your Facility, which must occur at least twelve (12) months after signing the Franchise Agreement to avoid the possibility that the Franchise Agreement may be terminated for failure to timely open.

In the event that, you, or your representatives, fail to successfully complete the training program as directed by Franchisor, Franchisor may immediately terminate the Franchise Agreement by providing you with written notice of the failure to successfully complete the training program. After you have signed a mutual release of claims and acknowledgement of franchise agreement termination, you will be provided with a refund of fifty percent (50%) of the Initial Franchise Fee, less any costs that were actually incurred on your behalf by Franchisor. In the event that you have paid less than fifty percent (50%) of the Initial Franchise Fee to Franchisor at the time the notice of termination is provided, Franchisor shall not be obligated to issue any refund to you to effectuate the termination of the Franchise Agreement. The determination of whether you have failed to successfully complete the training program shall be in the sole commercially reasonable discretion of Franchisor, which may consider matters such as whether you missed scheduled training days, whether you were distracted and not fully engaged in training, whether you repeatedly failed to follow directions such that your ability to operate a Little Diggers Facility is called into question, and any other similar matter that would be commercially reasonable to consider.

All training is overseen by Olivia Sciulli, however your trainer may someone other than Olivia Sciulli who is overseen by Zach Bowers. Ms. Sciulli has been working with the Little Diggers brand since 2023.

The training program is conducted after you have executed the Franchise Agreement, paid any applicable fees, obtained all financing, and executed a lease for a suitable location that we approve for your Facility. The training program consists of three components: 1) Five Days of Little Diggers Immersion Training in a Designated Location; 2) Online training at your own pace, and 3) On Site training at your Facility.

For the Little Diggers Immersion Training in, you will be required to pay for your own living and travel expenses. You will not be charged any additional fee to be trained. You will not be paid during your training.

TRAINING PROGRAM

Subject	**Hours of Classroom or Web-Based Training**	**Hours of In-Person Training**	**Location**
Brand Immersion, Vision and Values	0.5	0	Online
Front Desk, How to be Relational	0.5	7	Online, Approved Location, Your Location
Opening and Closing Procedures	0.5	2	Online, Approved Location
Sand Cleaning & Maintenance	0.5	4	Online, Approved Location, Your Location

Event Hosting & Special Programming	1	8	Online, Approved Location, Your Location
Sales & Marketing	0.5	0	Online
Cafe & Coffee Revenue	0.5	0	Online
General Operations and Systems Training	8	41	Online, Approved Location, Your Location
Management Responsibilities	0	8	Approved Location
Inspections	0	1	Your Location
Shift Operations	0	24	Your Location

You are responsible for personal expenses in connection with the training program, including costs and expenses of transportation, lodging, meals, and employee benefits. There is no additional cost for the initial training program. You will attend the first training program after you sign the franchise agreement and have paid the initial franchise fee. Upon completion of the training program, you may be required to pass an examination administered by us which tests you on the subjects covered during the training program.

We may require you to attend seminars and additional training programs during the term of your franchise agreement. The fees for such seminars are unknown at this time, but will not exceed the amount of one thousand dollars ($1,000) in any calendar year.

Operating Manual

We will provide you with a copy of (or access to) the Operating Manual within seven (7) days of your execution of the Franchise Agreement. The Operating Manual contains mandatory standards, operating procedures and specifications for the System. We can change the terms of, and add to, the Operating Manual whenever we believe it is appropriate (Franchise Agreement, Section 2). A copy of the table of contents of the Operations Manual, which contains 72 pages, as of the date of this Disclosure Document is attached as Exhibit C.

Item 12:
Territory

Franchisee is prohibited from soliciting or accepting business from consumers that are within any other franchisee's protected Territory, or the protected Territory of affiliates. Franchisee has the right to use any medium of distribution or promotion it desires within its Territory.

The Exclusive Territory in which a traditional Facility will be located will be specified as a set of zip code(s) in Section 6 of your Franchise Agreement. You will select the proposed specific Location of your Facility from within the Exclusive Territory zip code(s) set forth in Section 6 of your Franchise Agreement. The Location must be approved by us (Franchise Agreement, Section 6). The amount of zip codes you will be provided with is dependent upon population density of the zip codes.

Your Exclusive Territory is defined solely by the zip code(s) specified in Section 6 of your Franchise Agreement. The Exclusive Territory is fixed at the time the Franchise Agreement is signed and does not change during the Term, including in the event of any relocation of the Facility within the Exclusive Territory. As long as your Franchise Agreement is in effect and you are not in default, we will not establish, operate, or enfranchise any other traditional Little Diggers Facility within your Exclusive Territory.

We will approve relocation of the franchise business under the following conditions: Any relocation within your Exclusive Territory must be to a Location physically situated within the zip code(s) specified in Section 6 of your Franchise Agreement. A proposed relocation outside your Exclusive Territory will be treated as a new territory assignment and requires our prior written consent in our sole discretion. Franchisor will charge a fee that is the same as the actual travel costs incurred by Franchisor to visit the new proposed location, including, but not limited to airfare, hotel, gas, rental vehicles, and meals of Franchisor representatives ("Relocation Approval Expenses"). Said amount shall not exceed two thousand five hundred dollars ($2,500). At the same time that Franchisee submits the written request for relocation, Franchisee shall pay a deposit of Three Thousand Dollars ($3,000) to Franchisor to be applied by Franchisor to the Relocation Approval Expenses. For the sake of clarity, Franchisor shall have no responsibility whatsoever to pay for relocation expenses in the event that Franchisor approves such relocation. If the Relocation Approval Expenses are actually less than Two Thousand Five Hundred Dollars ($2,500), we will return the difference to you within thirty (30) days. Franchisor will not unreasonably withhold consent for relocation of the franchise business.

There are no other circumstances that permit the franchisor to modify franchisee's territorial rights. You do not have the right to acquire additional facilities within your Territory, unless you have executed a Multi-Unit Development Agreement that provides you with such a right.

The continuation of your Territory does not depend upon a certain sales volume, market penetration, or other contingency.

Item 13:
Trademarks

We grant you the right to operate your Facility under the name "Little Diggers." By "trademark," we mean trade names, trademarks, service marks, and logos used to identify your Facility.

The Little Diggers Marks below are registered with the United States Patent and Trademark Office and are owned Little Diggers Franchising, LLC.

The following is a description of the principal trademarks that we offer to you (collectively "the Little Diggers Marks"):

Description of Mark	Registration Number	Registration Date
Little Diggers (Word Mark)	7867814	July 15, 2025
	99502926	Pending
	99502926	Pending

We have filed all of the above trademark registrations (and/or renewals as the case may be) as the same have become due. We have filed all required affidavits.

You must follow our rules when you use the Little Diggers Marks. You cannot use a name or mark as part of a corporate name or with modifying words, designs, or symbols, except for those which we license to you. You may not use the Little Diggers Marks in connection with the sale of any unauthorized product or service, or in a manner that we have not authorized in writing.

No agreement limits our right to use or license the use of the Little Diggers Marks. There are no material determinations, proceedings or litigation that would affect your right to use the trademarks other than as may be stated in this Disclosure Document. We do not know of any infringing use that could materially affect your use of Little Diggers Marks other than as may be stated in this Disclosure Document.

As of the date this Disclosure Document was prepared, there were no effective material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of this state or any court. There were no pending infringement, opposition or cancellation of the trademarks and no pending material litigation involving the principal trademarks.

You must notify us immediately when you learn about an infringement of or challenge to your use

of our trademark. We will take the action we think appropriate. We are not required to defend you against a claim against your use of our trademarks or to pay for any costs you incur as a result of such a claim.

You must modify or discontinue the use of the Little Diggers Marks if we modify or discontinue it. If this happens, we are not required to reimburse you for your tangible costs of compliance (for example, changing signs). You must not directly or indirectly contest our right to our trademarks (including, but not limited to the Little Diggers Marks) trade secrets or business techniques that are part of our business.

You must follow our rules in using these marks. You cannot use a name or mark as part of a corporate, limited liability company, other entity name, or Internet domain name. You cannot use any of our names or marks with modifying words, designs or symbols except for those that we expressly license to you. For example, your business entity name may not include any of our trademarks or any variation of them (such as, "Little Diggers") and you may not use your name in advertising your store (such as "John Smith's Little Diggers"). You may not use our trademarks in connection with the sale of unauthorized product or service or in any manner that we have not authorized, in writing, and in advance.

Item 14:
Patents, Copyrights, and Proprietary Information

We have no patents or registered copyrights that are material to the franchise. We do, however, claim copyright interests in our operating manuals, magazines, posters, pamphlets, brochures, Intranet, television advertisements and all other printed, video and pictorial materials that we produce, although these materials have not been registered with the Copyright Office of the Library of Congress. These materials are proprietary and confidential and are considered our property. They may be used by you only as long as you are a franchisee, and only as provided in your Franchise Agreement. We reserve the right to register any of our intellectual property with the Copyright Office if we deem the same to be appropriate.

You do not receive the right to use an item covered by a patent or copyright unless it is expressly incorporated as proprietary information in our operations manuals. You may use these materials, in the manner we approve, in the operation of your Facility during the term of your Franchise Agreement. However, you may not use these materials in any other way for your own benefit, or communicate or disclose them to, or use them for the benefit of, any other person or entity.

These materials include any trade secrets, knowledge or know-how, confidential information, advertising, marketing, designs, plans, or methods of operation. This includes information about our sources of supply and our recommendations on pricing. You may disclose this information to your employees, but only to the extent necessary to operate the Facility, and then only while your Franchise Agreement is in effect. You must also promptly tell us when you learn about unauthorized uses, or challenges to our uses, of this proprietary information. We are not obligated to take any action, but will respond to this information as we think appropriate. At this time, there are no infringing uses known to us, which could materially affect your use of the copyrights.

There is no effective decision, ruling or order of the United States Patent and Trademark Office, Copyright Office of the Library of Congress or any court, which could materially affect the ownership or use of any patents or copyrighted materials. Our right to use or license any patents and/or copyrighted items that we may acquire or register is not materially limited by any agreement or known infringing use.

There are no agreements currently in effect, which significantly limit our rights to use, or license the use of, such patents or copyrights in any manner material to you.

We may use and incorporate into our System, changes and improvements that you or your employees or contractors develop. We do not have any obligation to you or the developer of these changes or improvements in connection with such use.

Item 15:
Obligation to Participate in the Actual Operation of the Franchise Business

You, or the approved Operator, must personally be involved in the conduct and operation of your Facility. If you are not on the premises, a trained manager under your supervision must be at the Facility while it is open for business. The manager cannot have an interest or relationship with any of our competitors.

The individual who will be involved in the conduct and operation of the Facility (the "Operator") must be designated by you in Section 9(L) of the Franchise Agreement at the time the Franchise Agreement is signed. The Operator may not be changed without our express written consent. If the Operator is not at the Facility while it is open for business, a trained manager under the supervision of the Operator must be present. You, or the Operator if the franchisee is not an individual, must successfully complete our training program.

We may require the Operator or the manager(s) to successfully complete training as specified by us. We may adopt a program by which managers must be "certified" by us. Such certification may require successfully completing training, passing tests, and a minimum amount of on the job experience. All managers and Operators must be certified after we establish the program. Operator and manager(s) must be able to adequately communicate (oral and written) with customers, employees, representatives of relevant government agencies, and others.

While you are a Little Diggers franchisee, and for a period of time thereafter, you may not become involved in any business that is engaged in the indoor playground business, including, but not limited to trampoline parks, sandbox playspaces, indoor playgrounds, arcades, or other similar businesses, broadly defined.

The Owners must sign the Personal Guaranty set forth in Attachment B to the Franchise Agreement, agreeing to personally discharge all of your obligations under the Franchise Agreement and agreeing to be personally bound by some of your obligations in the Franchise Agreement relating to, among other items, competition and sale of interest in the entity owning the Facility.

We reserve the right to require Franchisee to administer drug testing of Facility Personnel as a brand safety and guest protection standard. Franchisee is responsible for administering any such testing, bearing all associated costs, and ensuring compliance with all applicable federal, state, and local laws governing drug testing in the workplace. Franchisee is and remains the sole employer of all Facility Personnel. See Section 9(AA) of the Franchise Agreement.

Item 16:
Restrictions On What The Franchisee May Sell

We will prescribe a list of goods and services which you must offer for sale. Your Facility must offer for sale all items listed on the list and must offer no other items.

We may revise the list periodically, adding or deleting items. You must revise your offering of goods and services accordingly. We will provide assistance to you with respect to the preparation and marketing of any new goods or services.

You may not sell or allow the sale of any product in your Facility that is not an approved good. A traditional Facility may not share its Facility with any other business. **You may not engage in co-branding without the express written consent of Franchisor**. Only our approved items on the list may be sold in your Facility (Franchise Agreement, Section 8(C)). (That means that you cannot sell food from the local bakery in your store. You may only sell Little Diggers approved goods and services.)

To maintain brand consistency, we reserve the right to set the prices for your goods and services to the maximum extent permitted under the law. You should be aware that collaboration with other franchisees in establishing prices may be considered a violation of the law.

Item 17:
Renewal, Termination, Transfer, and Dispute Resolution

This table lists certain important provisions of the Franchise Agreement and related agreements pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise or Other Agreement	Summary
a. Length of the Franchise Term	Franchise Agreement, Section 7	10 years
b. Renewal or Extension of Term	Franchise Agreement, Section 7	One option of 10 years. To exercise the option, you must execute the renewal agreement within sixty (60) days of the end of the current Term.
c. Requirements for Franchisee to Renew or Extend	Franchise Agreement, Section 7	You must not have committed a material breach during the final five years of the initial term. You may be asked to sign an agreement with materially different provisions from your initial Franchise Agreement, but the boundaries of the Territory will remain the same. The continuing royalty on renewal will not be greater than the continuing royalty that we then require of franchisees signing the then current franchise agreement. You must pay a renewal fee of $10,000 upon renewal.
d. Termination by Franchisee	Not Applicable	You do not have the right to unilaterally terminate this Agreement.
e. Termination by Franchisor Without Cause	Not Applicable	We do not have the right to unilaterally terminate this Agreement without cause.
f. Termination by Franchisor With Cause	Franchise Agreement, Section 16	We can terminate the Franchise Agreement only if you default.

g. “Cause” Defined – Curable Defaults	Franchise Agreement, Section 15(C)	Unauthorized use of service marks or trademarks; operation under any name other than Little Diggers; the use of products or other supplies that do not meet the standards and specifications of Franchisor, or that were purchased from a supplier that was not approved by Franchisor the unauthorized use or disclosure of confidential or proprietary information; failure to pay any supplier or vendor; failure to comply with laws material to the operation of the Facility; entry of a judgment which is not satisfied or indemnified against; default under other agreements with us
h. “Cause” Defined – Non-Curable Defaults	Franchise Agreement, Section 15(B)	Abandonment of the Facility; material misrepresentation in connection with the acquisition of the franchise; conduct which reflects unfavorably on the reputation of Little Diggers; conviction of or pleading guilty to a felony or other misconduct relevant to the operation of the Facility; conduct which constitutes an imminent danger to public health; dissolution, merger, or reorganization; insolvency or commencement of bankruptcy proceedings; failure to pay royalties; failure to furnish financial statements and/or financial information; failure to operate the Facility; violation of Section 14; failure to maintain

		insurance; and unauthorized transfer or assignment
i. Franchisee's Obligations on Termination/Non-Renewal	Franchise Agreement, Section 15(E)	Immediately cease operating the Facility; pay all sums owed to us; return all property belonging to us; cease using the Little Diggers Marks or any variations thereof that could mislead the public into believing that you are still a Little Diggers franchisee; cease use of the telephone number or other numbers; cease use of any social media accounts; we may enter the Facility and remove any of our belongings or signage; acquire your assets based on the terms of Section 15(E)(vii); non-compete obligations (see r, below)
j. Assignment of Contract by Franchisor	Franchise Agreement, Section 20	No restriction on our right to assign
k. Transfer by Franchisee – Defined	Franchise Agreement, Section 15	Includes transfer of contract, assets, lease, or ownership change
l. Franchisor Approval of Transfer by Franchisee	Franchise Agreement, Section 15	You are not permitted to transfer any interest in the Franchise Agreement or in the proprietorship, partnership, corporation or LLC that owns any interest in the franchise, without our prior written consent. We will not unreasonably withhold such consent.
m. Conditions for Franchisor Approval of Transfer	Franchise Agreement, Section 15	New franchisee qualifies, completes training program, transfer fee paid, any outstanding royalties paid by you, transfer forms signed, release and subordination agreement signed by you, new franchisee will be required to sign our then current franchise agreement. Also,

		see r, below.
n. Franchisor's Right of First Refusal to Acquire Franchisee's Business	Franchise Agreement, Section 15	We may match any offer for your Facility or the ownership interest of any Owner
o. Franchisor's Option to Purchase Franchisee's Business	Franchise Agreement, Section 16(E)(vii)	Upon termination or expiration of the Franchise Agreement, we have the option to acquire your Facility or the assets you used in your Facility
p. Death or Disability of Franchisee	Franchise Agreement, Section 15(E)(xii)	In the event of death, disability, or permanent incapacity of Franchisee, who is an individual, such individual or his personal representative shall have one (1) year in which to dispose of the Franchise, subject to the terms of this Agreement. If the Franchise is not disposed within one (1) year of the death, disability, or permanent incapacity of Franchisee, the Franchise shall automatically terminate. Subject to this Agreement, the Franchise may be transferred to the spouse or heirs of the deceased, disabled, or permanently incapacitated individual.
q. Non-Competition Covenants During the Term of the Franchise	Franchise Agreement, Section 14	No involvement whatsoever in competing business
r. Non-Competition Covenants After the Franchise is Terminated or Expires	Franchise Agreement, Section 14	No competing business for a consecutive 3 year period within 30 miles of your former Facility, or any Little Diggers Facility (whether or not it is open at the time this Agreement is executed)
s. Modification of Agreement	Franchise Agreement, Sections 2 and 18	No modifications except as caused by change in law, but the Operating Manual and the System is subject to change. The policies or

		quality control standards may be revised by us in our sole discretion concerning any aspect of the System.
t. Integration/Merger Clause	Franchise Agreement, Section 28	The Franchise Agreement is the complete agreement between you and us and supersedes all prior agreements, understandings or representations. Only the terms of the franchise agreement and disclosure document are binding (subject to state law). Any representations or promises outside of the disclosure document or franchise agreement may not be enforceable.
u. Dispute Resolution by Arbitration or Mediation	Franchise Agreement, Section 16(E)(vii)	Limited to determining the fair market value of your assets.
v. Choice of Forum	Franchise Agreement, Sections 23 and 24	All litigation, except for injunctive relief initiated by Franchisor must be commenced and litigated exclusively in Franklin County, Ohio, whether in municipal court, common pleas, or the United States District Court for the Southern District of Ohio. If Franchisor seeks injunctive relief, it has the right to file suit in the jurisdiction and venue of your Little Diggers Facility.
w. Choice of Law	Franchise Agreement, Section 23	The Franchise Agreement is governed by the laws of Ohio.

Some states have statutes which may supersede the franchise agreement in your relationship with us, including the areas of termination and renewal of your franchise. Some states may have court decisions which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise, venue for disputes and governing law.

The provision of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.)

See the state addenda to the Franchise Agreement and disclosure document for special state disclosures.

Item 18:
Public Figures

We currently do not use any public figure to promote our franchises.

[This section left intentionally blank.]

Item 19:
Financial Performance Representations

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The group of facilities includes all of the outlets that have been open for at least twelve months as of December 31, 2025 ("Reporting Facilities"). There are presently a total of three Little Diggers facilities that are open as of December 31, 2025. All of three of the facilities that are open are company-owned, including the two Reporting Facilities below. The stated level of performance was between January 1, 2025 and December 31, 2025.

Table 1
Annual Income Information for Reporting Facilities
January 1, 2025-December 31, 2025

Facility	Annual Gross Sales
Facility 1	$482,579
Facility 2	$469,056
Average	$475,817.50

Table 2
Annual Expense Information for Reporting Facilities
January 1, 2025-December 31, 2025

	Facility 1	Facility 2	Average
Cost of Goods Sold	$38,246	$36,149	$37,198
Payroll Cost	$126,021	$126,037	$126,029
Advertising	$4,382	$1,655	$3,018
Office Supplies	$12,579	$7,740	$10,160
Insurance	$9,132	$5,963	$7,548
Rent	$110,566	$144,270	$127,418
Other Expenses	$8,159	$1,763	$4,961

Table 3
Earnings Before Interest Taxes, Depreciation, and Amortization for Reporting Facilities
January 1, 2025-December 31, 2025

	Facility 1	Facility 2	Average
EBITDA	$119,735	$97,083	$108,409

Note: EBITDA as shown above includes the deduction of the imputed royalty fee and ad fund charge that a franchisee would have to pay.

