FRANCHISE DISCLOSURE DOCUMENT

PingPod Franchising LLC
A Delaware Limited Liability Company
2025 Hudson Street
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The franchise offered in this Franchise Disclosure Document is for the operation of a PingPod, from which you will conduct a business offering Ping Pong and Table Tennis recreational spaces available on demand, with coaching, tournaments, leagues, private events, commerce, and kids programming.

The total investment necessary to begin operation of a PingPod Small-Format (hereinafter, the "Small Format PingPod Business" or "Small Format Pod Business") is between $258,800 and $508,800. This includes between $62,500 and $77,500 that must be paid to us or our Affiliates.

The total investment necessary to begin operation of a PingPod Large-Format (hereinafter, the "Large Format PingPod Business" or "Large Format Pod Business") is between $351,300 and $773,800. This includes between $67,500 and $77,500 that must be paid to us or our Affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified this 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 David Silberman at 2025 Hudson Street, Fort Lee, New Jersey 07024, david@pingpod.com and 201-638-2254.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contracts carefully. Show your contracts and this Franchise Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: August 7, 2024

How To Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B 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 PingPod 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 PingPod franchisee?	Item 20 or Exhibit C 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 F.

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 us by mediation, arbitration and litigation only in New Jersey. Out-of-state mediation, arbitration and litigation may force you to accept a less favorable settlement for disputes it may also cost you more to arbitrate and litigate with us in New Jersey than in your own state.

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

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

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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B	Financial Statements
C	List of Current and Former Franchisees
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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, "PingPod," "we," "us," and "our" means PingPod Franchising LLC, doing business as PingPod, the franchisor. "You," "your," and "Franchisee" means the person who buys the franchise from PingPod and its owners, if the Franchisee is a business entity.

Franchisor, Parent, and Affiliates

PingPod Franchising LLC is a Delaware limited liability company formed on January 3, 2023. Our principal business address is 2025 Hudson Street, Fort Lee, New Jersey 07024. We operate under our corporate name, "PingPod." We do not conduct business under any other name. We offer and support franchises for the PingPod Business, and have done so since July 2024. We have not offered and do not offer franchises in any other line of business and do not own or operate any PingPod Businesses.

We have an affiliated entity, PingPod IP LLC ("PingPod IP"), a Delaware limited liability company formed on January 3, 2023 solely to be the holder of PingPod's intellectual property. PingPod IP's principal place of business is 200 East 95th Street, Apt 5, New York, New York 10128. We are party to an intellectual property license agreement with our affiliate. Affiliate has not offered and do not offer franchises in any line of business.

We have an affiliated entity, PodPlay Technologies LLC ("PodPlay Tech"), a Delaware limited liability company formed on April 12, 2023. Our PodPlay Tech Affiliate will collect fees from franchisees and provide Software and other services to franchisees via the System (as defined herein). Our PodPlay Tech Affiliate does not offer franchises in any line of business.

We have an affiliated entity, Table Tennis Monitoring Services, Inc. d/b/a TT Monitoring Services, Inc. ("NOC"), a Metro Manila, Philippines corporation formed on February 1, 2023. Our NOC Affiliate has an exclusive technology service agreement with our Affiliate PodPlay Tech, which allows us the rights and exclusive usage for monitoring technology. Mr. Jon Ebuen ("Ernesto Ebuen"), who is also our member and the Chief Product Officer (as defined herein), is a minority shareholder officer in NOC. Affiliate, NOC, does not offer franchises in any line of business.

We have an affiliated entity, PingPod, Inc. (the "Affiliated Entity"). The Affiliated Entity owns and operates, directly or through international affiliates, twenty (20) Pods, all of which are substantially similar to the franchise offered in this disclosure document. The Affiliated Entity has been operating twenty (20) Pods of which are eighteen (18) Pods in the United States under the Marks (as defined herein). The Affiliated Entity does not and has not offered franchises in this or in any other lines of business previously. PingPod, Inc. may operate additional Pods (as defined herein) in the future.

We have no predecessors.