Note 1. The advertising fee that you will pay is currently two percent (2%) of sales.

Note 2. You will be required to pay a royalty fee of eight percent (8%) of sales.

Some outlets have earned this amount. There is no assurance you'll do as well. If you rely upon our figures, you must accept the risk of not doing as well.

Written substantiation of these figures is available to franchisee upon reasonable request.

Item 20:
Outlets And Franchise Information

Table No. 1
Systemwide Outlet Summary for 2023-2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company Owned	2023	0	1	+1
	2024	1	2	+1
	2025	2	3	+1
Total Outlets	2023	0	1	+1
	2024	1	2	+1
	2025	2	3	+1

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor) for years 2023-2025

State	Year	Number of Transfers
TOTAL	2023	0
	2024	0
	2025	0

Table No. 3
Status of Franchise Outlets
for years 2023-2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Re-acquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Totals	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

Table No. 4
Status of Company Owned Outlets
for years 2023-2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Ohio	2023	0	1	0	0	0	1

	2024	1	1	0	0	0	2
	2025	2	1	0	0	0	3
Totals	2023	0	1	0	0	0	1
	2024	1	1	0	0	0	2
	2025	2	1	0	0	0	3

Table No. 5
Projected Openings as of December 31, 2025

State	Franchise Agreements Signed, but Outlet Not Opened	Projected New Franchise Outlet in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	1	1	0
Colorado	1	1	0
Illinois	1	1	0
Kentucky	0	0	1
Massachusetts	1	1	0
Michigan	1	1	1
Missouri	0	0	1
Nebraska	1	1	0
New Jersey	1	1	0
North Carolina	1	1	0
Ohio	1	1	1
Pennsylvania	2	2	0
Tennessee	3	3	0
Texas	5	5	0
Wisconsin	1	1	0
TOTAL	20	20	4

Current Franchisee Contact Information

Arizona

San Tan	Shae Jensen, Mariah Shearer	480-737-4345

Colorado

Colorado Springs	Amy Carlson, Jesse Carlson	720-335-9272

Illinois

Naperville	Jason Rothenberg, Marcy Flanagan	708-648-1423

Massachusetts

Burlington	Kevin Bhagat	606-694-3386

Michigan

Farmington Hills	Bridget Eberstein, Kevin Eberstein	248-529-8808

Nebraska

Omaha	Amanda Steward, Ben Steward	531-222-4157

New Jersey

Livingston	Shveta Sakhuja (Saurabh Bhatla, guarantor)	201-772-6930

North Carolina

Charlotte	Giovanni Giordano, Domenico Marsocci	585-738-1040

Ohio

Fairlawn	Evan Jones, Ruth Jones	330-221-1292

Pennsylvania

Cranberry Township	Kari Cooper, Seth Cooper	814-771-1268
South Pittsburgh	Mark Brehm, Mary Brehm	719-237-7996

Tennessee

Brentwood	Noel Hicks, Joey Locker	615-775-7079
Franklin	Joey Locker, Noel Hicks	317-340-3185
Memphis	Mike Schoenberger	901-515-7125

Texas

Amarillo	Preston Ogburn, Carli Ogburn	806-570-8307
Austin	William Calderon	512-762-5159
Colleyville	Parker Ogburn, Jacob Tansey	817-266-6593
League City	Anthony Beck	480-737-4345
Plano	Parker Ogburn, Jacob Tansey	806-476-9833

Wisconsin

Milwaukee	Amie Jones, Dane Jones	920-418-0458

Former Franchisee Contact Information

There are no former franchisees.

Confidentiality Agreements

During the last three fiscal years, we have not signed any confidentiality clauses with a current or former franchisee in a Franchise Agreement, settlement agreement or any other contract restricting their ability to speak to you openly about their experience with us.

Franchisee Associations

There are no trademark-specific franchisee organizations associated with the franchise system. There are no trademark-specific franchisee organizations associated with the franchise system which are incorporated or otherwise organized under state law and have asked us to be included in our disclosure document during the next fiscal year

Item 21:
Financial Statements

Attached to this Disclosure Document as Exhibit E are audited financial statements, which reflect the condition of the franchisor as of December 31, 2025. Franchisor's fiscal year ends on December 31.

The Audited financial statements represent the period from January 1, 2025 through December 31, 2025.

Item 22:
Contracts

The following agreements and other required exhibits are attached to this Disclosure Document in the pages immediately following:

Exhibit A	State Addenda to Disclosure Document
Exhibit B	State Franchise Administrators/Agents for Service of Process
Exhibit C	Table of Contents of Operating Manual
Exhibit D	Franchise Agreement
Exhibit E	Audited Financial Statements
Exhibit F	Receipts

Exhibit A
State Addenda to Disclosure Document

The following paragraphs are added to Item 17 of the Disclosure Document for each respective state:

ILLINOIS ADDENDUM:

Illinois law governs the Franchise Agreement.

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

Your rights upon Termination and Non-Renewal of an agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision, purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of a 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.

Deferral of Initial Franchise Fees in Illinois: In the state of Illinois, the payment of the Initial Franchise Fee from Franchisee to Franchisor shall be deferred until Franchisor has satisfied its pre-opening obligations to Franchisee and the Franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

Maryland

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201-14-233 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgement 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.

MICHIGAN ADDENDUM:

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

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

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

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

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

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

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

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

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

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

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

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

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Attorney General's Department for the State of Michigan, Consumer Protection Division, Franchise Section, 670 Law Building, 525 W. Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

NEW YORK STATE ADDENDUM TO FDD

1. The following information is added to the cover page of the Franchise Disclosure Document: INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS

FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

> However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the nonwaiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by a franchisee": "You may terminate the agreement on any grounds available by law."

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum," and Item 17(w), titled "Choice of law":

> The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--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.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

VIRGINIA ADDENDUM

> 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.
>
> ***Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.***
>
> ***Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.***

Exhibit B
State Franchise Administrators/Agents for Service of Process

Listed here are the names, addresses, and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

Illinois: (State agency and service of process)

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Maryland:

State Agency	**Service of Process**
Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-6360	Maryland Securities Commissioner At the Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-6360

New York:

State Agency	**Service of Process**
New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Fl. Albany, New York 10005 (212) 416-8222	Secretary of State 99 Washington Ave. Albany, New York 12231 (518) 474-4770

Virginia:

State Agency	**Service of Process**
State Corporation Commission	Clerk, State Corporation Commission 1300 East Main Street

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

Richmond, Virginia 23219
(804) 371-9733

Minnesota:

State Agency	**Service of Process**
Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1600

Exhibit C
Table of Contents for Little Diggers Franchising, LLC Operating Manual

72 Pages Total

1. **Introduction to Little Diggers**
    - Mission, Vision, and Values
    - Brand Story and History
    - Target Market and Unique Selling Points
    - Importance of Sensory Play and Construction Themes
2. **Franchisee Relationship & Support**
    - Franchisee Rights and Responsibilities
    - Corporate-Franchisee Communication Channels
    - Available Resources and Ongoing Support
    - Conflict Resolution and Corporate Advocacy
3. **Legal and Business Setup**
    - Overview of Legal Requirements for Franchise Ownership
    - LLC Formation and Tax Registration
    - Securing Financing: Grants, Loans, and Franchisor Resources
    - Accounting Software Setup and Payroll Providers
    - Compliance with Local Laws and Safety Regulations
4. **Facility Search and Lease Negotiation**
    - Engaging a Commercial Real Estate Agent
    - Site Selection Criteria and Demographics
    - Location Specifications (Population, Traffic, Parking, Visibility)
    - LOI Submission, Lease Negotiation, and TI Allowance Guidance
    - Approval Process for Site and Lease Agreements
5. **Pre-Build and Setup**
    - Layout Planning and Approval
    - Engaging Contractors and Vendors
    - Permitting Processes and Timelines
    - Pre-Opening Recruitment and Staff Training
    - Utility Setup and Transition Checklist
6. **Starting the Build-Out**
    - Construction Management and Milestone Tracking
    - Sand and Rock Installation Guidelines
    - Equipment Procurement and Installation
    - Preparing the Playspace for Inspection
    - Contingency Planning for Delays
7. **Finalizing the Setup**
    - Punch List Completion and Occupancy Approvals
    - Playspace Decoration and Thematic Design

- Setting Up Party Rooms and Vending Areas
- Technology Installation: POS Systems and Internet
- Staff Training for Daily Operations

8. **Grand Opening and Launch Party**
   - Planning the Launch Event
   - Inviting Local Media and Influencers
   - Promoting Discounts and Giveaways
   - Initial Feedback Collection and Social Media Engagement
   - First-Month Milestones and Reporting
9. **Marketing and Brand Representation**
   - Brand Identity: Logos, Fonts, Colors, and Approved Messaging
   - Community Engagement Strategies
   - Event Marketing: Seasonal Themes and Promotions
   - Social Media and Digital Advertising Guidelines
   - Corporate Approval for Donations and Sponsorships
10. **Event Hosting and Special Programming**
   - Birthday Party and Private Event Policies
   - Booking Procedures and Customer Interactions
   - Guidelines for Group Visits and School Trips
   - Planning Regularly Scheduled Events (Sensory Days, Workshops)
   - Policies for Excessive Messes, Cancellations, and Refunds
11. **Staffing and Training**
   - Recommended Staffing Levels and Role Descriptions
   - Employee Training Programs (Safety, Customer Service)
   - Scheduling Best Practices and Cross-Training
   - Onboarding Procedures and Team Development
12. **Daily Operations**
   - Opening and Closing Checklists
   - Customer Interaction and Service Standards
   - Sandbox Setup, Maintenance, and Cleaning Protocols
   - Snack Bar and Vending Machine Oversight
   - Handling Refunds, Behavior Issues, and Escalations
13. **Sand Cleaning and Maintenance**
   - Sand Quality Standards and Vendor Partnerships
   - Daily Sand Maintenance Protocols
   - Accident Cleanup and Sand Replacement Procedures
   - Managing Contaminants and Foreign Objects
14. **Toys and Equipment Maintenance**
   - Routine Inspection Schedules
   - Repair and Replacement Protocols
   - Ensuring Safety Standards for Toys and Tools
15. **Customer Loyalty and Retention Programs**
   - Implementing Loyalty Programs (Dig Passes, Membership Perks)

- Engaging Customers for Feedback and Reviews
- Addressing Negative Feedback and Conflict Resolution
- Recognizing and Rewarding Repeat Customers

16. **Monthly and Periodic Administrative Tasks**
    - Operational Audits and Performance Reviews
    - Financial Reporting Deadlines and Compliance
    - Maintenance Schedules for Air Filters and Equipment
    - Conducting Team Meetings and Planning Sessions
17. **Appendices and Resources**
    - Glossary of Key Terms
    - Sample Contracts, Waivers, and Forms
    - Vendor Contact Information
    - Training Checklists and FAQ Guides
    - Emergency Contact and Escalation Protocols

EXHIBIT D

LITTLE DIGGERS
FRANCHISE AGREEMENT

LOCATION: _____

TABLE OF ATTACHMENTS

A. Registered Trademarks
B. Personal Guaranty**+**
C. ACH Authorization Form*****
D. Lease Addendum#
E. Multi Unit Development Agreement

*** = Attachment must be signed and returned with the Franchise Agreement (if applicable).**

+ = Attachment must be signed and returned with the Franchise Agreement if Franchisee is not an individual (i.e., if Franchisee is a corporation, limited liability company, or other business entity).

 # = Attachment must be executed prior to or in conjunction with the signing of your lease.

LITTLE DIGGERS
Franchise Agreement

Location: _____

This Franchise Agreement ("Agreement") is made and entered into by and between Franchisor, Little Diggers Franchising, LLC an Ohio limited liability company ("Little Diggers") and the undersigned franchisee ("Franchisee,") and is effective as of the last date it is signed by Franchisee and Franchisor's authorized representative ("Effective Date").

PREAMBLES

WHEREAS, Little Diggers is engaged in the business of franchising unique Facility systems under the trade name "Little Diggers;"

WHEREAS, The distinguishing characteristics of the Little Diggers system include, but are not limited to, the trade names and service mark, "Little Diggers," together with any other marks and symbols used in the Little Diggers system;

WHEREAS, Franchisee recognizes the benefits to be derived from being identified with and licensed by Little Diggers and from utilizing the system, which it makes available to its franchisees;

WHEREAS, Franchisee desires to establish, own, and operate a "Little Diggers" Facility at the location described in this Agreement, upon the terms and conditions of this Agreement, which are necessary to maintain Little Diggers' standards of quality and service and to protect and enhance the goodwill and public image of our system;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. Grant of Franchise. Subject to the provisions of this Agreement and for the term hereinafter specified, Little Diggers hereby grants to Franchisee the right to establish, own, and operate a Little Diggers Facility (the "Facility"), but only in the location set forth in Section 6. Franchisee shall have the right to use the Little Diggers system at the Facility and to be identified as a member of the Little Diggers system, subject to the terms and conditions of this Agreement.

2. Quality Control And System.

A. The Little Diggers system (the "System") is a unique style of Facility operation for the provision of indoor playground services of uniform quality. The System is based on the tested and proven best practices of the most successful Little Diggers Facilities. The most fundamental aspect of the System is the adherence by Franchisee to the standards and policies of Little Diggers for ensuring the uniform operation of all Facilities using the System, including, but not limited to, the service of only designated items for sale, the utilization of only designated prescribed equipment, building layouts and design, and the emphasis upon prompt and courteous service in a clean and inviting atmosphere. The System is set forth in the Operating Manual.

B. Little Diggers may periodically revise the Operating Manual and the System by communicating any such revisions to Franchisee, whether by posting revisions to a password protected website for which Franchisee will be granted access (such as the Little Diggers Intranet), electronic mail, regular mail, or otherwise. If such Little Diggers Intranet is created by Franchisor, Franchisee shall regularly monitor the Little Diggers Intranet for any revisions or updates to the Operating Manual and implement such revisions and updates pursuant to the timeline (which shall be commercially reasonable) provided by Little Diggers.

C. Franchisee shall operate the Facility according to the System, including the Operating Manual and all standards, policies, and specifications periodically established or revised by Little Diggers. This is a material term. In the event that Franchisee fails to strictly comply with any part of the System, Franchisee agrees to pay a one-time Four Hundred Dollars ($400) fee for each non-complying aspect of the System ("Brand Standards Fee"). A Brand Standards Fee may be issued only after Little Diggers has first provided Franchisee with written notice of the nature of the non-compliance and what Franchisee must do to be in compliance with the System. For the purpose of this Section, electronic mail notice shall constitute written notice. If Franchisee remains in non-compliance after five (5) days of receiving said written notice, Little Diggers may collect the Brand Standards Fee through Electronic Payments; provided, however, if the violation of Brand Standards provided in the written notice is for issues related to cleanliness of the Facility or sand quality, the violation shall be remedied within *72 hours* of the notice. (This notice is hereinafter referred to as a "Cleanliness/Sand Notice"). If Franchisee fails to remedy its non-compliance within five (5) business days of Little Diggers charging the Brand Standards Fee to Franchisee (or within a 72 hour period of Little Diggers charging a Brand Standards Fee for Franchisee's failure to remedy a Cleanliness/Sand Notice), Little Diggers may either: 1) charge an additional weekly royalty fee of two percent (2%) (in addition to the royalty set forth in Section 4(C)) ("Brand Standards Liquidated Damages") for the remainder of the duration of Franchisee's non-compliance, or 2) deem Franchisee to be in in Default of this Agreement pursuant to Section 16. Little Diggers may also charge the Brand Standards Liquidated Damages fee for Franchisee's failure to provide proof of compliance with Insurance requirements within fourteen (14) days of the date of written demand by Little Diggers for same. Actual damages likely to result from Franchisee's continued non-compliance that resulted in the Brand Standards Fee are difficult to estimate on the date of this Agreement and would be difficult for Little Diggers to prove. The parties intend that Franchisee's payment of the Brand Standards Liquidated Damages would serve to compensate Little Diggers for any continuing breach by Franchisee that resulted in the Brand Standards Fee under this Agreement, and/or the Brand Standards Liquidated Damages, do not intend to serve as punishment for any such breach by Franchisee. Little Diggers may collect the Brand Standards Liquidated Damages through Electronic Payments.

D. Franchisee acknowledges that all standards and policies established by Little Diggers and all information related to the System is confidential and proprietary information belonging to Little Diggers. Franchisee shall not use any such information or disclose any such information to any third party, either while this Agreement is in effect or following its termination or expiration, except as expressly permitted in this Agreement. Franchisee shall use its best efforts to protect the confidentiality of such information from appropriation by its employees.

E. The Operating Manual (including all online only content from the Little Diggers Intranet) shall, at all times, remain the property of Little Diggers and shall be returned to Little Diggers immediately upon request or upon the termination of this Agreement. All physical copies

and digital copies of the Operating Manual shall be immediately destroyed and/or deleted in the event of the termination of this Agreement.

F. Franchisee is hereby granted a license to use the System, including Little Diggers' trademarks, service marks, goodwill, standard operating procedures and policies, and to benefit from the foregoing at the single location specified in Section 6 and subject to the terms of this Agreement. Nothing in this Agreement shall be construed to authorize Franchisee to use such trademarks, service marks, goodwill, standard operating procedures and policies at any other location or for any other purpose. Franchisee does not have the right to sub-license the use of the system, trademarks, service marks, goodwill, or standard operating procedures to any other party. Little Diggers retains the exclusive ownership of all rights, title and interest in and to Little Diggers' trademarks, service marks, goodwill, standard operating procedures and policies and the System.

3. <u>Training and Obligations of Little Diggers to Franchisee</u>.

A. For any Franchisee's first Little Diggers Facility, prior to the opening of the Facility, Little Diggers will provide, and Franchisee must successfully complete, a training program consisting of: (1) five (5) days (working eight (8) to twelve (12) hours per day) of in-facility "Immersion" training at an approved Little Diggers location; (2) online training, which currently consists of approximately twelve (12) hours of classes; and (3) three (3) days of on-site training at your Location. Franchisee will not be compensated for training time. For the immersion training, Little Diggers, in its sole discretion, will determine whether you or your representative require additional days of training. If such additional Immersion training is required by Franchisor, Franchisee shall pay to Franchisor the amount of Two Hundred Fifty Dollars ($250) per day, plus any applicable travel expenses (including, hotel, mileage, rental cars, airfare, gas, tolls, etc.) (the "Additional Immersion Training Days Fee"). The Additional Immersion Training Days Fee may be collected via Electronic Payments and shall be due within ten (10) days of the date of the invoice. Little Diggers may look to any commercially reasonable business consideration to determine if additional training is required, including, but not limited to, the skills of the trainee, trainee's ability to execute the System, and trainee's prior employment history. If Franchisee is not an individual, training will be provided to the Operator and a General Manager/Assistant General Manager specified by Franchisee. All expenses related to participation in the training program for all trainees, including travel, meals, and lodging, shall be paid by Franchisee.

B. In the event that, Franchisee, or the representatives Franchisee sends for training, fails to successfully complete the training program as directed by Little Diggers, Little Diggers may immediately terminate the Franchise Agreement by providing Franchisee with written notice of the failure to successfully complete the training program. In such an event, after Franchisee has executed an acknowledgement of termination of the franchise agreement and a release of claims against Little Diggers, Little Diggers shall provide a refund of fifty percent (50%) of the Initial Franchise Fee, minus any expenses actually incurred by Franchisor that are attributable to Franchisee. In the event that Franchisee has paid fifty percent (50%) or less of the Initial Franchise Fee to Little Diggers at the time the notice of termination is provided, Little Diggers shall not be obligated to issue any refund to Franchisee to effectuate the termination of this Franchise Agreement under this paragraph and the termination shall be effectuated merely by Little Diggers providing written notice to Franchisee. The determination of whether Franchisee has failed to successfully complete the training program shall be in the sole commercially reasonable discretion of Little Diggers, which may consider matters such as whether the Franchisee missed scheduled

training days, whether Franchisee was distracted and not fully engaged in training, whether Franchisee repeatedly failed to follow directions such that Franchisee's ability to operate a Little Diggers Facility is called into question, and any other similar matter that would be commercially reasonable to consider. Franchisor is not required to permit Franchisee to pay for additional days of Immersion training if Franchisor makes a commercially reasonable determination that such additional training would not remedy Franchisee's inability to successfully complete the program.

C. Little Diggers shall assist Franchisee with: site selection, layout of the Facility, selection of fixtures and equipment, training, opening, marketing, identifying approved suppliers and distributors, and providing the System for operations at the Facility. Little Diggers shall periodically meet and consult with Franchisee concerning the operations of the Facility. Little Diggers shall not, however, have any obligation to meet or consult with Franchisee at any specific times, rate, or frequency. Franchisee acknowledges that it would be impossible for Little Diggers to meet and consult with each of its franchisees for an identical amount of time, and that the extent of Franchisee's meetings and consultations with Little Diggers may be more or less than other franchisees. Little Diggers will regularly provide best practices and procedures for Facility operations and quality control standards consistent with the Little Diggers System, as set forth in this Agreement.

D. Little Diggers shall provide two (2) days of on-site assistance (which shall be the grand opening day and the day after) at your Location at no additional cost. In the event that Franchisee elects to have the assistance of Little Diggers beyond two (2) days Franchisee shall be responsible for paying the amount of Five Hundred Dollars ($500) per day, plus any additional travel expenses incurred by Franchisor for the reasonable travel expenses of Little Diggers' representatives to extend their stay at the Facility, or to send new personnel to the Facility if necessary. The travel expenses shall include hotel, airfare changes, rental car, mileage, gas, tolls, taxi/Uber, etc. Collectively, the additional days of on-site assistance and associated travel expenses are "the Additional Onsite Training Expenses". The Additional Onsite Training Expenses shall be payable within thirty (30) days of the date Franchisor sends an invoice to Franchisee for same. Franchisor may collect the Additional Onsite Training Expenses through Electronic Payments.

4. <u>Franchise Fees, Royalty Fees, Financial Reporting, Audit</u>.

A. Franchisee shall pay Little Diggers a franchise fee of Fifty Thousand Dollars ($50,000) for the first franchise acquired ("Initial Franchise Fee"). There shall be a franchise fee of Fifty Thousand Dollars ($50,000) for each additional franchise that Franchisee (or its owners) may acquire. The franchise fee shall be paid in full upon the execution of this Agreement. In the states of Illinois and Minnesota, the payment of the Initial Franchise Fee from Franchisee to Franchisor shall be deferred until Franchisor has satisfied its pre-opening obligations to Franchisee and the Franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

B. If the Facility is not open for business to the public, pursuant to this Agreement, within twelve months (12 months) of the Effective Date, this Agreement may be terminated at the option of either Little Diggers or Franchisee. In the event of such a termination, Little Diggers shall be entitled to retain one half of the full amount of the required IFF paid by Franchisee, plus any costs Little Diggers actually incurred on behalf of Franchisee ("Failure to Open Remedy Amount"). In the event of such termination, Little Diggers shall return the amount of the IFF that is due to Franchisee, if any, within thirty (30) days of either party's notification in writing to the

other party of its decision to terminate this Agreement. In the event of a termination under this paragraph by Franchisee, Little Diggers shall retain a minimum of Twenty Five Thousand Dollars ($25,000) plus the Failure to Open Remedy Amount. Further, Franchisee shall continue to be bound by all covenants set forth in paragraph 14 of this Agreement.

C. Franchisee shall pay Little Diggers a continuing royalty fee equal to **eight percent (8%)** of Net Sales as defined below (the "Royalty Fee"). In no event shall the Royalty Fee for any given week be less than Five Hundred Dollars ($500) (the "Minimum Royalty"). The term "Net Sales" shall include sales of any nature made from the Facility, regardless of the nature of the products sold, including off site and online sales and all fees and charges received for deliveries, less any applicable sales tax, voids, or comps. Net Sales shall also include amounts received by Franchisee for gift cards redeemed by Franchisee.

D. Little Diggers collects the Royalty Fee on a weekly basis. Little Diggers will collect the Royalty Fee from Franchisee via ACH electronic collection each Wednesday for the prior Monday through Sunday ("Payment Date"). The amount to be paid is calculated from Franchisee's point of sale system. Little Diggers reserves the right to change to a less frequent collection of the Royalty Fee upon reasonable notice to Franchisee.

E. If the ACH electronic collection of the Royalty Fee fails for any reason (i.e. there are not enough funds in the account), such that the Royalty Fee is not paid by the Payment Date (due to the failure of Franchisee to keep funds in its operating account), Franchisee shall pay, in addition to the Royalty Fee, an amount equal to one hundred dollars ($100) for each week (defined as a consecutive seven (7) day period) that Franchisee is late on paying the Royalty (the "Late Fee"). In the event that Franchisee fails to timely pay the Royalty Fee and the Late Fee, Little Diggers shall have the right to charge an additional interest fee of one and one half percent (1.5%) of the late Royalty Fee and the Late Fee per month (the "Interest Fee") until the Royalty Fee, the Late Fee, and the Interest Fee are paid in full. Under no circumstance shall the Interest Fee exceed the rate allowed by law.

F. Little Diggers may incur miscellaneous charges on Franchisee's behalf in connection with items required by the System that Franchisee failed to purchase. For example, items such as Facebook and other online advertising, extra chairs, tables, telephones, answering machines, signage, marketing materials, and other similar required items of the System that Franchisee failed to timely purchase may be purchased on Franchisee's behalf by Little Diggers. Little Diggers will invoice Franchisee in writing with itemized expenses for any such charges ("Miscellaneous Opening Expenses"). In no event shall Little Diggers incur more than One Thousand Dollars ($1,000) in Miscellaneous Opening Expenses on Franchisee's behalf. Little Diggers may collect Miscellaneous Opening Expenses via Electronic Payments after providing Franchisee with written notice of the nature of the Miscellaneous Opening Expenses.

G. Franchisee consents to and authorizes Little Diggers to automatically transfer to Little Diggers the Royalty Fee, the Late Fee (if applicable), the Interest Fee (if applicable), the Miscellaneous Opening Expenses, the Brand Standards Fee, the Brand Standards Liquidated Damages, and all other fees or amounts Franchisee owes or is obligated to pay Little Diggers under this Agreement from Franchisee's bank account by electronic payment, including electronic funds transfer ("EFT") and automated clearing house transfer ("ACH") ("Electronic Payments"). Franchisee shall execute and deliver to Little Diggers such documents and instruments as may be necessary to establish and maintain Electronic Payments pursuant to this Agreement. Franchisee

irrevocably and unconditionally appoints Little Diggers its attorney-in-fact for purposes of implementing and effectuating the Electronic Payments, including the right to execute all necessary wire instructions and authorizations relative thereto. Any bank charges relative to Electronic Payments attributable to Franchisee shall be borne solely by Franchisee.

H. Franchisee shall use accounting software approved by Little Diggers ("Approved Accounting Software"). Franchisee may be required to link its Approved Accounting Software to the account of Little Diggers so that Little Diggers will have a view of the finances of Franchisee at all times. Franchisee shall be diligent in keeping all of its financial records up to date in the Approved Accounting Software. In the event that Franchisee fails to utilize the Approved Accounting Software or fails to link Little Diggers on the Approved Accounting Software, Little Diggers shall have the right to inspect at any time upon ten (10) days prior notice all books, records, tax returns, and other financial information of Franchisee, and of Franchisee's stockholders, officers, directors, members, or partners (collectively, "Franchisee's Principals") as such information relates to the business operations of the Facility, if applicable (the "Financial Information"). Within ten (10) days after written notice is sent by Little Diggers, Franchisee (and Franchisee's Principals if applicable) shall furnish the Financial Information to Little Diggers at such location as Little Diggers designates and shall certify the accuracy of the Financial Information on a form provided by Little Diggers. If Franchisee fails to furnish the Financial Information as required by this Agreement, Franchisee shall pay Little Diggers a late fee (the "Financial Information Late Fee") of two hundred dollars ($200) per week or the pro-rata fraction thereof until Franchisee has furnished all Financial Information.

I. Franchisee authorizes Little Diggers to obtain information regarding purchases made by Franchisee from any vendor. If requested by Little Diggers, Franchisee shall sign an authorization directing any such vendor to furnish Little Diggers with any information regarding purchases by Franchisee from such vendor, payments from Franchisee to the vendor, and the outstanding balance due to the vendor. The term "vendor" includes any party providing computer or consulting services to Franchisee (other than an attorney or accountant).

J. Little Diggers may audit Franchisee's books and records at any time, upon five (5) days notice in writing. If such audit discloses any underpayment of Royalty Fees by Franchisee, Franchisee shall immediately pay the deficiency to Little Diggers, and if the deficiency exceeds two percent (2%) of the amount of the Royalty Fee as represented by Franchisee, Franchisee shall reimburse Little Diggers for the cost of the audit. If such amounts are not paid when due, the same shall be subject to the Interest Fee. Franchisee authorizes Little Diggers to utilize Electronic Payments to collect all amounts owed, including the Interest Fee.

K. If Little Diggers initiates any suit or action against Franchisee to collect any fees due under this Agreement or to enforce any provision of this Agreement, the prevailing party in such suit or action shall be entitled to recover its reasonable attorney's fees, court costs, and related expenses to the fullest extent permitted by law. If Franchisee initiates any suit or action against Little Diggers arising out of or relating to this Agreement, each party shall be solely responsible for its own attorney's fees, court costs, and related expenses, regardless of the outcome of the action. In any action that includes counterclaims, the allocation of attorney's fees under this Section shall be determined solely by identifying which party instituted the lawsuit.

L. Little Diggers shall have access to Franchisee's sales and financial information as maintained in Franchisee's point of sale system, regardless of the brand or nature of the point of

sale system. Franchisee expressly authorizes Little Diggers to access all information, regardless of the nature of the information, contained in Franchisee's point of sale system.

M. Franchisee shall promptly provide to Little Diggers all Documents that are requested in writing (including email) by Little Diggers. Franchisee's failure to provide the requested Documents within seven (7) days of Little Diggers' written request, shall result in a Failure To Provide Documents Fee of One Hundred Dollars ($100) Per Week, or pro-rata period thereof. The Failure to Provide Documents Fee may be collected through Electronic Payments. The Failure to Provide Documents Fee is a remedy available to Little Diggers in addition to other remedies, including, but not limited to, termination of the Franchise Agreement. For the purpose of this paragraph, Documents include, but are not limited to, vendor documents, financial documents, insurance documents, lease documents, documents related to governmental agencies, corporate entity documents, or any other document related to the Little Diggers business that Franchisee is authorized to operate pursuant to this Franchise Agreement. Little Diggers will not charge both the Failure to Provide Documents Fee and the Financial Information Late Fee at the same time.

5. <u>Security Agreement</u>.

A. As security for the payment of Royalty Fees and other charges under this Agreement, Franchisee hereby grants Little Diggers a security interest in all (i) accounts, documents, instruments, contract rights, general intangibles, chooses in action; (ii) inventory and goods now owned or hereafter acquired; (iii) all equipment, fixtures, machinery, furniture, furnishings and vehicles, together with all accessions, parts and all substitutions, improvements and replacements thereof and additions thereto now owned or hereafter acquired; and (iv) proceeds of hazard insurance and eminent domain or condemnation awards. The properties and interest in properties described in this Section are hereinafter individually and collectively referred to as the "Collateral."

B. Franchisee hereby authorizes Little Diggers to file and record such UCC financing statements and related documents (the "Financing Statements") in such locations, and with such persons and governmental offices as Little Diggers deems appropriate, desirable, or necessary to perfect, effectuate, complete, preserve, and/or continue the security interest of Little Diggers in the Collateral. Franchisee hereby irrevocably appoints Little Diggers, its agents and employees, as Franchisee's lawful attorney-in-fact and agent with full power, authority, and right to execute and file the Financing Statements, upon written notice to Franchisee, in the name and on behalf of Franchisee. Except as specifically provided herein, this power of attorney is irrevocable, continuing and coupled with an interest.

C. Little Diggers expressly agrees to subordinate its Security Interest in the Collateral to a lender in connection with Franchisee obtaining the Opening Funds. Little Diggers may elect to authorize subordination of its Security Interest in the Collateral for funds other than the Opening Funds at its own discretion and on a case-by-case basis.

6. <u>Location</u>.

A. The physical address of the Facility shall be within following zip code(s): _____ (the "Exclusive Territory"). The "Location" of the facility shall be determined once the lease is executed and shall be the physical location of the Leased premises,

which shall be physically situated within the Exclusive Territory. Little Diggers will assist Franchisee in finding a suitable Location. The Location shall be selected by Franchisee, with assistance from Little Diggers or its representative, but is subject to the written consent of Little Diggers. Such consent shall not be unreasonably withheld. The amount of zip codes you will be provided with is dependent upon population density of the zip codes. Little Diggers shall act promptly to determine whether or not to approve Franchisee's proposed location, but shall provide an answer to Franchisee within ten (10) business days of the date when Franchisee submitted all of the information requested by Little Diggers as it relates to the proposed location. In the event that Little Diggers does not approve a proposed Location, Franchisee must submit another proposed Location within the Exclusive Territory for Little Diggers' approval. The failure of Little Diggers to approve a proposed location does not provide Franchisee with additional time to open. The opening time requirements are set forth in Section 4(B). Franchisee shall not own its own building unless it has first obtained permission in writing from Little Diggers.

B. As long as this Agreement is in effect, and Franchisee is fully in compliance with this Agreement and not in default, Little Diggers shall not establish, operate or enfranchise any other traditional Little Diggers Facility within the Exclusive Territory. The Exclusive Territory is defined solely by the zip code(s) set forth in Section 6(A) and shall not change during the Term of this Agreement, regardless of whether Franchisee relocates the Facility to a different Location within the Exclusive Territory.

C. Franchisee shall not change the Location of the Facility without the prior written consent of Little Diggers. Any proposed relocation must be to a Location physically situated within the Exclusive Territory. A proposed relocation to a location outside the Exclusive Territory shall require Little Diggers' prior written consent in its sole discretion, and if approved, shall be treated as a new territory assignment requiring an amendment to this Agreement replacing the zip code(s) in Section 6(A) with the newly agreed zip code(s). If Little Diggers elects to travel to the proposed new location, Franchisee agrees to pay to Little Diggers the actual travel costs incurred by Little Diggers to visit the proposed location, including, but not limited to airfare, hotel, gas, rental vehicles, and meals of Little Diggers representatives ("Relocation Approval Expenses"). Said amount shall not exceed two thousand five hundred thousand dollars ($2,500). If Little Diggers in its sole discretion deems travel necessary, at the same time that Franchisee submits the written request for relocation, Franchisee shall pay a deposit of two thousand five hundred dollars ($2,500) to Little Diggers to be applied by Little Diggers to the Relocation Approval Expenses. The remaining Relocation Approval Expenses due, if any, will be collected by Little Diggers via Electronic Transfer within thirty (30) days of the Relocation Approval Travel.

D. Little Diggers will not unreasonably withhold consent for relocation; provided, however, that Little Diggers may withhold consent based on Franchisee's failure to demonstrate appropriate relocation funds sufficient to complete construction and buildout of the new location based on the required expenses for construction and buildout in Item 7 of the then-current Franchise Disclosure Document. In the event of such a relocation, the new location must follow the same interior design and construction standards as are required in the then-current Franchise Agreement.

7. <u>Term</u>.

A. This Agreement shall remain in effect for a term of ten (10) years, beginning on the earlier of 1) the date that the Facility is first open for business to the public, or 2) the date that is

fifteen months after the Effective Date (the "Facility Opening Date"), except that this Agreement may terminate sooner upon Default by Franchisee as provided in Section 16, or Little Diggers' acquisition of the Facility pursuant to a right of first refusal as provided in Section 15. For the sake of clarity, the Effective Date is not the start of the ten (10) year Term. The Facility Opening Date is the first day of the Term.

B. If Franchisee requests in writing during the last year of the initial ten (10) year term of the Agreement, Little Diggers will renew the Franchise for a term of ten (10) years; provided that the Franchisee has not committed a material breach of this Agreement during the final five (5) years of the initial ten (10) year term of this Agreement. In the event of any extension or renewal, Franchisee shall execute the then current form of Little Diggers' Franchise Agreement (the "New Agreement") no later than sixty (60) days prior to the end of the Term of this Agreement. Franchisor requires the sixty (60) day notice period to prepare plans for the market in the event that Franchisee does not renew. Franchisee shall pay to Little Diggers a renewal fee of Ten Thousand Dollars ($10,000) at the time the New Agreement is signed.

C. Franchisee shall immediately remove all Little Diggers signage or trade dress that identifies Little Diggers upon the conclusion of the Term, whether the natural Term has ended or whether the Franchise Agreement was terminated. In the event that Franchisee fails to remove all Little Diggers signage at the conclusion of the Term, Little Diggers will remove all such items. In such an event, Franchisee shall pay Little Diggers for its actual expenses in removing all Little Diggers branding from the Facility, including engaging third parties and/or travel costs, including mileage, rentals, gas, parking, tolls, hotels, and food on the road as applicable.

8. <u>Facility Appearance And Equipment</u>.

A. Franchisee shall install and erect at the Facility such signs, emblems, and caricatures, as are prescribed by Little Diggers from time to time, subject to local ordinances. Franchisee shall not display any signs, emblems, or caricatures at the Facility other than those approved by Little Diggers. Signs shall be purchased from Little Diggers or from a vendor approved by Little Diggers.

B. Franchisee shall maintain the Facility and all equipment and signs in good repair, sound operating condition, and in a clean and attractive appearance according to the standards of cleanliness, neatness, and sanitation established by Little Diggers through the System.

C. Except with the prior written consent of Little Diggers, Franchisee shall not sell any items from its Facility that are not approved for sale by Little Diggers. Franchisee shall not share its Facility with any other business, nor shall Franchisee engage in co-branding or any promotional alignment with a third party that a reasonable person would view as a co-branding, joint venture, license, or partnership, without the prior written approval of Little Diggers. Only Little Diggers' franchised business may be conducted in the Facility.

D. Little Diggers may require Franchisee to periodically remodel the Facility, but not more frequently than every five (5) years, and at a cost not to exceed Ten Thousand Dollars ($10,000) in each respective five (5) year period. If such a requirement exists, Franchisee will be notified in writing of the requirements at least one year prior to the deadline for such remodeling.

E. Franchisee shall purchase and utilize integrated computer equipment, including an approved point of sale system, which shall be designated by Franchisor and approved associated software.

F. Little Diggers shall have access to all data produced by the computer via high-speed Internet connection or the fastest data exchanger available in the designated market. Little Diggers shall own all data created by and contained within the CRM and point of sale system, including, but not limited to, customer names, customer phone numbers, customer email addresses, and sales information.

G. Franchisee is required to provide Little Diggers with an email address that Franchisee shall regularly review. Little Diggers will send correspondence and communications to Franchisee through email or through the Little Diggers Intranet. Little Diggers will provide Franchisee with one (1) Little Diggers branded email address for use at the Facility at no additional charge ("Branded Email Address"). The Branded Email Address shall be used by Franchisee for all communications relating to the operation of the Facility and shall conform to the naming conventions and usage guidelines established by Little Diggers through the System. Franchisee may request additional Little Diggers branded email addresses beyond the one (1) included at no charge, at a cost of Twenty Dollars ($20.00) per additional email address per month, which shall be collected by Little Diggers through Electronic Payments. Little Diggers owns all branded email addresses associated with the Little Diggers system and Franchisee's right to use the Branded Email Address shall terminate immediately upon the expiration or termination of this Agreement, at which time Franchisee shall cease all use of the Branded Email Address and any additional branded email addresses.

H. Franchisee is required to purchase and utilize a video surveillance system with online access. Little Diggers shall be granted access to the online video surveillance system within five (5) days after providing a written request to Franchisee. Little Diggers may remotely monitor the activity of Franchisee's Facility. Little Diggers may designate the manufacturer, model number, and other similar requirements for the video surveillance system. Little Diggers may require Franchisee to replace the video surveillance equipment every ten (10) years.

I. Franchisee shall promptly pay all distributors, suppliers, or vendors for all purchases made by Franchisee. Franchisee shall remain current on all rent obligations to the landlord.

9. <u>Obligations of Franchisee</u>.