Agents for Service of Process

Our agent for service of process for the State of Delaware is Capitol Services, Inc. located at 108 Lakeland Avenue, Dover, Delaware 19901. Our agents for service of process for other states are identified in Exhibit E of this Franchise Disclosure Document. 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 above where we have appointed an agent for service of process. There may also be additional agents appointed in some states listed.

PingPod Franchises

We offer franchises for PingPod Businesses (collectively, the "Franchise") using our trade names, trademarks, service marks, associated logos and symbols ("Marks"), business system, procedures, Operations Manual, and trade secrets (collectively, the "System"). You will conduct a business offering Ping Pong and Table Tennis recreational spaces available on demand, with coaching, tournaments, leagues, private events, commerce, and kids programming (the "Pod") (the "Approved Products and Services"). You must sign one of our standard franchise agreements, which is attached to this Franchise Disclosure Document as Exhibit A (a "Franchise Agreement"). You may operate one (1) PingPod Business, for each Franchise Agreement you sign.

If you are interested in becoming a PingPod franchisee, you may be asked to complete a confidential application and questionnaire when applying for consideration. This may include your authorization for us to do, at our discretion, various background checks on you, including making criminal and financial inquiries. This information will remain confidential.

Market Competition

The market for the goods and services offered by a PingPod Business is new. You will be offering products for sale to the general public and businesses. Our services are not seasonal in nature, however, in seasonal climate locations, the warmer months tend to be less busy than the cooler months. Your competitors will include existing ping pong and table tennis recreational spaces, and even other PingPod franchises (subject to the territorial protection and restriction set forth in Item 12).

Industry Regulations

The recreational, experiential and fitness industries are governed by health laws and regulations concerning the operation of experiential services, recreation clubs and fitness centers. Your PingPod Business will be subject to various federal, state, and local laws, and regulations including occupational safety and health codes. Your PingPod Business must comply with all state and local laws and regulations. You will also be subject to other laws or regulations that are not specific to the industry, but which apply to businesses generally.

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of your Pod. You may be responsible for complying with the Payment Card Industry Data Security Standard ("PCI") and federal and state laws and regulations concerning data security, data privacy and security breaches. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accepts, transmits or stores any cardholder data.

We do not assume any responsibility for advising you on regulatory or legal matters. You should consult with your attorney about laws and regulations that may affect your PingPod Business.

ITEM 2
BUSINESS EXPERIENCE

Maximilian Kogler – Chief Executive Officer

Mr. Kogler is our CEO and has been since our formation in January 2023. Mr. Kogler is also the CEO of our Affiliate, PingPod, Inc., and has been since its formation in July 2019.

David Silberman – Chief Financial Officer

Mr. Silberman is our CFO and has been since our formation in January 2023. Mr. Silberman is also the CFO of our Affiliate, PingPod, Inc., and has been since its formation in July 2019.

Ernesto Ebuen – Chief Product Officer

Mr. Ebuen is our Chief Product Officer and has been since our formation in January 2023. Mr. Ebuen is also a minority shareholder of our affiliate, NOC since its inception in February 2023. Mr. Ebuen is also Chief Product Officer of our Affiliate, PingPod, Inc., and has been since its formation in July 2019..

Benjamin Borton – Chief Strategy Officer

Mr. Borton is our Chief Strategy Officer and has been since our formation in January 2023. Mr. Borton is also the Co-Founder and President of our Affiliate, PodPlay Technologies LLC and has been since its formation in April 2023. Mr. Borton is also the Chief Strategy Officer of our Affiliate, PingPod, Inc., and has been since November 2022. Mr. Borton was previously Head of Digital Fund Services at Figure Technologies from February 2020 to July 2022, a Partner at Mountaineer Partners Management LLC from January 2012 to December 2019, and a Partner at MM Capital from 2009 to 2011.

Ilya Rivkin – Chief Technology Officer

Mr. Rivkin is our CTO and has been since our formation in December 2022. Mr. Rivkin is also CTO of our Affiliate, PingPod, Inc., joining the firm in July 2021. Mr. Rivkin previously served as Head of Mobile for Marcus, a Goldman Sachs fintech app from July 2017 to July 2021.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fees

PingPod Large-Format Business Initial Franchise Fee

If You are purchasing a Large Format PingPod Business, You must pay us an initial franchise fee (the "Initial Franchise Fee") of $49,500 when you sign the Franchise Agreement. The Initial Franchise Fee is deemed fully earned by us once paid and is non-refundable.