A. Franchisee agrees to fully and completely comply with the Operating Manual, the System, and all updates to it, as set forth in Section 2. Franchisee acknowledges that its permission to use the Little Diggers marks and System are expressly conditioned upon Franchisee's strict compliance with the Operating Manual, and the System. Little Diggers, through its System, shall control the days of operation, hours of operation, advertising, marketing, food items, vendors, suppliers, décor, signage, and any other item that is addressed by the System or this Agreement. Franchisee and Little Diggers shall mutually agree on the initial prices charged for goods and services, and any changes to the prices thereafter, and the Location of the business. Little Diggers may require that Franchisee adhere to certain designated pricing in order to participate in coordinated promotional campaigns.

B. Franchisee shall not open the Facility for business without the prior express consent of Little Diggers. Little Diggers shall designate the date on which Franchisee may open the Facility for business ("Grand Opening"). In the event that Franchisee opens the Facility for business without the prior express consent of Little Diggers, there shall be a charge of two thousand five hundred dollars ($2,500) per day for every day where, during any portion of that day, the Facility is open without the express written consent of Little Diggers ("Unauthorized Grand Opening Fee"). The Unauthorized Grand Opening Fee may be collected via Electronic Payments and is subject to the Late Fee and the Interest Fee.

C. Franchisee must acquire equipment and fixtures as specified by Little Diggers. The cost of such acquisitions are solely the responsibility of Franchisee. The current opening costs are listed in Item 7 of the current Franchise Disclosure Document.

D. Franchisee shall purchase all sand from Little Diggers or an approved vendor. In the event that the sand becomes dirty, unusable, or spoiled such that it cannot be cleaned and violates the brand standards of Little Diggers (as determined in the sole reasonable discretion of Little Diggers and as set forth in the System), Little Diggers may require Franchisee to purchase new sand to replace the unusable sand. The amount required to be spent on replacement sand shall not exceed Fifty Thousand Dollars ($50,000) and may be required by Little Diggers no more than once during each respective Term of this Agreement.

E. Franchisee shall not purchase, utilize, dispense, or sell any item or product that does not conform to the standards and specifications required by Little Diggers concerning portions, appearance, quality, coloring, flavoring, and other ingredients or characteristics. Little Diggers shall prescribe these standards and specifications after the Agreement is signed, and periodically thereafter as the standards and specifications are changed, consistent with the System.

F. Franchisee shall purchase all of its inventory and supplies from a distributor approved by Little Diggers in the area in which the Facility is located. The purpose of this requirement is to ensure consistency across all Little Diggers Facilities and to keep cost as low as possible by purchasing items in higher volumes than if each Little Diggers Facility independently purchased the items. Franchisee may suggest a new distributor for approval by Little Diggers. Little Diggers may then require Franchisee to test the products of the proposed distributor to the extent Little Diggers deems necessary, and may, subject solely to Little Diggers' discretion, approve the proposed distributor as a designated distributor for some or all items. Franchisee shall pay the cost of any such testing of alternative products. Such testing shall be in a form determined by Little Diggers, which shall be relayed to Franchisee at the time Franchisee seeks approval of an alternate distributor. Little Diggers will approve or disapprove of the proposed alternate distributor within 30 days of Little Diggers' receipt of the product tests set forth by Little Diggers.

G. Franchisee shall require all persons working at the Facility to wear, while engaged in the operation of the Facility or otherwise in contact with guests, a logo shirt bearing the Little Diggers name and/or marks in a design approved by Little Diggers ("Branded Shirt"). Franchisee shall purchase Branded Shirts from a vendor designated by Little Diggers, unless an alternative vendor is approved in writing by Little Diggers. Little Diggers reserves the right to prescribe additional dress code standards through the Operating Manual, which may include requirements regarding pants, footwear, headwear, and overall appearance ("Dress Code Standards"). The Branded Shirt requirement and any Dress Code Standards are brand identity standards imposed on Franchisee as operator of the Facility, not directives regarding the employment of Facility

Personnel. Franchisee is and remains the sole employer of all Facility Personnel and retains sole and exclusive control over all related employment decisions. Little Diggers does not, by establishing these standards, become the employer, co-employer, or joint employer of any Facility Personnel. Franchisee shall indemnify and hold Little Diggers harmless from any claim by any Facility Personnel or governmental authority arising out of these standards, including any claim that Little Diggers is or was a joint employer of any Facility Personnel.

H. To the furthest extent allowed under the applicable law, Franchisee shall indemnify, defend, and hold harmless Little Diggers from any such claims, losses, or damages, including exemplary and punitive damages, attorney's fees and other costs or expenses incurred by Little Diggers except to the extent that such claims, losses, or damages result from the intentional acts of Little Diggers or its employees. In the event of such indemnity, Little Diggers shall provide a written notice to Franchisee of the nature of the claim, losses, or damages and the extent and amount of the indemnity required by Franchisee ("Indemnity Notice"). Franchisee shall make said payment to Little Diggers within thirty (30) days of the Indemnity Notice. If any portion of this Section is for any reason declared invalid or unenforceable, the validity of the remaining portions of this Section shall not be affected, and such remaining portions shall remain in full force and effect as if this Section had been executed without the invalid portion. Franchisee agrees to assume the entire liability for all personal injury claims suffered by its own employees and waives any limitation of liability defense based upon the Worker's Compensation Act and cases decided there under. Franchisee agrees to indemnify and defend the Franchisor from and against all such loss, expense, damage or injury, including reasonable attorney's fees, which the Contractor may sustain as a result of personal injury claims by Subcontractor's employees.

I. Franchisee shall at all times maintain the following policies of insurance, each of which shall name Little Diggers Franchising, LLC, 6327 Sawmill Road, Dublin, OH 43017 as an additional insured on a primary, non-contributory basis, with respect to sections H(ii)-(iv) only:

i. Workers' compensation and occupational disease insurance with minimum limits as required by law, but not less than One Million Dollars ($1,000,000) per occurrence. Franchisee shall provide a waiver of worker's compensation subrogation and/or any rights of reimbursement or recovery allowed under any workers compensation law or any other legal basis in favor of Franchisor;

ii. General liability insurance, including products liability coverage, with a limit of not less than One Million Dollars ($1,000,000) per occurrence; and

iii. Non-owned and hired automobile liability insurance with a minimum of not less than One Million Dollars ($1,000,000) per occurrence.

iv. If Franchisee owns vehicles that are used in deliveries for the business, owned automobile liability insurance with a minimum of not less than One Million Dollars ($1,000,000) per occurrence.

v. If Franchisee has an umbrella insurance policy, it must add Franchisor as an additional insured to the maximum amount of the umbrella.

vi. Franchisee shall provide Little Diggers with acceptable documentation to prove that it has been named as an additional insured as required by this Agreement, including but not limited to, Form CG 2029 (Grantor of Franchise Additional Insured Form).

(Collectively, "the Insurance"). All premiums for the Insurance shall be paid by Franchisee. Each insurance policy shall list Little Diggers as an additional insured, on a primary, non-contributory basis, shall provide for thirty (30) days notice to Little Diggers prior to cancellation of such insurance policy, and shall give Little Diggers the right to pay any premium due to avoid cancellation of such insurance. **Franchisee expressly authorizes Little Diggers to pay premiums on behalf of Franchisee in the event that Franchisee fails to obtain the Insurance (whether such failure is to renew the Insurance or to obtain the Insurance initially) within five (5) days of written notice provided by Little Diggers. Franchisee shall reimburse Little Diggers immediately upon demand for any amount paid by Little Diggers on behalf of Franchisee to maintain an insurance policy**. **Little Diggers may collect any amounts paid on Franchisee's behalf through Electronic Payments.** Upon demand, Franchisee shall furnish Little Diggers with certificates of insurance, proof of payment of premiums, and copies of insurance policies, which evidence Franchisee's compliance with this Agreement within seven (7) days of the written demand from Little Diggers. After that, for each seven (7) day period or fraction thereof where Franchisee fails to fully meet the requirements of this Section, Franchisee shall pay to Little Diggers a late fee (the "Insurance Fee") of two hundred dollars ($200) per week until Franchisee has fully complied with the requirements of this Section. Further, the failure to comply with the provisions of this paragraph shall trigger the Brand Standards Liquidated Damages provision set forth in Section 2(C) if proof of insurance that is compliant with this Agreement is not provided to Little Diggers within seven (7) days of when the first two hundred dollar ($200) weekly Insurance Fee is charged (which is fourteen days after the initial written demand from Little Diggers). The Insurance Fee shall be subject to the Interest Fee if the same is not paid when due. Little Diggers shall have the power to use Electronic Payments to collect the Insurance Fee and the Interest Fee.

J. Neither Little Diggers nor Franchisee shall be liable to the other, or to any insurance company (by way of subrogation or otherwise) insuring the other party, for any loss or damage, or any resulting loss of income or benefits, except to the extent such loss or damage results from the intentional acts of the party causing such loss or damage. The waiver in this Section shall apply regardless of any negligent, grossly negligent, or other unintentional acts or omissions of either party. If any loss or damage is covered by insurance benefiting the party suffering such loss or damage, or is required to be covered by insurance under this Franchise Agreement, all claims for recovery of such loss or damage (including claims for deductibles or amounts self-insured by either party) are waived to the fullest extent permitted by law, except for losses caused by the intentional acts of either party. Franchisee and Little Diggers shall require their respective insurance carriers to include a standard waiver-of-subrogation provision in their policies, consistent with the limitations set forth in this Section.

K. Franchisee shall comply with all state, federal, or local laws and regulations. Franchisee shall timely pay all taxes assessed by any taxing authority, federal, state, or local, against the Facility or the personal property used in the operation of the Facility. Franchisee shall keep up to date with any changes in law across all jurisdictions. Little Diggers is not responsible for keeping franchisee up to date on any legal developments.

L. Franchisee shall be personally involved in the conduct and operation of the Facility. If Franchisee is not an individual, then an individual who owns ten percent (10%) or more of the voting common stock, partnership interest, or membership interest of Franchisee shall be involved in the conduct and operation of the Facility. If applicable, the individual who will be personally involved (the "Operator") is _____. The Operator shall not be changed without the prior written consent of Little Diggers. Any change made without such consent shall be a material breach of this Agreement. The Operator, Franchisee, and the Guarantors of this Agreement shall promptly provide photo identification or other information reasonably requested by Little Diggers to verify their identities.

M. Either the Operator or a manager who has been trained in the System ("the Manager(s)") shall be at the Facility when the Facility is open for business. Little Diggers may require the Operator or the Manager(s) to successfully complete training as specified by Little Diggers. Little Diggers may adopt a program by which Managers must be "certified" by Little Diggers. Such certification may require successfully completing training, passing tests, and a minimum amount of on the job experience. Operator and Manager(s) must be able to adequately communicate (oral and written) with customers, employees, representatives of relevant government agencies, and others. **Little Diggers SHALL NOT have ANY control, whether direct or indirect, over the hiring and firing of employees, the scheduling of individual employees, the compensation of employees, or any human resources issue within Franchisee's business. Franchisee shall have sole control and liability for all such issues.**

N. Franchisee shall notify Little Diggers in writing within ten (10) days of the commencement of any action, suit, or proceeding or of the issuance of any order, writ, injunction, award or decree, of any court, agency, or other governmental instrumentality that may adversely affect the financial condition of Franchisee or its ability to meet its obligations under this Agreement.

O. Franchisee, Franchisee's Principals and the Operator shall diligently devote their best efforts to the operation of the Facility.

P. The telephone number or numbers of the Facility shall be listed under the name "Little Diggers" or "Little Diggers [City Name]". Franchisee shall pay all telephone charges, costs, and deposits when due.

Q. Franchisee, the Operator, or a manager designated on behalf of Franchisee, shall attend the Little Diggers Conference periodically held by Little Diggers. Little Diggers shall provide Franchisee with adequate notice of the time, date, and location of each franchise meeting. Franchisee shall bear all expenses related to attendance at such meetings, including, but not limited to, travel, meals, and lodging. Little Diggers shall charge a reasonable fee to pay for the actual costs of any franchise meeting. Franchisee shall pay to Little Diggers Five Hundred Dollars ($500) for each Little Diggers Conference that Franchisee, Operator or a manager designated by Franchisee or the Operator fails to attend ("the Meeting Fee"). Franchisee shall pay the Meeting Fee within ten (10) days after the meeting was not attended. The Meeting Fee shall be subject to the Interest Fee if the same is not paid when due. Little Diggers shall have the right to collect the Meeting Fee and Interest Fee through Electronic Payments.

R. Upon written request by Little Diggers, if Franchisee is a legal entity such as a limited liability company or corporation it shall provide the most recent signed and executed copy

of Franchisee's operating agreement, corporate by-laws, or regulations, as may be applicable to Little Diggers within five (5) days of the written request by Little Diggers.

S. Upon the death or disability of the Guarantor or Operator (or, if Franchisee is a legal entity, the majority owner of Franchisee), the Operator or majority owner of Franchisee's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed fifteen (15) days from the date of death or disability, appoint a new Operator, who must immediately schedule in-store training with Little Diggers at the expense and within the timeframe we specify. If, in Little Diggers' judgment, the Facility is not being managed properly any time after the death or disability of the Operator (or, if Franchisee is a legal entity, the majority owner of Franchisee), Little Diggers may, but need not, assume the Facility's management (or appoint a third party to assume its management). All funds from the Facility's operation while it is under our (or the third party's) management will be kept in a separate account, and all expenses will be charged to this account. Little Diggers may charge Franchisee (in addition to the Royalty Fee, Ad Charge, and other amounts due under this Agreement), Two Hundred Fifty Dollars ($250) per person per day ("Short Term Management Fees"), plus Little Diggers' (or its third party's) direct out-of-pocket costs and expenses, including travel expenses such as hotel, airfare, meals on the road, mileage, and rental cars, if applicable, if Little Diggers (or a third party) assume the Facility's management under this Section. The Short Term Management Fees shall not exceed Five Thousand Dollars ($5,000). The total amount of Little Diggers (or a third party we choose) has a duty to utilize only reasonable efforts and, provided Little Diggers is not grossly negligent and does not commit an act of willful misconduct, Little Diggers will not be liable to you or your owners for any debts, losses, or obligations the Facility incurs, or to any of your creditors for any products, other assets, or services the Facility purchases, while we (or a third party) manage it. If we assume the Facility's management (or appoint a third party to assume its management), we will operate the Facility for up to thirty (30) days. We will periodically evaluate whether or not a new Operator is capable of resuming the Facility's operation and will periodically discuss the Facility's status with Franchisee or, if applicable, Operator or majority Franchisee owner's heirs or personal representative. For purposes of this Section, the term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent Operator or the majority Owner of Franchisee from supervising the Facility's management and operation.

T. Franchisee shall respond to all communications from Little Diggers that are sent to the email address or phone number that Franchisee has on file with Little Diggers by no later than five (5) business days from the date of the communication from Little Diggers.

U. Little Diggers reserves the right to either contract with a third party on your behalf, or to require you to contract with an approved vendor, to assist you with real estate selection, construction management, architectural and design services, and buildout and general contracting for the Facility. Little Diggers may maintain a list of approved vendors for any or all of these services, which may be updated from time to time by Little Diggers. If Little Diggers maintains such a list, Franchisee shall select its vendors from that list. If Little Diggers has not designated approved vendors for a particular service at the time Franchisee requires such service, Franchisee shall obtain Little Diggers' prior written approval before retaining any such vendor, which approval shall not be unreasonably withheld. You acknowledge and agree that you must use approved vendors for all such services and that the failure to do so is a material breach of this Agreement. Little Diggers' approval of any vendor does not constitute a warranty or guarantee of the quality

of their work, and Franchisee remains solely responsible for ensuring that the completed Facility conforms to the System's design standards, plans, and specifications.

V. Little Diggers reserves the right to either contract with a third party on your behalf, or to require you to contract with an approved vendor, to provide music within your Facility that is consistent with the Little Diggers System. There will be a monthly fee associated with this expense, not to exceed One Hundred Dollars ($100).

W. Franchisee is required to use the customer relationship management (CRM) software a vendor approved by Little Diggers and to pay the applicable Technology Fee. Little Diggers may require Franchisee to replace computer equipment to the then-current computer equipment being used by new franchisees every five (5) years. The maximum expense during such five (5) year period that Franchisee will be required to incur related to this paragraph is Two Thousand Five Hundred Dollars ($2,500).

X. Franchisee shall use a payroll company, unless otherwise approved by franchisor in writing. Franchisor shall not have access to any information related to Franchisee's employees from the payroll company.

Y. Franchisee shall subscribe to Quickbooks Online for online accounting software. Franchisor reserves the right to designate an alternative online accounting software.

Z. Franchisee shall ensure that all of its customers first execute a liability waiver in a form that is approved by Franchisor before participating at the facility.

AA. Franchisee acknowledges that Little Diggers Facilities serve young children and their families, and that maintaining a safe, drug-free environment is a fundamental brand safety standard of the Little Diggers System. Accordingly, Franchisee shall, at its own expense, establish and maintain a written drug-free workplace policy applicable to all persons working at the Facility, including Franchisee, Operator, managers, and all employees ("Facility Personnel"). Franchisee's drug-free workplace policy shall, at a minimum, prohibit any Facility Personnel from being under the influence of, or impaired by, any controlled substance, illegal drug, or intoxicant while working at the Facility or while otherwise in contact with guests of the Facility. Little Diggers reserves the right, upon reasonable notice to Franchisee, to require that Franchisee administer drug testing of any or all Facility Personnel as a guest safety and brand standards measure. Any such testing shall be administered by Franchisee through a third-party testing provider of Franchisee's choosing that meets Little Diggers' minimum standards. Franchisee shall bear all costs associated with any such drug testing. Franchisee shall report the results of any required testing to Little Diggers to the extent permitted by applicable law. Any drug testing conducted pursuant to this Section shall be conducted in accordance with all applicable federal, state, and local laws, and it is the sole responsibility of Franchisee to ensure such compliance. Notwithstanding the foregoing, Franchisee is and shall remain the sole employer of all Facility Personnel. Nothing in this Section, or elsewhere in this Agreement, shall be construed to make Little Diggers a co-employer, joint employer, or employer of any kind with respect to Facility Personnel. Little Diggers does not direct, control, or supervise the day-to-day employment decisions of Franchisee, including but not limited to hiring, firing, compensation, scheduling, or working conditions of Facility Personnel. The drug testing standard set forth in this Section is a brand and guest safety requirement of the Little Diggers System, not a condition of employment imposed by Little Diggers on Facility Personnel. *The brand safety standard set forth in this Section is not in conflict with, and shall be*

read in harmony with, Section 9(M) of this Agreement. Little Diggers' right to require Franchisee to implement drug testing is a brand and guest safety standard imposed on Franchisee as the operator of the Facility — not a direction or instruction regarding Franchisee's employment decisions. Franchisee retains sole and exclusive discretion as to what employment action, if any, to take with respect to any Facility Personnel based on the results of any drug test, and Little Diggers shall have no role in, and no right to direct, such employment decisions.

10. Representations of Franchisee. In connection with its execution of this Agreement, Franchisee warrants and represents as follows:

A. That, except as provided in the Franchise Disclosure Document provided to Franchisee prior to execution of this Agreement, Little Diggers has not, either orally or in writing, represented, estimated or projected any specified level of sales, costs, or profits for this Franchise, nor represented the sales, costs, or profits of any other Little Diggers Facility.

B. Franchisee has consulted with or has had ample opportunity to consult with professional advisors, including attorneys, and accountants, in connection with Franchisee's decision to enter this Agreement. Franchisee on the basis of such consultation represents that it is financially and otherwise able to accept the risks associated with this franchised business.

C. Franchisee acknowledges that Little Diggers may have entered into Franchise Agreements with provisions different from those in this Agreement and may enter into Franchise Agreements in the future with provisions different from those in this Agreement.

D. Franchisee acknowledges that the business it will operate under this Agreement involves risk and that any success or failure will be substantially influenced by the ability and efforts of Franchisee, the Operator and/or Manager(s), the Facility's location, and the number and strength of competitors.

E. Franchisee warrants that it has sufficient Opening Funds or it has sufficient liquid capital and credit history to obtain Opening Funds from a lender. Franchisee warrants and represents that all proof of funds documentation, personal financial statements, and any other information submitted by Franchisee to Little Diggers are true and accurate.

F. Franchisee has conducted its own independent investigation of Little Diggers, the System, the risks, burdens, and nature of the business Franchisee will operate under this Agreement.

G. Franchisee has waited for a period of at least fourteen (14) days between receiving the Franchise Disclosure Document and signing this Franchise Agreement.

H. Franchisee and its principal(s) agree(s) to submit to a background check, which must be passed to the satisfaction of Franchisor, prior to being considered for approval as a Franchisee of Little Diggers.

11. Advertising.

A. Franchisee shall be obligated to pay two percent (2%) of Net Sales to Little Diggers for the advertising, marketing, public relations programs and materials for the System, as Little

Diggers may deem appropriate from time to time ("the Ad Charge"). In no event shall the Ad Charge for any given week be less than One Hundred Twenty Five Dollars ($125) (the "Minimum Ad Charge"). Little Diggers, at its sole discretion, may increase the amount of the Ad Charge in increments of one half percent (0.5%) no more frequently than every six (6) months until the maximum of three percent (3%) of Net Sales is reached. Franchisor shall provide one hundred twenty (120) days of written notice to Franchisee prior to raising the rate of the Ad Charge. The Ad Charge will be drawn from Franchisee's account through Electronic Payments at the same time and in the same manner as the Royalty Fee. If the Ad Charge is not paid by the Payment Date, Franchisee shall pay, in addition to the Ad Charge, the Late Fee. The funds from the Ad Charge shall be used for advertising, marketing, promotion of the Little Diggers Brand and public relations programs to increase the goodwill towards Little Diggers Facilities from the relevant demographic ("the Ad Fund").

B. Little Diggers will direct all programs that the Ad Fund finances, with sole control over the creative concepts, graphics, materials, communications media, and endorsements used and their geographic, market, and media placement and allocation. The Ad Fund may pay for preparing and video, audio, and written materials and electronic media (including conducting on-line Internet and mobile advertising and marketing); developing, implementing, and maintaining an electronic commerce Website and/or related strategies; administering national, regional, and multi-regional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail, and other media advertising, and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Ad Fund periodically may give you samples of advertising, marketing, and promotional formats and materials at no cost. Little Diggers may sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges. Little Diggers will account for the Ad Fund separately from our other monies and not use the Ad Fund for any of our general operating expenses. However, we may use the Ad Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Ad Fund and work on Ad Fund business/activities; the Ad Fund's other administrative costs; travel expenses of personnel while they are on Ad Fund business; meeting costs; overhead relating to Ad Fund business; and other expenses that we incur in activities reasonably related to administering or directing the Ad Fund and its programs, including, without limitation, conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund contributions. Little Diggers intends the Ad Fund to maximize recognition of the Marks, enhance system protection of the Marks, and increase patronage of Little Diggers Facilities. Although we will try to use the Ad Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Little Diggers Facilities, we need not ensure that Ad Fund expenditures in or affecting any geographic area are proportionate or equivalent to Ad Fund contributions by Little Diggers Facilities operating in that geographic area or that any Little Diggers Facility benefits directly or in proportion to its Ad Fund contributions from the development of advertising and marketing materials or the placement of advertising and marketing. The Ad Fund will not be used principally to develop materials and programs to solicit franchisees. However, media, materials, and programs prepared using Ad Fund contributions may describe our franchise program, reference the availability of franchises and related information, and process franchise leads.

C. Franchisee is not permitted to create a website for the Facility. Franchisee is not permitted to create a social media account (broadly defined as the term is commonly understood)

for the Facility, unless Franchisee has been given permission in writing (including email) from Little Diggers and strictly adheres to any guidelines set forth by Little Diggers regarding such social media usage. All social media accounts and websites to promote the Facility shall be controlled by Franchisor.

D. Franchisee shall spend at least one percent (1%) of Net Sales on local advertising, which shall be approved by Franchisor prior to the expenditure. If Franchisee does not receive written disapproval from Little Diggers regarding prospective Local Advertising or marketing materials within five (5) business days of Little Diggers' receipt of same, Little Diggers shall be deemed to have approved the Local Advertising and marketing materials. In the event that Little Diggers disapproves of Local Advertising or marketing materials in writing, Franchisee shall immediately cease the use of the same, even if after five (5) business days. In the event that Franchisee uses unapproved Local Advertising or marketing materials, Franchisee shall be charged a fee of $400 per occurrence as a Brand Standards Fee subject to the notice provisions in Section 2(C) of this Agreement.

E. Franchisee shall spend a minimum of One Thousand Five Hundred Dollars ($1,500.00) for Local Advertising at the time the Facility opens for business as directed by Little Diggers.

F. If Facility (i) relocates or (ii) closes for any reason and then reopens, the Franchisee shall spend a minimum of Three Thousand Dollars ($3,000.00) for Local Advertising at the time the Facility relocates or reopens. Little Diggers may require Franchisee to deposit such amount with Little Diggers to be held in escrow with Little Diggers as a condition to relocating or before re-opening.

G. The System will establish rules and guidelines for use by Franchisee of any social media. Such rules may be changed from time to time by Little Diggers through the System.

H. Little Diggers may create a gift card program whereby Franchisees shall honor gift cards from other participating locations. In the event that Little Diggers incurs expenses related to such gift card program, you shall promptly pay Little Diggers the amount of the gift card program fee that it incurred on behalf of the Facility.

12. Inspection. To ensure compliance with the terms and conditions of this Agreement and to verify compliance with the System and standards and policies of Little Diggers, Little Diggers representatives may, at any time the Facility is open for business, inspect the Facility and test Franchisee's equipment, products, supplies, methods of production and merchandising, and may confer with the employees and customers of Franchisee. Any such interaction with Franchisee's employees in the nature of an inspection shall not be deemed to be indirect control of Franchisee's employees.

13. Trademarks and Service Marks.

A. Franchisee acknowledges that the name Little Diggers®, as well as all of the trademarks and service marks listed on Attachment A to this Agreement are owned exclusively by Little Diggers ("the Marks"). Little Diggers and its franchisees have the right to use the Little Diggers Marks, as well as any other trade names, service marks, or trademarks, owned by Little Diggers or developed or acquired in the future. For purposes of this Agreement, all such trade

names, service marks and trademarks, whether currently existing or developed or acquired in the future shall be referred to as the Marks, and shall include the Marks on Attachment A, as well as any other trademark or service mark used in connection with any Little Diggers® Facility, including Marks that have not yet been registered with the United States Patent and Trademark Office. Franchisee shall use the Marks only in the manner and to the extent specifically permitted by this Agreement and the System. Franchisee does not acquire any ownership interest in the Marks as a result of this Agreement, as a result of Franchisee's use of the Marks, or otherwise.

B. Franchisee acknowledges and agrees that its right to use the Marks is non-exclusive and that Little Diggers, in its sole discretion, has the right to grant similar rights to others under such terms and conditions as Little Diggers deems fit, and to operate the Facility itself under the Marks.

C. Franchisee expressly covenants that during and after the term of this Agreement, Franchisee shall not directly or indirectly contest or aid in contesting the validity or ownership of the Marks.

D. Franchisee shall promptly notify Little Diggers of any claim, demand, or suit against it, based upon or arising from the use of any of the Marks and/or any variation of the Marks by any other person or entity. Little Diggers shall have the exclusive right and sole discretion regarding actions to be taken to protect against infringement of the Marks, including, but not limited to decisions to defend against or prosecute any lawsuits. So long as Franchisee has strictly followed the System, including the correct usage of the Marks, Little Diggers will defend, indemnify, and hold Franchisee harmless from all costs, damages, and liabilities arising out of any allegation of trademark infringement relating to the Marks or the System.

E. In no event shall Franchisee use, cause to be used, or attempt to use the words "Little Diggers" as part of its business name or assumed name. Franchisee may file an assumed or fictitious name statement with the relevant authority to clarify that it is operating under the name "Little Diggers."

F. Franchisee shall not purchase or acquire any property or incur any obligation or debt under the name of "Little Diggers" or any name other than Franchisee's entity name or individual name (if not an entity).

G. Franchisee shall not create or cause to be created any website or mobile application on behalf of the Facility.

14. <u>Covenants</u>.

A. Franchisee shall not, without the prior written consent of Little Diggers, directly or indirectly (each of the following obligations is also secured by the Personal Guaranty, if applicable, as attached as Attachment B and fully incorporated herein):

i. During the term of this Agreement, (a) engage in any activity in competition with the System, including, but not limited to, involvement, whether as an owner, officer, director, employee, lender, or otherwise, of any business engaged in the providing indoor playground services of any kind whatsoever, or any other business where the primary customer based is derived from children under the age of 10 years old (collectively, a "Competing Facility"), other

than at the Facility, or (b) employ any person or furnish or permit any person who is engaged or who has arranged to become engaged in any activity in competition with the System, including, but not limited to, involvement, either as an owner, officer, director, employee, lender, or otherwise, of any Competing Facility;

ii. For a period of three (3) years following the expiration, termination, or transfer of this Agreement, regardless of the cause of such expiration, termination or transfer, engage in the operation of a Competing Facility within thirty (30) miles of (a) the Facility/Location, (b) any Little Diggers Facility (including both Little Diggers Facilities that are currently open and any new Little Diggers Facility that may open in the future, even if the opening of such Little Diggers Facility is after Franchisee first opened a Competing Facility in the market).

iii. During the term of this Agreement and for a period of three (3) years after its expiration, termination, or transfer, regardless of the cause of such expiration, termination, or transfer, divert or attempt to divert any business or customer from any Little Diggers Facility.

iv. During the term of this Agreement and for a period of three (3) years after the expiration, termination, or transfer of this Agreement, regardless of the cause of such expiration, termination, or transfer, recruit, employ, or seek to employ any person who, at any time, and for any period of time, within the immediately preceding three hundred sixty five (365) days was employed by any Little Diggers Facility or by Little Diggers or its affiliates. *In the event that Franchisee violates this provision, Franchisee shall pay a one time Unauthorized Employee Fee in the amount of Ten Thousand Dollars ($10,000), which is due when invoiced to Franchisee by Little Diggers. ("the Unauthorized Employee Fee").* During the term of this Agreement only, Franchisee may obtain the permission of the person's previous employer and employ that person with no Unauthorized Employee Fee due in the event that the person's previous employer has agreed in writing. If Franchisee is not an individual, then the owners, shareholders, partners, or members of Franchisee shall be bound by this Section, and shall sign the guaranty attached hereto as Attachment B.

v. Franchisee acknowledges that under the terms set out above, Little Diggers is entitled to a period of three (3) years immediately following the termination of the Agreement during which Franchisee will not violate the covenants set forth in this Paragraph 14(A) above. Franchisee agrees that if Franchisee breaches any such obligation to Little Diggers during the three (3) year period immediately following termination of the Agreement, then the time period of the restrictive covenants shall be extended for the length of time that Franchisee fails to fulfill its obligations. This tolling provision shall not limit Little Diggers right to other legal or equitable relief.

B. If any court determines that this agreement not to compete is too broad, the scope of this agreement not to compete shall be deemed to be automatically restricted to the extent necessary to be enforceable by such court.

C. Franchisee shall not cancel, terminate, or assign the lease governing its occupation of the Facility or sublet the Facility or attempt to take any such action, without providing Little Diggers with at least thirty (30) days notice prior to taking or attempting such action. Such notification shall not diminish any other rights or remedies available to Little Diggers under this Agreement.

D. Franchisee shall provide written notice to Little Diggers within fifteen (15) days *prior to* the time that it exercises any option to extend its lease for the Facility or becomes a party to any action, either as a defendant or a plaintiff, which in any way relates to the Facility or Franchisee's lease for the Facility.

15. <u>Transfer of Franchise</u>.

A. Little Diggers shall have a right of first refusal (the "Option") to acquire any or all of the following assets upon the terms and conditions set forth below:

i. From the Franchisee: the Franchise, the Facility, the Franchisee's interest in or rights to the premises occupied by the Facility, and any or all of the equipment, fixtures, equipment leases, and/or inventory used in connection with or located at the Facility (the "Option Assets"), and

ii. From an Owner: the stock, partnership, or membership interest of such Owner (the "Ownership Interest").

B. If Franchisee or any Owner (the "Seller") desires to sell or transfer any or all of the Option Assets or Ownership Interest to a third party, the Seller shall first obtain from the third party a written offer (the "Offer") setting forth all material terms and conditions of the proposed sale or transfer. The Seller shall forward a copy of the offer to Little Diggers. In addition, Franchisee shall forward to Little Diggers whatever information pertinent to the business and operations of the Facility that Little Diggers requests, including, but not limited to, a financial statement as of the end of Franchisee's most recent fiscal year, in order to enable Little Diggers to evaluate the Offer. Franchisee and Seller shall warrant the accuracy of all such information concerning the business and operation of the Facility. Little Diggers shall then have the Option to purchase the Option Assets or Ownership Interest listed in the Offer. In order to accept the Offer, Little Diggers must notify the Seller in writing of its exercise of the Option within thirty (30) days following the receipt by Little Diggers of a copy of the Offer together with the requested financial information.

C. If Little Diggers does not exercise its Option, and Little Diggers does not prohibit the transfer, the Seller may accept the Offer and consummate the sale or transfer to the third party upon the same terms and conditions as set forth in the Offer. The consummation of said sale or transfer shall include the execution of the appropriate assignment forms containing terms satisfactory to Little Diggers. At the option of Little Diggers, the proposed transferee shall be required to execute the New Agreement; provided, however, that the New Agreement shall not increase the Royalty or Ad Charge percentages for the remainder of the Transferor's remaining Term. After Transferor's remaining Term, and upon renewal if applicable, franchisor may require franchisee to execute an agreement with the then-current Royalty and Ad Charge percentages as set forth in franchisor's most recently issued Franchise Disclosure Document.

D. Following the sale or transfer of the Franchise to a third party, the third party shall succeed to all of the Franchisee's rights, obligations, and liabilities under this Agreement, and the Franchisee shall be released from further liability under this Agreement. The purchaser or transferee, if not a person, the stockholders, members, or partners of such purchaser or transferee, of any Option Assets or Ownership Interest, must execute the guaranty attached hereto as Attachment B.

E. In addition to the right of first refusal described in Sections 15(A)-(D), a transfer of any Option Assets or Ownership Interest shall be subject to the following conditions:

i. The proposed transferee must meet Little Diggers' then-current qualifications or standards, including, but not limited to the following:

1. The proposed transferee must have sufficient financial resources to operate a Little Diggers Facility.

2. The proposed transferee must have a satisfactory credit rating and business reputation, sufficient business experience, and proper moral integrity to successfully operate a Little Diggers Facility.

3. The proposed transferee must execute appropriate transfer or assignment forms containing terms and conditions satisfactory to Little Diggers. Subject to Section 15(C), such assignment forms may include a New Franchise Agreement.

4. The proposed transferee must not be a competitor of Little Diggers or any Little Diggers Facility, as decided by Little Diggers in its commercially reasonable discretion.

5. The Seller or the proposed transferee must pay all amounts due to Little Diggers, distributors, suppliers, and vendors through the date of transfer, and cure any other default under this Agreement existing at the time of the proposed transfer.

6. The Seller or the proposed transferee must pay all federal, state, and local income, service, sales, payroll, or other taxes due as a result of the Facility's operations.

7. The Seller must execute a release of all claims and causes of action that it has or may have against Little Diggers on a form containing terms and conditions satisfactory to Little Diggers.

8. If the transfer of the Franchise involves installment payments or other owner financing by the proposed transferee to the Seller, the Seller must execute a subordination agreement under which the Seller subordinates its right to receive any installment from the proposed transferee to Little Diggers' right to receive any and all amounts due it from Franchisee under this Agreement through the due date of such installment and any and all amounts due to Little Diggers which are accrued by the proposed transferee during its operation of the Facility. The subordination agreement shall be in a format and contain such additional terms and conditions as are satisfactory to Little Diggers.

9. If the Seller/Franchisee transfers the Franchise to a transferee other than Little Diggers, the Seller/Franchisee must pay, in addition to any other amounts that Seller/Franchisee may owe Little Diggers, the sum of Three Thousand Dollars ($3,000) if the sale is to an existing owner of a Little Diggers Facility, or the sum of Five Thousand Dollars ($5,000) if the sale is to a third party who is not an existing owner of a Little Diggers Facility (the "Transfer Fee"). An "existing owner" is a person or entity that has a ten percent (10%) or more ownership interest in a Little Diggers Facility at the time of the Offer.

10. The proposed transferee shall successfully complete any and all training that Little Diggers deems necessary for the proposed transferee, whether on-site in the Facility, online, or in-person immersion training. Because the experience levels of proposed transferees will vary substantially, Little Diggers reserves the right, in its sole discretion, to require some proposed transferee's to obtain additional training and to not require other proposed transferee's to obtain additional training. The proposed transferee must pay for any and all out of pocket training expenses actually incurred by Little Diggers in traveling to train the proposed transferee, including, but not limited to, hotel, airfare, and meals. The total amount of out of pocket training expenses incurred by Little Diggers shall not exceed Five Thousand Dollars ($5,000). If Little Diggers requests, the proposed transferee shall deposit such Five Thousand Dollars ($5,000) in escrow with Little Diggers prior to the consummation of the transfer to be used for out of pocket expenses in training the proposed transferee at the Facility.

ii. Neither the Franchisee, nor an Owner, shall have the power to transfer the Franchise or an Ownership Interest unless the Facility is conducting business in complete and absolute compliance with this Agreement. Little Diggers shall not unreasonably refuse to approve a proposed transferee. No transfer of the Option Assets or an Ownership Interest shall be effective without the prior written consent of Little Diggers.

iii. If Franchisee is an individual, after the execution of this Agreement, Franchisee may sell, assign, or transfer his or her rights under this Agreement to a corporation or limited liability company of which Franchisee is the sole member or shareholder. In the event of any such sale, transfer, or assignment, the assignee shall become liable for the performance of all the obligations of this Agreement and Franchisee shall personally guaranty all such obligations by executing a form satisfactory to Little Diggers.

iv. In the event of death, disability, or permanent incapacity of Franchisee or Operator, such individual or his personal representative shall have one (1) year in which to dispose of the Franchise, subject to the terms of this Agreement. If the Franchise is not disposed within one (1) year of the death, disability, or permanent incapacity of Franchisee, the Franchise shall automatically terminate. Subject to this Agreement, the Franchise may be transferred to the spouse or heirs of the deceased, disabled, or permanently incapacitated individual. In the event of the death, disability, or incapacity of Franchisee or Operator, Little Diggers may take over the operations of the Facility in the event that there is not a replacement Operator within twenty (20) days of the death, disability, or incapacity of the Operator. Little Diggers may pay for its travel costs incurred in the management of the Facility and for a reasonable hourly wage for its representative manager.

v. Within five (5) business days of written request by Little Diggers, Franchisee shall furnish Little Diggers with an affidavit under penalties of perjury that sets forth (a) the name of each Owner, (b) the number of shares and class of shares owned by each Owner if Franchisee is a corporation, (c) the percentage of ownership and class of interest if Franchisee is a limited liability company or partnership, (d) the officers and directors of Franchisee, and (e) such other information necessary to identify ownership and control of Franchisee.

16. <u>Default and Termination</u>.

A. Franchisee shall be in default under this Agreement upon the occurrence of any of the following:

i. Any breach of any of the terms of this Agreement by Franchisee or any guarantor; provided, however, that if such breach is not expressly listed under any other provision in this Section 16 that Little Diggers shall first charge a Brand Standards Fee to Franchisee and provide Franchisee with notice and an opportunity to cure as set forth in Section 2(C) of this Agreement;

ii. Franchisee makes a material misrepresentation in connection with its acquisition of the Franchise;

iii. Franchisee or any guarantor engages in conduct which reflects materially and unfavorably upon the operation or reputation of the System;

iv. Franchisee is convicted of or pleads guilty to a felony or other criminal misconduct relevant to the operation of the Franchise;

v. Franchisee engages in conduct that Little Diggers reasonably determines to constitute an imminent danger to public health or safety;

vi. The dissolution, merger, or reorganization of Franchisee;

vii. The insolvency of Franchisee, the commencement of any proceedings under any federal bankruptcy or state insolvency law, the assignment of assets for the benefit of creditors, or the appointment of a receiver, trustee or similar person to oversee the business affairs of the Franchisee or any of its assets;

viii. The failure of Franchisee to strictly follow the System as set forth by Little Diggers; and

ix. The entry of any judgment against Franchisee, or any judgment which affects any of the assets of Franchisee or the operation of the Facility, that is not satisfied or indemnified against to the satisfaction of Little Diggers within ten (10) days of its entry.

For the purpose of this Section 16(A), the conduct of Franchisee's Principals shall be the conduct of Franchisee.

B. Little Diggers may terminate this Agreement immediately upon written notice to Franchisee, without an opportunity to cure, following any of the following defaults by Franchisee:

i. The abandonment of the Franchise by Franchisee, which shall be deemed to have occurred if Franchisee fails to operate the Facility for any consecutive three day period during which it is required to operate the Facility under the terms of this Agreement, or a combination of any five days (regardless of whether the days are consecutive) during a calendar year that it was required to operate the Facility. The failure to operate the Facility due to fire, flood, earthquake, government shutdown or similar cause beyond Franchisee's control ("Force Majeure Event") shall not be deemed abandonment of the Facility, nor shall the failure to operate the

Facility during any holiday recognized by the federal government be deemed abandonment. Difficulty staffing the facility shall not constitute a Force Majeure Event.

ii. Any default under Section 16(A)(ii), (iii), (iv), (v), (vi), or (vii).

iii. Franchisee, after curing any default during the prescribed cure period under Section 16(C), again defaults in the same manner, without regard to whether the subsequent default is cured following notice by Little Diggers.

iv. Franchisee defaults under this Agreement three (3) times, without regard to whether Franchisee's conduct constitutes the same type of default or whether the default is corrected after notice by Little Diggers.

v. The failure to pay Royalty Fees or any other amounts due to Little Diggers.

vi. Any violation of Section 14.

vii. The failure to furnish Financial Information as required by Section 4(F).

viii. The failure to maintain insurance as required by Section 9(F).

ix. The unauthorized (attempted or actual) transfer or assignment of any Option Assets or Ownership Interests as defined in Section 15.

C. Little Diggers may terminate this Agreement at any time if Franchisee defaults in any manner listed in this Section 16(C) and, following written notice of such default from Little Diggers, fails to cure such default, within the following applicable periods of time:

i. Five (5) business days for any of the following defaults:

1. The unauthorized use of the Marks;

2. The operation of the Facility under any name other than "Little Diggers";

3. The use of products or other supplies that do not meet the standards and specifications of Little Diggers, or that were purchased from a supplier that was not approved by Little Diggers; or

4. The unauthorized use or disclosure of confidential or proprietary information.

ii. Ten (10) business days in all other cases. However, notwithstanding the foregoing provisions of this Section 16(C), if a default is curable, but cannot be cured within the period of time specified above, Little Diggers may not terminate this Agreement if Franchisee begins to cure such default within such period of time and continues thereafter to take such remedial action as is necessary to cure the default at the earliest feasible date.

D. The termination of this Agreement by Little Diggers shall not in any way limit its right to recover damages or obtain other legal or equitable relief.

E. Upon the termination or expiration of this Agreement:

i. The Franchise shall terminate and Franchisee shall immediately cease being a franchisee of Little Diggers.

ii. Franchisee shall promptly pay all sums owed to Little Diggers.

iii. All property of Little Diggers in the possession of Franchisee shall be promptly returned to Little Diggers, including, but not limited to, the operating manuals and any other documents manifesting any part of the System.

iv. Franchisee must cease using the Marks and any variations thereof by which the public could be confused, deceived, or misled.

v. Franchisee shall immediately cease using the telephone or facsimile number or numbers identified with or assigned to the Facility and shall assign such telephone or facsimile numbers to Little Diggers.

vi. Little Diggers or its agents may enter the Facility and remove or permanently cover all signs or advertising identifiable in any way with the Little Diggers image or System.

vii. In the case of the termination of this Agreement following the default of Franchisee, Little Diggers shall have the option to acquire any or all of the following assets upon the terms and conditions of this paragraph: Franchisee's interest in or rights to the Facility premises or any or all of Franchisee's assets used in the operation of the Facility.

1. The purchase price for the assets and equipment of Franchisee shall be their fair market value. There shall be no allowance for goodwill or other similar intangible asset. All goodwill of the brand name "Little Diggers" is owned by Franchisor. If Franchisee's interest in the Facility premises is a leasehold interest, the consideration for the assignment of the lease shall be limited to the assumption by Little Diggers of Franchisee's obligations under the lease with respect to the period of time commencing on the date of the lease assignment.

2. If Little Diggers desires to exercise this option, it shall notify Franchisee in writing of its intent to exercise this option within thirty (30) days following the termination of this Agreement. In such notice, Little Diggers shall set forth its estimate for the fair market value of the assets it desires to purchase. Little Diggers may use the damages set forth in paragraph 16(E)(viii) as a credit towards the purchase of the assets without being required to pay any cash payments to Franchisee, except to the extent that the value of the assets exceeds the amount of the damages set forth in paragraph 16(E)(viii). If Franchisee and Little Diggers cannot agree upon the fair market value of the assets, that Little Diggers desires to purchase, either Little Diggers or Franchisee may request the American Arbitration Association to select a sole arbitrator, who in turn shall appoint an independent appraiser to determine the fair market value of such assets. This determination shall be binding upon the parties, except that Little Diggers shall have ten (10) days to decline to purchase such assets for the value determined by the appraiser, by

written notice to Franchisee. The manner of determining the fair market value of such assets shall be determined without regard to Franchisee's desire to continue to operate the Facility or occupy the premises. Little Diggers and Franchisee shall each bear fifty percent (50%) of the cost of such arbitration.

3. In connection with the purchase of any assets pursuant to this Section 16(E), Little Diggers may audit the books and records of Franchisee concerning the Facility, and solicit all known creditors and suppliers to determine the balance due and owing to Little Diggers, if any, from Franchisee. Little Diggers may then advise Franchisee as to any amounts due and owing to creditors and suppliers. If it is determined that there are such creditors, Franchisee shall promptly furnish adequate evidence that such creditors have been paid in full. If any such amounts remain unpaid, Little Diggers may pay the amounts due to such creditors and deduct such amounts from the purchase price for the assets otherwise due to Franchisee under this Section 16(E). The balance of the purchase price, if any, shall be paid to Franchisee at the closing. The closing shall take place within ten (10) days following the agreement of Little Diggers and Franchisee regarding the fair market value of the assets to be purchased, or, if the fair market value of the assets is determined by an independent appraiser, within ten (10) days following the expiration of the ten (10) day period during which Little Diggers may decline to purchase the assets as the appraised value (i.e., within twenty (20) days after the independent appraiser determines the fair market value of the assets).

viii. In the event this Agreement is terminated as a result of Franchisee's default, Franchisee shall be liable to Little Diggers for all damages suffered by Little Diggers. The parties acknowledge that the actual damages suffered by Little Diggers include, among other things, the loss of Royalty Fees and the Ad Charge that would have been paid during the remaining Term, and that such damages may be difficult or impossible to quantify. Therefore, the parties agree that, solely with respect to future Royalty Fees under Section 4 and future Ad Charges under Section 11, and not with respect to any other damages suffered by Little Diggers, Franchisee shall pay liquidated damages calculated as follows: For each week remaining in the Term after termination, Franchisee shall pay an amount equal to the Minimum Weekly Royalty set forth in Section 4 plus the Minimum Ad Charge set forth in Section 11; provided, however, that the total liquidated damages under this Section shall not exceed an amount equal to two hundred eight (208) weeks multiplied by the greater of: (1) the Minimum Royalty stated in Section 4(C); or (2) Franchisee's average weekly Royalty Fees for the twelve (12) months immediately preceding termination. This capped amount may be applied as a credit toward the purchase of Franchisee's assets, and Little Diggers shall not be required to pay Franchisee any cash for such assets except to the extent that the fair market value of the assets exceeds the liquidated damages calculated under this Section. If any court or arbitration tribunal construes the payment required under this Section to be unenforceable, the parties agree that such amount shall automatically be modified to the minimum extent necessary to render it valid and enforceable under applicable law. If Little Diggers seizes, receives, or otherwise takes possession of any equipment to satisfy the damages owed, Little Diggers may charge Franchisee and Guarantor a commercially reasonable administrative fee for the time Little Diggers' personnel or contractors spend handling, moving, transporting, storing, or selling the equipment, together with all actual out-of-pocket expenses incurred, including rental vehicles, mileage, and lodging. Franchisee or Guarantor shall pay all such amounts within five (5) days after receiving a written invoice from Little Diggers.

ix. This list of consequences of termination of this Agreement set forth in this Section is not intended to limit, exclude, or act as a waiver of any other rights or remedies available to Little Diggers, including the recovery of damages or equitable relief.

F. Little Diggers has the right (but not the obligation), under the circumstances described below, to enter the Facility and assume the Facility's management (or to appoint a third party to assume its management). If Little Diggers (or a third party) assume the Facility's management under this Section, you agree to pay Little Diggers (in addition to the Royalty Fee, Ad Charge, and other amounts due under this Agreement) Five Hundred Dollars ($500) per person per day, plus Little Diggers' (or the third party's) direct out-of-pocket costs and expenses, including travel expenses such as hotel, airfare, meals on the road, mileage, and rental cars, if applicable, for up to ninety (90) days after we assume management. If Little Diggers (or a third party) assumes the Facility's management, Franchisee acknowledges that Little Diggers (or the third party) will have a duty to utilize only reasonable efforts and, provided we are not grossly negligent and do not commit an act of willful misconduct, will not be liable to you or your owners for any debts, losses, or obligations the Facility incurs, or to any of your creditors for any supplies, products, or other assets or services the Facility purchases, while Little Diggers (or the third party) manages it. Little Diggers (or a third party) may assume the Facility's management under the following circumstances: (1) if you abandon or fail actively to operate the Facility; (2) if you fail to comply with any provision of this Agreement, including strictly following the System, and do not cure the failure within the time period we specify in our notice to you, but only for as long as it takes us, using reasonable commercial efforts, to correct the failure that you failed to cure; or (3) if this Agreement expires or is terminated, Little Diggers may operate the Facility during the period of time when we are deciding whether to exercise our option to purchase the Facility under Section 16(E)(vii). If we assume the Facility's management (or appoint a third party to assume its management), we will operate the Facility for up to ninety (90) days. The assumption of the Facility's management shall not be deemed to preclude Little Diggers from pursuing any other damages under this Agreement. In the event that Little Diggers assumes the management of the Facility, Franchisee shall not raise objections to its landlord regarding Franchisor's presence.

17. Personal Guaranty. If Franchisee is not an individual, each Owner must execute a personal guaranty identical to that attached as Attachment B at the time this Agreement is signed. If the Franchise is assigned to a corporation, limited liability company, or partnership, the individuals having an Ownership Interest in the assignee must execute personal guaranties identical to that attached as Attachment B at the time of the assignment. **Any individual who acquires an ownership interest in Franchisee after this Agreement is signed must execute the personal guaranty at the time he or she acquires such Ownership Interest**. Only Little Diggers may release any individual from his or her obligations under a personal guaranty.

18. **Remedies/Attorney's Fees.** The provisions of this Agreement may be enforced by either party through actions at law or in equity or through any other judicial remedy available. If Little Diggers initiates any suit or action against Franchisee for the recovery of royalties or other amounts due under this Agreement, or for the enforcement of any covenant or obligation contained herein, the prevailing party shall be entitled to recover its reasonable attorney's fees, court costs, and related expenses. If Franchisee initiates any suit or action against Little Diggers arising out of or relating to this Agreement, each party shall bear its own attorney's fees, court costs, and related expenses, regardless of the outcome. In any suit or action that includes counterclaims, the determination of which party is entitled to attorney's fees, if any, shall be made solely by

identifying which party instituted the lawsuit. All rights and remedies available to Little Diggers shall be cumulative, and none shall be exclusive of any other rights allowed by law or equity.

19. Successors/Assigns. This Agreement shall inure to the benefit of the successors and assigns of Little Diggers. The Franchise may not be transferred or assigned by Franchisee, in whole or in part, except as specifically permitted in this Agreement. All or any part of Little Diggers' rights under this Agreement are fully assignable. This Agreement shall not be construed to have any third party beneficiaries.

20. Notice. Any notice required or permitted under this Agreement to be given to Franchisee and/or the Guarantor(s) shall be written and shall be either delivered personally or mailed via registered or certified mail to the person at the address designated on Attachment B, which may be changed by Franchisee and/or Guarantor(s) by written notice to Little Diggers signed by the Franchisee and/or Guarantor(s) as is applicable. In the event that Little Diggers is unable, after a good faith attempt, to reach Franchisee by certified mail, Little Diggers shall be deemed to have provided notice to Franchisee by sending an electronic mail communication to the electronic mail address that was most recently used by Franchisee. Franchisee and all Owners of Franchisee agree that notice to any individual Owner shall be deemed notice to all of them and that Little Diggers shall have no obligation to send notices to any address other than the address set forth in Attachment B. Any notice required under this Agreement to be given to Little Diggers shall be written and shall be either personally delivered or mailed via registered or certified mail to Little Diggers' registered address in the state of Ohio.

21. Waiver. The failure of Little Diggers to take any action in response to any default of Franchisee in the performance of any of the terms, covenants, and conditions of this Agreement shall not constitute a waiver of any rights of Little Diggers to insist upon the full performance of all such terms, covenants, and conditions, and a waiver by Little Diggers of a breach or a series of breaches of this Agreement by Franchisee shall not constitute a waiver of any subsequent breach.

22. Jurisdiction and Venue. This Agreement and any other issue arising out of to the relationship between Franchisee and Little Diggers shall be governed by Ohio law. Franchisee irrevocably and unconditionally (i) agrees that it will only bring any action or proceeding against Little Diggers arising out of or relating in any way to the terms of this Agreement, in the courts of Ohio and not in any other state or federal court in the United States of America or any court in any other country; (ii) subject to the injunctive relief provisions of Section 24, consents to the exclusive jurisdiction and venue of state and federal courts located in Franklin County, Ohio for the purpose of any action or proceeding arising out of or relating in any way to this Agreement, including, without limitation, actions challenging the legal validity or enforceability thereof; and (iii) waives and agrees not to plead or to make any claim that the Ohio courts lack personal jurisdiction to over him, her, or Franchisee, or that any such action or proceeding brought in any Ohio court has been brought an improper or otherwise inconvenient forum.

23. Injunctive Relief. Little Diggers may file suit in the jurisdiction and venue of Franchisee's Location in the event that Little Diggers deems it appropriate to seek the entry of a temporary or preliminary injunction. Franchisee acknowledges that the Facility is one of a number of Facilities identified by the Marks and similarly situated and selling to the public similar products, and the failure on the part of a single franchisee to comply with the terms of its agreement will cause irreparable damage to Little Diggers or to some or all other Franchisees for which there is no adequate remedy available at law. It is mutually agreed that in the event of a breach or threatened

breach of any of the terms of this Agreement by Franchisee, Little Diggers will be entitled to an injunction restraining such breach or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, without any obligation to post a bond or other security. The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that the parties might otherwise have by virtue of any breach of this Agreement by the other party.

24. Statute of Limitations. Except for payments owed by Franchisee to Little Diggers and unless prohibited by applicable law, any and all claims and actions arising out of or relating to this Agreement shall be commenced within one (1) year from the discovery of facts giving rise to any such claim or action. If such claim or action is not brought within one (1) year from the discovery of facts giving rise to any such claim or action, such claim or action shall be barred.

25. Class Action Lawsuits. Franchisee waives, to the fullest extent permitted by law, the right to bring or be a class member in, any class action suit relating to any dispute, controversy or claim arising out of or related to this Agreement or arising out of any breach or alleged breach of this Agreement.

26. Invalidity. If any portion of this Agreement is for any reason declared invalid or unenforceable, the validity of the remaining portions of this Agreement shall not be affected, and such remaining portions shall remain in full force and effect as if this Agreement had been executed without the invalid portion.

27. Relationship of the Parties. Franchisee understands and agrees that, under this Agreement, Franchisee is and shall be an independent contractor. No employee of Franchisee shall be deemed to be an employee of Little Diggers, and Little Diggers shall not be deemed a co-employer or joint employer of any Facility Personnel under any applicable law. Nothing in this Agreement — including the brand and guest safety standards set forth in Section 9(AA) or any other provision of this Agreement — shall be construed to create a partnership, joint venture, agency, employment, co-employment, or joint employment relationship between Franchisee and Little Diggers or between Little Diggers and any Facility Personnel. Little Diggers does not control, and has no right to control, the day-to-day employment practices of Franchisee with respect to Facility Personnel, including but not limited to decisions regarding hiring, termination, wages, benefits, scheduling, discipline, or working conditions. Any standard or requirement imposed by Little Diggers on Franchisee's operation of the Facility — including brand standards, guest safety requirements, and operational guidelines — is imposed for the purpose of protecting the Little Diggers brand, the System, and the safety of guests, and does not constitute control over Franchisee's employment decisions. Franchisee shall indemnify and hold Little Diggers harmless from and against any claim, demand, liability, loss, or expense (including reasonable attorneys' fees) arising out of any claim by any Facility Personnel or any governmental authority that Little Diggers is or was the employer, co-employer, or joint employer of any Facility Personnel. Franchisee shall not obligate Little Diggers for any expenses, liabilities, or other obligations.

28. **Joint and Several Liability**. If Franchisee consists of more than one individual, or if more than one individual executes this Agreement as Franchisee or Guarantor, all such individuals shall be jointly and severally liable for all obligations, representations, warranties, and covenants of Franchisee under this Agreement, including all payment obligations. Little Diggers may pursue any one or more of such individuals for the full amount of any obligation without first proceeding against any other individual or against any collateral. No individual bound by this Section shall be

released from liability by reason of Little Diggers' election to pursue any other individual or remedy, any extension of time granted to any other individual, or any other act or omission of Little Diggers.

29. **Entire Agreement/Survival**. This Agreement and the Operating Manual contain all of the covenants and agreements of the parties with respect to this subject matter, and supersede any and all prior or contemporaneous agreements, whether oral, written, express, or implied, between the parties with respect to this subject matter. Nothing in this Agreement or any related agreement is intended to disclaim the representations of Little Diggers in the Franchise Disclosure Document. The attached Addendums are hereby incorporated in and made a part of this Agreement. The continuing obligations of Franchisee and Owner(s) shall survive the termination of this Agreement.

30. **Good Faith**. Each party to this Agreement shall act in good faith and deal fairly with the other in the performance and enforcement of this Agreement. Where this Agreement requires or permits either party to act with commercial reasonableness, or grants either party a right of approval, consent, or discretion, that party shall exercise such right reasonably and in good faith. Nothing in this Section shall be construed to limit or modify any right expressly granted to Little Diggers under this Agreement, to create any obligation not otherwise set forth herein, or to require Little Diggers to approve any matter that it is otherwise entitled to withhold approval of under this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement on the day and year set forth below.

FRANCHISOR: **LITTLE DIGGERS FRANCHISING, LLC** By: _____ Zach Bowers, CEO Date: _____	**FRANCHISEE** By: _____ Date: _____

STATE SPECIFIC FRANCHISE ADDENDA TO FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

1. If any of the provisions of the Agreement concerning termination are inconsistent with either the California Franchise Relations Act or with the Federal Bankruptcy Code (concerning termination of the Agreement on certain bankruptcy-related events), then such laws will apply.

2. The Agreement requires that it be governed by Ohio law. This requirement may be unenforceable under California law.

3. You must sign a general release if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

4. 4. No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this California Addendum to the Franchise Agreement on the same date as the Franchise Agreement was executed.

LITTLE DIGGERS FRANCHISING, LLC
an Ohio Limited Liability Company,

By: _____
Print Name: _____
Title: _____

FRANCHISEE

By: _____
Title: _____

HAWAII ADDENDUM TO FRANCHISE AGREEMENT

1. The Franchise Agreements contain a provision requiring a general release as a condition of renewal and transfer of the franchise. Such release will exclude claims arising under the Hawaii Franchise Investment Law.

2. Any provisions of the Franchise Agreement that relate to non-renewal, termination, and transfer are only applicable if they are not inconsistent with the Hawaii Franchise Investment Law. Otherwise, the Hawaii Franchise Investment Law will control.

3. The Franchise Agreement permits us to terminate the Agreement on the bankruptcy of you and/or your affiliates. This Article may not be enforceable under federal bankruptcy law. (11 U.S.C. § 101, *et seq*.).

4. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this Addendum.

5. No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Hawaii Addendum to the Franchise Agreement on the same date as the Franchise Agreement was executed.

LITTLE DIGGERS FRANCHISING, LLC
an Ohio Limited Liability Company,

By: _____
Print Name: _____
Title: _____

FRANCHISEE
By: _____
Title: _____

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

Illinois law governs the Franchise Agreement.

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

Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Payment of the Initial Franchise Fee will be deferred until Franchisor has met its initial obligations to franchisee and the franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Illinois Addendum to the Franchise Agreement on the same date as the Franchise Agreement was executed.

LITTLE DIGGERS FRANCHISING, LLC
an Ohio Limited Liability Company,

By: _____
Print Name: _____
Title: _____

FRANCHISEE
By: _____
Title: _____

INDIANA ADDENDUM TO FRANCHISE AGREEMENT

1. Articles 2.6 and 14.5 each contain a provision requiring a general release as a condition of renewal and transfer of the franchise. Such provision is inapplicable under the Indiana Deceptive Franchise Practices Law, IC 23-2-2.7 § 1(5).

2. Under Article 8.3, you will not be required to indemnify us for any liability imposed on us as a result of your reliance on or use of procedures or products which were required by us, if such procedures were utilized by you in the manner required by us.

3. Article 17.9 is amended to provide that mediation between you and us will be conducted at a mutually agreed-on location.

4. Article 17.11 is amended to provide that in the event of a conflict of law, the Indiana Franchise Disclosure Law, I.C. 23-2-2.5, and the Indiana Deceptive Franchise Practices Law, I.C. 23-2-2.7, will prevail.

5. Nothing in the Agreement will abrogate or reduce any rights you have under Indiana law.

6. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law, Indiana Code §§ 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code §§ 23-2-2.7-1 to 23-2-2.7-10, are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Indiana Addendum to the Franchise Agreement on the same date as the Franchise Agreement was executed.

LITTLE DIGGERS FRANCHISING, LLC
an Ohio Limited Liability Company,

By: _____
Print Name: _____
Title: _____

FRANCHISEE

By: _____
Title: _____

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

1. Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Maryland:

2. The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

3. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. A franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. Any limitation on the period of time litigation claims may be brought shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

6. The acknowledgements and representations of the franchisee made in the franchise agreement which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor shall they act to release, estoppel or waive any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Maryland Addendum to the Franchise Agreement on the same date as the Franchise Agreement was executed.

LITTLE DIGGERS FRANCHISING, LLC
an Ohio Limited Liability Company,

By: _____
Print Name: _____
Title: _____

FRANCHISEE

By: _____
Title: _____

MICHIGAN ADDENDUM TO FRANCHISE AGREEMENT

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

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

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

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

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

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

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

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

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

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

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

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

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general. Any questions regarding this notice should be directed to the Attorney General's Department for the State of Michigan, Consumer Protection Division, Franchise Section, 670 Law Building, 525 W. Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

LITTLE DIGGERS FRANCHISING, LLC
an Ohio Limited Liability Company,
By:_____
Print Name: _____
Title:_____

FRANCHISEE

By:_____
Title:_____

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

1. Article 8 is amended to add the following:

"We will protect your right to use the Marks and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks."

2. Articles 2.6 and 14.5 each contain a provision requiring a general release as a condition of renewal and transfer of the franchise. Such release will exclude claims arising under the Minnesota Franchise Law.

3. Article 15 is amended to add the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C. 14, Subds. 3, 4 and 5, which require, except in certain specified cases, that a franchisee be given 90 days' notice in advance of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

4. Article 17.10 is amended as follows:

Pursuant to Minn. Stat. § 80C.17, Subd. 5, the parties agree that no civil action pertaining to a violation of a franchise rule or statute can be commenced more than three years after the cause of action accrues.

5. Articles 17.8, and 17.9 are each amended to add the following:

Minn. Stat. Sec. 80C.2 1 and Minn. Rule 2860.4400J prohibit us from requiring litigation or mediation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Under this statute and rule, franchisor cannot require you to consent to inunction relief; however, franchisor may seek injunctive relief from the Court.

6. Article 17.10 is amended to add the following:

Minn. Rule Part 2860.4400J prohibits us from requiring you to waive your rights to a jury trial or waive your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

7. Each provision of this Agreement will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this Addendum to the Agreement.

8. Deferral of Initial Franchise Fees: In the state of Minnesota, the payment of the Initial Franchise Fee from Franchisee to Franchisor shall be deferred until Franchisor has satisfied its pre-opening obligations to Franchisee and the Franchisee has commenced business operations.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Minnesota Addendum to the Franchise Agreement on the same day as the Franchise Agreement was executed.

LITTLE DIGGERS FRANCHISING, LLC

an Ohio Limited Liability Company,

By:_____
Print Name: _____
Title:_____

FRANCHISEE

By:_____
Title: _____

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

1. Article 14.3 is amended to add the following:

However, we will not make any such transfer or assignment except to a person who, in our good faith judgment, is willing and able to assume our obligations under this Agreement, and all rights enjoyed by you and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force, it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

2. Article 14.5 is amended to add the following:

However, all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force, it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

3. Article 8.3 is amended to add the following:

However, you will not be required to hold harmless or indemnify us for any claim arising out of a breach of this Agreement by us or any other civil wrong of us.

4. Article 20 is amended to add the following:

No amendment or modification of any provision of this Agreement, however, will impose any new or different requirement which unreasonably increases your obligations or places an excessive economic burden on your operations.

5. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the General Business Law of the State of New York are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this New York Addendum to the Franchise Agreement on the same date as the Franchise Agreement was executed.

LITTLE DIGGERS FRANCHISING, LLC
an Ohio Limited Liability Company,
By:_____
Print Name: _____
Title:_____

FRANCHISEE

By:_____
Title: _____

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

1. Articles 2.6 and 14.5 each contain a provision requiring a general release as a condition of renewal or transfer of the franchise. Such release is subject to and will exclude claims arising under the North Dakota Franchise Investment Law.

2. Article 17.9 will be amended to state that mediation involving a franchise purchased in North Dakota must be held in a location mutually agreed on prior to the mediation, or if the parties cannot agree on a location, at a location to be determined by the mediation.

3. Article 9.3 is amended to add that covenants not to compete on termination or expiration of a Franchise Agreement are generally not enforceable in the State of North Dakota except in limited circumstances provided by North Dakota law.

4. Article 17.9 will be amended to add that any claim or right arising under the North Dakota Franchise Investment Law may be brought in the appropriate state or federal court in North Dakota, subject to the mediation provision of the Agreement.

5. Article 17.11 will be amended to state that, in the event of a conflict of law, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will prevail.

6. Article 17.10 requires the franchisee to waive a trial by jury, as well as exemplary and punitive damages. These requirements are not enforceable in North Dakota pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law, and are therefore not part of the Franchise Agreement.

7. Article 17.10 requirement that the franchise consent to a limitation of claims period of one year is not consistent with North Dakota law. The limitation of claims period under the Franchise Agreement shall therefore be governed by North Dakota law.

8. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code §§ 51-19-01 through 51-19-17, are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this North Dakota Addendum to the Franchise Agreement on the same day as the Franchise Agreement was executed.

LITTLE DIGGERS FRANCHISING, LLC
an Ohio Limited Liability Company,
By:_____
Print Name: _____
Title:_____

FRANCHISEE

By:_____
Title: _____

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

1. Articles 2.6 and 14.5 each contain a provision requiring a general release as a condition of renewal and transfer of the franchise. Such release will exclude claims arising under the Rhode Island Franchise Investment Act.

2. This Agreement requires that it be governed by Ohio law. To the extent that such law conflicts with Rhode Island Franchise Investment Act, it is void under Sec. 19-28.1-14.

3. Article 17.11 of the Agreement will each be amended by the addition of the following, which will be considered an integral part of this Agreement:

"§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that 'A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.'"

4. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Rhode Island Franchise Investment Act, §§ 19- 28-1.1 through 19-28.1-34, are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Rhode Island Addendum to the Franchise Agreement on the same date as the Franchise Agreement was executed.

LITTLE DIGGERS FRANCHISING, LLC
an Ohio Limited Liability Company,

By: _____
Print Name: _____
Title: _____

FRANCHISEE

By: _____
Title: _____

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchise to cancel a franchise without reasonable cause. If any grounds for default or terminated stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchise to use undue influence to induce a franchisee to surrender any rights given to him under the franchise. If any provision of the franchise agreement involved the use of undue influence by the franchisor to induce the franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations.

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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Virginia Addendum to the Franchise Agreement on the same date as the Franchise Agreement was executed.

LITTLE DIGGERS FRANCHISING, LLC
an Ohio Limited Liability Company,

By: _____
Print Name: _____
Title: _____

FRANCHISEE

By: _____
Title: _____

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement, Franchise Disclosure Documents, and Related Agreements:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise." In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

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

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

8. No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Washington Addendum to the Franchise Agreement on the same date as the Franchise Agreement was executed.

LITTLE DIGGERS FRANCHISING, LLC
an Ohio Limited Liability Company,

By: _____
Print Name: _____
Title: _____

FRANCHISEE

By: _____
Title: _____

WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the Wisconsin Fair Dealership Law:

1. The Wisconsin Fair Dealership Law, Chapter 135, Stats., supersedes any inconsistent provisions of the Franchise Agreement.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law are met independently of this addendum. To the extent, this addendum is inconsistent with any term or condition of the Franchise Agreement or its exhibits or attachments, the terms of this Addendum control. Franchisor and Franchisee hereby ratify and affirm the Franchise Agreement in all other respects.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Wisconsin Addendum to the Franchise Agreement on the same date as the Franchise Agreement was executed.

LITTLE DIGGERS FRANCHISING, LLC
an Ohio Limited Liability Company,

By: _____
Print Name: _____
Title: _____

FRANCHISEE

By: _____
Title: _____

Attachment A – Registered Trademarks

Mark	Reg No
Little Diggers	7867814

Attachment B
PERSONAL GUARANTY

WHEREAS, the undersigned individuals (the "Owner(s)") are the [shareholders] [partners] [members] of **(company name)** _____, a [corporation] [limited liability company] [partnership] located at **(address)** _____("Franchisee").

WHEREAS, Franchisee has entered into a Franchise Agreement with Franchisor, Little Diggers Franchising, LLC, ("Little Diggers"), an Ohio limited liability company, dated the same date as this Guaranty.

WHEREAS, to induce Little Diggers to enter into the Franchise Agreement and as security for Franchisee's performance of the Franchise Agreement, the Owner(s) are executing this Guaranty.

NOW, THEREFORE, the Owner(s) hereby agree(s) as follows:

1. For value received, the Owner(s) hereby jointly and severally guaranty the payment of any and all amounts, and the performance of any and all other actions, which Franchisee is or may become liable to pay or perform under the Franchise Agreement (the "Obligations"). If Franchisee fails to pay or perform any Obligation when due, the Owners, jointly and severally, shall pay or perform such Obligation immediately upon demand by Little Diggers.

2. Little Diggers shall not be required to pursue or exhaust any of its rights or remedies against Franchisee or any other person for the collection or performance of any Obligation prior to demanding payment or performance from the Owners under this Guaranty.

3. The Owners acknowledge and agree that any of the following events shall not affect or discharge any of the Owner(s)'s Obligations under this Guaranty:

a. The extension of time for payment or performance of any Obligation.

b. The change in any term of the Franchise Agreement.

c. The acceptance by Little Diggers of any Promissory Note or security of any kind with respect to any Obligation.

d. The surrender, release, exchange, or alteration of any collateral or other security held by Little Diggers with respect to any Obligation.

4. The Owner(s) hereby waive notice of the following:

a. Acceptance of this Guaranty by Little Diggers.

b. The sale and delivery of any portion of any collateral held by Little Diggers with respect to any Obligation, to the extent allowed by law.

c. The amount of the Obligations.

d. Any extension of time for the payment or performance of any Obligation.

e. Demand for payment, default, non-payment, presentment, and protest as to any Obligation.

5. This Guaranty shall continue in effect until all Obligations are paid or performed in full, and shall be binding upon the heirs, personal representatives, successors, and assigns of Owner(s).

6. The Owner(s) shall pay or reimburse Little Diggers for any and all expenses incurred by Little Diggers in enforcing this Guaranty, including reasonable attorney fees.

7. The Owner(s) shall be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement, including, but not limited to, the terms of Sections 14, 15, 16, and 19.

8. The Owner(s) acknowledge that notices will be sent only as set forth in Section 21 of the Franchise Agreement and to the address listed at the top of this Guaranty.

9. This Guaranty shall be deemed to have been entered into in the state of Ohio and shall be construed according to the laws of the state of Ohio. Any action involving this Guaranty or any of the terms or obligations hereof shall be commenced in the state of Ohio.

10. Except for payments owed to the Owner(s) by Little Diggers and unless prohibited by applicable law, any and all claims or actions arising out of or relating to this Guaranty shall be shall be commenced within two (2) years from the discovery of facts giving rise to any such claim or action, or such claim or action will be barred.

11. Owner(s) waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suit relating to any dispute, controversy, or claim arising out of or related to this Guaranty or arising out of any alleged breach of this Guaranty.

12. If any portion of this Guaranty is for any reason declared invalid or unenforceable, the validity of the remaining portions of this Guaranty shall not be affected, and such remaining portions shall remain in full force and effect as if this Guaranty had been executed without the invalid portion.

OWNER(S)

Signed: _____ Date: _____

Print: _____

Signed: _____ Date: _____

Print: _____

Attachment C
ACH Authorization

I hereby authorize Franchisor to initiate automatic withdrawals from my account at the financial institution set forth below. Specifically, Franchisor is authorized to make any such automatic withdrawals as are authorized in the Franchise Agreement, which is incorporated into this Authorization as if fully restated. This authorization shall remain in effect until all payments that I am obligated to make pursuant to the Franchise Agreement have been made in full to Franchisor.

I agree not to hold Franchisor responsible or liable for any delay or loss of funds due to incorrect or incomplete information supplied by me or by my financial institution or due to an error on the part of my financial institution in depositing the funds into my account.

Name of Financial Institution: _____

Routing Number: _____

Account Number: _____

Authorized Signature: _____

Print Name: _____ Date: _____

Attachment D
LEASE ADDENDUM

WHEREAS, _____ ("Franchisee") has entered into, or will soon be entering into, a Franchise Agreement with Franchisor ("Little Diggers"). _____ ("Landlord") owns the property located at _____ ("the Property").

WHEREAS, Franchisee wishes to enter into a lease with Landlord for the Property ("the Lease").

WHEREAS, Little Diggers, for the protection of itself, Franchisee, and the Little Diggers brand, requires certain terms to be included in the Lease Agreement between Franchisee and Landlord.

NOW, THEREFORE, Landlord, Little Diggers, and Franchisee agree as follows:

1. Pre-Approval of Assignment. Little Diggers shall have the right to receive an assignment of the Lease upon termination or expiration of the Franchise Agreement between Little Diggers and Franchisee. The assignment to Little Diggers shall become effective upon 1) Franchisee's default of the Lease and failure to timely cure the default and 2) Little Diggers' election to cure the default by making the applicable payment to Landlord and Landlord accepting the same. Landlord further agrees that Little Diggers may assign this lease to any Bona Fide Franchisee. A "Bona Fide Franchisee" is defined as a person or legal entity who has 1) entered into a Franchise Agreement with Little Diggers, and 2) has a net worth of at least One Hundred Thousand Dollars ($100,000) as documented by a personal financial statement. The assignment to a Bona Fide Franchisee shall become effective upon Little Diggers providing notice of said assignment, as well as the associated personal financial statement, to Landlord.

2. Opportunity for Little Diggers to Cure Default. Landlord agrees to send to Little Diggers a copy of any written notice of Lease default sent to Franchisee by Landlord. Landlord grants Little Diggers the right (without any obligation) to cure any Lease default within fifteen (15) business days after expiration of the applicable cure period (if Franchisee fails to cure). In the event that Little Diggers exercises its option to cure the default of Franchisee, Little Diggers shall be deemed to have been assigned the rights to the Lease on the same terms as the Franchisee who defaulted. In such an event, the security deposit held by Landlord for Franchisee's benefit, if applicable, shall become the property of Franchisor. Franchisee expressly approves of this assignment.

3. Pre-Approval of Usage. Landlord agrees that the Premises may be used solely for the operation of a Little Diggers Facility, and shall be used for no other purpose during the term of the Lease.

4. Franchisor Entrance Upon Termination. Upon the expiration or termination of the Franchise Agreement, in the event that Franchisor does not elect to cure Franchisee's past due payments and take over the lease, Landlord grants Little Diggers permission to enter the Premises to remove signage (including outdoor signage) and other items bearing the Marks of Little Diggers; provided that Franchisor shall first provide at least three (3) days written notice to Franchisee of such entrance. (Email shall suffice for such notice).

5. No Similar Facilities in Shopping Center. If the Premises is part of a shopping center, plaza or mall with other commercial tenants, Landlord agrees that it will not lease space to any indoor playground or similar facility.

6. Grand Opening Signage. Landlord shall temporarily permit Franchisee to place additional temporary signage in or around the Property, including, but not limited to balloons, banners, roadside flags, and other signage for a period of not less than ten (10) days, which shall occur during the Grand Opening hosted by Franchisee; provided, however, that said signage shall not cause a business disruption to other tenants (if any) and shall not violate any local ordinance or regulation.

7. Signage. Landlord grants to Franchisee during the term of the Lease a non-exclusive right and easement over that portion of the property as may be required by Franchisee to improve, renovate, repair, replace and maintain the Premises or replace its signage or its panel on the pylon sign for the property. The Tenant has the right to change or alter the signage at any time during the term of the Lease provided the signage is in compliance with all applicable governmental codes and regulations. The signage may include: (a) signage on the exterior front wall of the Premises; (b) signage on another exterior portion of the Premises; (c) a separate pylon sign on the property; (d) separate signage on the property, (e) a panel on the pylon sign for the property; and (f) other signage which may be required by the Franchisor or agreed upon by the Landlord and the Tenant.

[This section is left intentionally blank.]

8. Conflict Between Addendum and Lease. In the event of a conflict between the Lease and this Addendum, this Addendum shall control.

FRANCHISOR
LITTLE DIGGERS FRANCHISING, LLC

By: _____
Zach Bowers, CEO

Date: _____

FRANCHISEE

By: _____

Its: _____

Date: _____

LANDLORD

By: _____

Its: _____

Date: _____

ATTACHMENT E
Multi-Unit Development Agreement

1. **Background**. This Multi-Unit Development Agreement ("MUDA") is made between **Little Diggers Franchising, LLC** ("we," "us," or "our") and _____, individually, and _____ (collectively "Franchisee" or "you" or "your"). This MUDA is intended to be part of the Franchise Agreement that we and you have signed concurrently with signing this MUDA for the development and operation of a specific Little Diggers Facility ("the Franchise Agreement"). We and you are signing this MUDA because you want the right to develop additional Little Diggers Facilities, in addition to the facility for which you have signed a Franchise Agreement, within a certain geographic area over a certain period of time as set forth below. We will grant you those development rights if you comply with this MUDA.

2. **Grant of Multi-Unit Development Rights**. Subject to your strict compliance with this MUDA, we grant you the right to develop _____ additional Little Diggers facilities, according to the mandatory development schedule set forth in **Exhibit A** to this MUDA.

If you, (and to the extent applicable, your affiliated entities as described in Section 3 below) are fully complying with all of your obligations under this MUDA, the Franchise Agreement, and all other franchise agreements then in effect between us and you (and, to the extent applicable, your affiliated entities) for the development and operation of Little Diggers Facilities, then during this MUDA's term only, we (and our affiliates) will not establish or grant to others the right to establish Little Diggers Facilities in the territories set forth in **Exhibit A**.

After this MUDA expires or is terminated, regardless of the reason for termination, we have the right, without any restrictions whatsoever, to establish and grant to others the right to establish Little Diggers Facilities in the Locations set forth in Exhibit A.

3. **Development Obligations**. To maintain your rights under this MUDA, you (and/or affiliated entities we approve) must sign franchise agreements for, and then construct, develop, and have open and operating, a Little Diggers facility in each respective Territory by the dates specified in the Exhibit A. If you establish a new legal entity to operate one or more of the Little Diggers facilities to be developed pursuant to this MUDA and the new legal entity is one in which you have at least eighty percent (80%) ownership, that legal entity will automatically be considered an "approved affiliated entity." Otherwise, if you are not the sole owner, you must first seek our approval to allow a new entity to operate the proposed Little Diggers facility.

You (and/or your approved affiliated entity) will operate each Little Diggers facility under a separate franchise agreement with us. The franchise agreement and related documents (including assignment of telephone number, personal guaranty, and landlord addendum) that you and your owners (or your affiliated entity and its owners) must sign for each Facility developed pursuant to this MUDA will be our then-current form of franchise agreement (including assignment of telephone number, personal guaranty, and

landlord addendum), any or all of the terms of which may differ materially from any or all of the terms contained in the Franchise Agreement. Despite any contrary provisions in the newly-signed franchise agreements, your additional Little Diggers facilities pursuant to this MUDA must be open and operating by the dates specified in Exhibit A. To retain your rights under this MUDA, each Little Diggers facility opened pursuant to this MUDA must operate continuously throughout this MUDA's term in substantial compliance with its franchise agreement. If any of the franchise agreements are terminated for any Little Diggers facility that you operate, then this MUDA shall automatically terminate.

4. **Subfranchising Rights**. This MUDA does not give you any right to franchise, license, subfranchise, or sublicense others to operate Little Diggers facilities. Only you (and/or approved affiliated entities) may construct, develop, open, and operate Little Diggers facilities pursuant to this MUDA. This MUDA also does not give you (or your affiliated entities) any independent right to use our trademarks and commercial symbols. The right to use our trademarks and commercial symbols is granted only under a franchise agreement signed directly with us. This MUDA only grants you potential development rights if you comply with its terms.

5. **Market Reservation Deposit**. As consideration for the development rights we grant you in this MUDA, you must pay us a deposit, which is equivalent to fifty percent (50%) of the Initial Franchise Fee, to hold the respective territories listed in Exhibit A open for development by you, at the same time you sign this MUDA. The total Market Reservation Deposit as set forth in Exhibit A is _____ (the "Market Reservation Deposit"). The Market Reservation Deposit is not refundable under any circumstances. In the event that you fail to open a Little Diggers facility in the market set forth in Exhibit A by the deadline in Exhibit A, or if this MUDA is otherwise terminated, the Franchisor shall retain the Market Reservation Deposit as consideration for the time that the applicable territories were not available to sell to third parties. Once the deadline for opening the Facility in Exhibit A has passed, you will no longer have the rights to open a new Little Diggers facility in the markets set forth in Exhibit A. At such time, Little Diggers may sell such rights to any third party or open a unit in the market by a corporate affiliate of Little Diggers.

6. **Grant of Franchises**. You must submit to us a separate application for each Little Diggers facility you wish to develop as set forth in Exhibit A. You agree to give us all information and materials we request to assess each proposed facility site. We will not unreasonably withhold acceptance of any proposed site if that site meets our then current site criteria. However, we have the absolute right not to accept any site not meeting these criteria. We agree to use reasonable efforts to review and accept (or not accept) sites you propose within thirty (30) days after we receive all requested information and material.

At the time you execute each respective franchise agreement, you shall also pay the remaining fifty percent (50%) of the Initial Franchise Fee for the applicable facility. Your failure to pay the Initial Franchise Fee within seven (7) days of executing the Franchise Agreement shall automatically cause this MUDA to terminate.

If we accept the proposed site, you agree to sign a separate franchise agreement (and related documents, including the personal guaranty and assignment of telephone number) for that facility. If you fail to do so, or cannot obtain lawful possession of the proposed site, we may withdraw our acceptance of the proposed site. After you (or your affiliated entity and its owners) sign the franchise agreement (and related documents, including the personal guaranty and the assignment of telephone number), its terms and conditions will control your construction, development, and operation of the Little Diggers facility (except that the required opening dates and markets reserved are governed exclusively by this MUDA).

7. **Term**. This MUDA's term begins on the date we and you sign it and ends on the date when the final Little Diggers facility to be developed under the schedule in Exhibit A has been opened or this MUDA is otherwise terminated.

8. **Termination**. As further set forth below, we may terminate this MUDA and your right under this MUDA to develop Little Diggers facility pursuant to Exhibit A. The termination shall be effective upon delivery to you of written notice of termination:

a. if you fail to satisfy either your development obligations under the schedule set forth in Exhibit A, or any other obligation under this MUDA, which defaults you have no right to cure; or

b. if the Franchise Agreement is terminated by us in compliance with its terms or by you for any (or no) reason; or

c. if any other franchise agreement between us and you (or your affiliated entity) for a Little Diggers facility is terminated by us in compliance with its terms or by you for any (or no) reason, even if that other franchise agreement was not signed pursuant to your rights under this MUDA; or

d. if we have delivered a formal written notice of default to you under the Franchise Agreement, or any other franchise agreement between us (or our predecessor) (even if that other franchise agreement was not signed pursuant to your rights under this MUDA) whether or not you (or your affiliated entity) cure that default and whether or not we subsequently terminate the other franchise agreement.

9. **Umbrella Insurance Policy**. Upon opening your second facility (the first facility listed in Exhibit A), in addition to the applicable insurance requirements of each respective Franchise Agreement, you must at all times maintain an umbrella insurance policy in the minimum amount of One Million Dollars ($1,000,000) per occurrence. Such policy shall name Little Diggers Franchising, LLC, as an additional insured on a primary, non-contributory basis.

10. **Assignment**. You may not assign or transfer your development rights under this MUDA, unless provided with express written permission in writing. We reserve the right

to deny an assignment of this MUDA for any (or no) reason. A transfer of the development rights is deemed to occur if there is an assignment of the Franchise Agreement, a transfer of a controlling ownership interest in you, a transfer of this MUDA separate and apart from the Franchise Agreement, or any other event attempting to assign the development rights. We may transfer this agreement to our successors, if applicable.

11. **MUDA to Control**. Except as provided in this MUDA, the Franchise Agreement remains in full force and effect as originally written. If there is any inconsistency between the Franchise Agreement and this MUDA, the terms of this MUDA will control.

In Witness Whereof, the parties hereto set their hands and execute this Agreement.

LITTLE DIGGERS FRANCHISING, LLC	**FRANCHISEE**
By: _____ Zach Bowers, CEO	By
Date: _____	Date: _____
	[INDIVIDUAL NAME]
	_____
	Date: _____

Exhibit A – DEVELOPMENT SCHEDULE

Additional Facility to be Developed	Specific Territory	Market Reservation Deposit	Facility Opening Deadline (Date)
1			
2			
3			
TOTAL		$	

LITTLE DIGGERS FRANCHISING, LLC

By: _____
Zach Bowers, CEO

Date: _____

FRANCHISEE

_____

By

Date: _____

[INDIVIDUAL NAME]

_____

Date: _____

DEFERRAL OF INITIAL FRANCHISE FEE ADDENDUM

This **Deferral of Initial Franchise Fee Addendum** ("**Addendum**") is made and entered into as of the Effective Date set forth below, by and between **Little Diggers Franchising, LLC**, an Ohio limited liability company ("**Franchisor**"), and _____,
a [corporation / limited liability company / individual] ("**Franchisee**").This Addendum supplements and amends the **Franchise Agreement** and, if applicable the Multi-Unit Development Agreement (collectively, the "**Agreement**") entered into by and between Franchisor and Franchisee dated _____**.**

WHEREAS, the State of _____ (the "**Registration State**") has imposed a condition on Franchisor's registration requiring that Franchisor may not accept or collect any portion of the Initial Franchise Fee (the "**IFF**") until Franchisor has fully performed all material pre-opening obligations set forth in the applicable agreement (Franchise Agreement or Multi Unit Development Agreement);

WHEREAS, the parties acknowledge that the IFF for the Little Diggers Facility (or, in the case of a Multi-Unit Development Agreement, for *each unit* to be developed under the Agreement) is **$_____,** for a total amount of _____ (the "**IFF Amount**") across ____ units, as stated in Section 4(A) of the Franchise Agreement, and, if applicable, in the Multi-Unit Development Agreement;

WHEREAS, Franchisor desires to ensure that Franchisee has the financial ability to pay the IFF at the time Franchisor is legally permitted to accept it, while maintaining compliance with the Registration State's deferral condition; and

WHEREAS, Franchisee desires to reserve the right to develop and open the franchised business (or additional units if applicable) in reliance upon the Franchise Agreement, subject to the Registration State's deferral condition.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Acknowledgment of Deferral Condition.** Franchisee acknowledges that Franchisor is prohibited under the law of the Registration State from accepting, collecting, or otherwise receiving any portion of the IFF until Franchisor has completed all of its pre-opening obligations under the Agreement. Franchisor shall notify Franchisee in writing once such obligations have been completed and Franchisor is permitted by law to collect the IFF.

2. **Franchisee's Obligation to Maintain IFF Funds.** Franchisee agrees to maintain immediately available funds in the amount of the IFF Amount in a dedicated bank account held solely by Franchisee or one of Franchisee's Guarantors until such time

as Franchisor provides written notice that the IFF is due and may lawfully be collected.

a. Franchisee shall provide Franchisor with proof of available funds (such as a current bank statement, escrow verification, or other written confirmation) within five (5) business days of Franchisee's receipt of any written request from Franchisor regarding such funds.

b. Franchisee shall not pledge, encumber, or otherwise use or transfer the IFF funds for any purpose other than payment to Franchisor upon authorization to do so.

c. Franchisee's failure to maintain the required funds or to provide satisfactory proof of funds upon request shall constitute a material default under this Addendum and shall further constitute a cross-default and material breach of the Agreement and any other franchise or development agreement then in effect between the parties, entitling Franchisor to exercise all rights and remedies available thereunder, including, but not limited to termination of the Agreement. For the sake of clarity, Franchisor may terminate the Agreement before the facility is open (**or, in the case of a MUDA, before the applicable unit is developed).**

3. **Payment Timing.** Upon written notice (which may be via email) from Franchisor confirming completion of Franchisor's pre-opening obligations and authorization to collect the IFF, Franchisee shall remit the full IFF to Franchisor within **two (2)** business days via ACH, wire transfer, or other method designated by Franchisor.

4. **No Escrow or Trust Relationship.** Nothing in this Addendum shall be construed to create any escrow, fiduciary, or trust relationship between the parties. The funds held by Franchisee remain Franchisee's property until such time as Franchisor is legally permitted to accept them, at which point they shall become the property of Franchisor upon receipt. Franchisee is expressly permitted to earn interest on such funds, and shall retain any such interest earned thereon, so long as the full IFF Amount is paid to Franchisor as further set forth herein.

5. **No Waiver of Other Obligations.** Except as expressly modified by this Addendum, all other terms and obligations of the Agreement remain in full force and effect. This Addendum does not waive or modify any obligation of Franchisee to timely complete all pre-opening tasks, site selection, lease execution, build-out, or training as required under the Franchise Agreement.

6. **Representations.** Franchisee represents and warrants that (a) it presently possesses the full amount of the IFF in readily available funds, (b) it presently possess the amount of funds required to open a Little Diggers facility (or, for a MUDA, to open each facility in accordance with the development schedule) as set forth on the cover page of the Franchise Disclosure Document, and (c) all financial information or

proof of funds provided to Franchisor is true, accurate, and complete. Any misrepresentation concerning the availability or maintenance of the IFF shall constitute a fraudulent inducement and material breach of this Addendum and the Agreement.

7. **Incorporation by Reference.** This Addendum is hereby incorporated into and made part of the Agreement. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control.

8. **Governing Law; Venue.** This Addendum shall be governed by and construed in accordance with the laws of the State of Ohio, except to the extent that the laws of the Registration State require otherwise. Venue for any action arising out of this Addendum shall be as set forth in Section 22 of the Franchise Agreement, unless applicable state law requires otherwise.

9. **Counterparts.** This Addendum may be executed in multiple counterparts (including via electronic or scanned signatures), each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

10. **Effective Date.** This Addendum shall be effective as of date last signed below (the "Effective Date").

IN WITNESS WHEREOF, the parties have executed this Deferral of Initial Franchise Fee Addendum as of the dates written below.

FRANCHISOR: **LITTLE DIGGERS FRANCHISING, LLC**	**FRANCHISEE**
By: _____ Zach Bowers, CEO	By: _____
Date: _____	Date: _____

Exhibit E
Audited Financial Statements

LITTLE DIGGERS FRANCHISING, LLC
(a majority owned subsidiary of Little Diggers Playspace, Inc.)
FINANCIAL STATEMENTS
DECEMBER 31, 2025

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holbrook &manter

INDEPENDENT AUDITORS' REPORT

To the Member of
Little Diggers Franchising, LLC.
Columbus, Ohio

Opinion

We have audited the accompanying financial statements of Little Diggers Franchising, LLC. (the Company), which comprise the balance sheet as of December 31, 2025, and the related statements of operations and members' equity, and cash flows for the year 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 the Company as of December 31, 2025 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
OHIO SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgment made by a reasonable user based on the financial statements.

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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Holbrook & Manter

Certified Public Accountants

April 27, 2026
Columbus, Ohio

Little Diggers Franchising, LLC
(A Majority Owned Subsidiary of Little Diggers Playspace, Inc.)
BALANCE SHEET
AS OF DECEMBER 31, 2025

ASSETS

		2025
Cash	$	164,376
Accounts receivable-trade, net		166,250
Accounts receivable, related party		22,500
Total Assets	$	353,126

LIABILITIES AND MEMBER EQUITY

CURRENT LIABILITIES:-		
Accounts payable	$	37,454
Accrued liabilities		7,826
Deferred revenues		117,500
Total current liabilities		162,780
MEMBER EQUITY:-		190,346
Total Liabilities and Member Equity	$	353,126

The accompanying notes are an integral part of these financial statements.

Little Diggers Franchising, LLC
(A Majority Owned Subsidiary of Little Diggers Playspace, Inc.)
STATEMENT OF OPERATIONS AND MEMBER EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

		2025
REVENUES:-		
Franchise fees	$	550,000
Other revenues		7,965
Total Revenues		557,965
EXPENSES:-		
General and administrative expenses		242,650
Total Expenses		242,650
Income from Operations		315,315
NET INCOME		315,315
Member Equity, beginning of year	(	418)
Partner distributions	(	198,280)
Partner contributions		73,729
Member Equity, end of year	$	190,346

The accompanying notes are an integral part of these financial statements.

Little Diggers Franchising, LLC
(A Majority Owned Subsidiary of Little Diggers Playspace, Inc.)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

		2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income from continuing operations	$	315,315
Changes in assets and liabilities:		
Accounts receivable-trade, net	(	166,250)
Accounts receivable, related party	(	22,500)
Accounts payable		37,135
Accrued liabilities		7,727
Deferred revenue		117,500
Net cash provided by operating activities		288,927
CASH FLOWS FROM FINANCING ACTIVITIES:		
Partner distributions	(	198,280)
Partner contributions		73,729
Net cash used by financing activities	(	124,551)
Net change in cash		164,376
Cash, at beginning of year		0
Cash, end of year	$	164,376
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:-		
Cash paid for income taxes	$	0
Cash paid for interest	$	0

The accompanying notes are an integral part of these financial statements.

1. Summary of Significant Accounting Policies

Nature of Operations

Little Diggers Franchising, LLC (the Company) franchises independently owned indoor play spaces under the name "Little Diggers." Furthermore, the Company is a majority-owned subsidiary of Little Diggers Playspace, Inc. The Company commenced operations on November 18, 2024.

Concentration Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. The Company places its temporary cash investments with financial institutions. At times, amounts may exceed federally insured limits. The Company's results of operations are affected by a wide variety of factors, including general economic conditions, the ability to attract new franchisees, and the ability to enter into new markets.

Accounts Receivable

Accounts Receivable-Trade

Accounts receivable consists primarily of royalty and marketing fees charged to franchisees based on sales. Interest on past due balances may be charged at 5% above the current prime interest rate. The Company reports trade receivables at net realizable value. The Company recognizes an allowance for losses on accounts receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and the expected future write-offs, as well as an assessment of specific identifiable customer accounts considered risky or uncollectible. The expense associated with the allowance for doubtful accounts is recognized as general and administrative expense. The Company recorded an allowance for doubtful accounts of $0 at December 31, 2025. Contract assets was $0 as of January 1, 2025.

Allowance for Credit Losses

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Revenue Recognition Significant Accounting Policies under ASC 606
Franchise fees
The Company executes franchise and development territory agreements for franchise locations, which define the terms of the agreement with the franchisee. The Company's franchise and developmental territory agreements require that franchisees pay an initial, non-refundable fee and a continuing fee based on a percentage of sales. The Company recognizes initial and optional franchise fees and development territory fees as revenue after performing substantially all initial services or conditions required by the franchise agreements, which is generally upon the opening of the location.

Deferred revenue (contract liabilities) represents franchise fees which have been received, but for which the prescribed services have not yet been completed. These fees will be recognized as revenue when these services are completed. Management has adopted the practical expedient whereby costs to obtain these contracts are not capitalized. Contract liabilities were $0 as of January 1, 2025.

Advertising
The Company expenses the costs of advertising not covered under the Company's marketing fee assessment at the time the advertising cost is incurred. Total advertising expenses incurred for the year ended December 31, 2025 were $7,685.

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

Income Taxes
The Company is organized as a limited liability corporation and therefore is not subject to federal or state income taxes at the corporate level, but rather such income is included in the members' taxable income. Accordingly, no provision has been made for federal and state income taxes in the accompanying financial statements.

The Company accounts for uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon the examination by the tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than 50% likely of being realized upon settlement. Management believes that there are no uncertain tax positions as of December 31, 2025.

The Company's income tax filings are subject to audit by various taxing authorities. In evaluating the Company's activities, the Company believes its tax position is current based on current facts and circumstances.

It is the policy of the Company to include in its statements of operations penalties and interest assessed by income taxing authorities. There are no penalties or interest from taxing authorities included in the statements of operations and members' equity for 2025.

Recent Accounting Pronouncements
In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases* (Topic 842). This new standard increases transparency and comparability among organizations by requiring the recognition of ROU assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Company adopted the requirements of the guidance effective November 2024, and has elected to apply the provisions of this standard to the beginning of the period of adoption for material leases significant to the consolidated financial statements. The Company has elected to adopt the package of practical expedients available in the year of adoption. The Company has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Company's ROU assets. The Company did not hold any long-term leases as of year ended December 31, 2025.

2. Related Party Transactions

Accounts receivable from Little Diggers Playspace, Inc. totaled approximately $22,500 at December 31, 2025.

3. Revenue Recognition

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS
The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the year ended December 31:

	2025
Revenue Recognized Over Time:	
Franchise Fees	$ 550,000
Total Revenue Recognized	$ 550,000

The Organization's contract liabilities consist of the following as of December 31:

	2025
Contract Liabilities:	
Franchise Fees	$ 117,500

Contract liabilities represent payments received prior to the start of the requisite service being paid for. The following table depicts activities for contract liabilities related to franchise fees:

Balance at December 31, 2024	Refunds Issued	Revenue Recognized included in December 31, 2024 Balance	Cash Received in Advance of Performance	Balance at December 31, 2025
$ 0	$ 0	$ 0	$ 117,500	$ 117,500

Revenue from performance obligations satisfied over time consists of the franchise and transfer fees from franchisees.

PERFORMANCE OBLIGATIONS

For performance obligations related to the sale of royalty fees, control transfers to the customer at a point in time. Revenues are recognized when control of these services is transferred to its customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products and services.

For performance obligations related to franchise and transfer fees, control transfers to the customer over time. The Company recognizes initial and optional franchise fees and development territory fees as revenue after performing substantially all initial services or conditions required by the franchise agreements, which is generally upon the opening of the location.

VARIABLE CONSIDERATION

The nature of the Company's business gives rise to variable consideration, including rebates, allowances, and returns that generally decrease the transaction price that reduces revenue. These variable amounts are generally credited to the customer, based on achieving certain levels of sales activity, product returns or price concessions.

Variable consideration is estimated at the most likely amount that is expected to be earned. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Estimates of variable consideration are estimated based upon historical experience and known trends.

4. Subsequent Events

The Company has evaluated events through April 27, 2026, which is the date that the financial statements were available to be issued.

State Effective Dates

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Illinois	July 30, 2025
Indiana	October 8, 2025
Maryland	Pending
Michigan	April 16, 2025
Minnesota	October 16, 2025
New York	December 11, 2025
Virginia	Pending
Wisconsin	September 24, 2025

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Exhibit F
Item 23:

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Franchisor offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York law requires the franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or ten (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 Franchisor does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency.

The Franchisor sales agent for this offering is Zach Bowers: **6327 Sawmill Road, Dublin, OH 43017**; **614-259-7559**

Issuance Date: April 28, 2026

I received a disclosure document dated April 28, 2026, that included the following exhibits:

Exhibit A	State Addenda to Disclosure Document
Exhibit B	State Franchise Administrators/Agents for Service of Process
Exhibit C	Table of Contents of Operating Manual
Exhibit D	Franchise Agreement
Exhibit E	Audited Financial Statements
Exhibit F	Receipts

Date:_____ Your name (Please print): _____

Your signature: _____

You should return one copy of the signed receipt either by signing, dating, and mailing it to Franchisor at, **6327 Sawmill Road, Dublin, OH 43017**; or by emailing a scanned copy of the signed receipt to zach@littlediggersplayspace.com. You may keep the second copy for your records.

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