PingPod Small-Format Business Initial Franchise Fee

If You are purchasing a Small Format PingPod Business, You must pay us an initial franchise fee (the "Initial Franchise Fee") of $49,500 when you sign the Franchise Agreement. The Initial Franchise Fee is deemed fully earned by us once paid and is non-refundable.

PodPlay Technologies Initial Fee; Technology Package

You will need to equip and/or install the facility with security cameras, IT installations and a music system that we have approved, including from our affiliate, PodPlay Technologies. PodPlay Technologies will purchase, configure and ship the required IT/AV equipment and provide the detailed installation guide, however, you remain responsible for costs associated with installation. The cost to you for this initial PodPlay Technologies package is between $13,000 and $28,000 depending on whether you are a Small Format or Large Format Pod, and the number of Tables in your Pod. The low-end PodPlay Technologies package is $13,000 for a Small Format Pod, and $18,000 for a Large Format Pod. This fee is paid in one lump sum and is non-refundable.

ITEM 6
OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty Fee	Six Percent (6.0%) of your Gross Revenue	As we (or our affiliate) collect payment from customers, and we remit the net (94%) to you on a daily basis.	See Notes 1 and 2 below
Local Marketing	Currently Not Assessed	As incurred.	Local marketing requirements are discussed in Item 11. We reserve the right to require up to 1% of Gross Revenues
Late Payment	$100 per incident plus one and a half percent (1½%) interest per month, or maximum allowed by law.	When payment is past due.	See Note 3 below
Training, Assistance or Refresher Training	Currently Not Assessed	Before training, assistance or refresher training begins.	See Note 4 below. we reserve the right to collect this fee, which is targeted between $500 and $2,000 per day.
Renewal Fee	50% of the then current franchise fee	Paid to us at the time of renewal.	See Note 5 below
Transfer Fee	$12,000 per Protected Territory.	Prior to the time of the transfer.	See Note 6 below
Attorney Fees and Costs	Reimbursement of our actual fees and costs related to a dispute or controversy.	As incurred.	See Note 7 below
Web App, Technology, & Marketing Fee	$150 per month (subject to increase).	Paid to us on the first day of each month for the preceding month ending.	See Note 8 below
PodPlay Technologies Recurring Fee	$200 per venue, plus an additional $200 per court fee, per month.	Paid to us on the first day of each month for the preceding month ending.	See Note 9 below

Audit Costs	Actual costs of audit.	Upon receipt of bill.	See Note 10 below
Indemnification	Actual costs of indemnification.	When incurred.	See Note 11 below
National Fund Contribution	Currently Not Assessed	When established, paid to us on the first day of each month for the preceding month ending.	See Note 12 below. If established, one percent (1%) of your monthly Gross Revenue, which we may increase up to two percent (2%).
Insurance Reimbursement	Cost to obtain and maintain required insurance under the Franchise Agreement, plus a service fee (if we are forced to obtain the required insurance for you on your behalf).	As incurred.	See note 13
Post-Termination or Post-Expiration Expenses	Our actual cost	As incurred.	See Note 14
Payment Processing Software Maintenance Costs	Actual cost of payment processing fees as a % of revenue	As incurred	See Note 14

Explanatory Notes

1. General. The table above provides recurring and/or non-recurring fees or payments that you must pay to us or our affiliates or that we or our affiliates impose or collect in whole or in part on behalf of a third party or that you are required to spend by the Franchise Agreement. All fees and expenses described in this Item 6 are nonrefundable. Except as otherwise indicated in the chart above, we uniformly impose all fees and expenses listed and they are payable to us and are fully earned upon receipt by us.

2. Royalty.

    a. *Gross Revenues*. "Gross Revenues" are defined to include all income of any type or nature and from any source that you derive or receive directly or indirectly from, through, by or on account of the operation of the Business at any time after the signing of your Franchise Agreement, in whatever form and from whatever source, including but not limited to cash, services, in kind from barter and/or exchange, on credit or otherwise as well as business interruption insurance proceeds, all without deduction for expenses including marketing expenses and taxes. However, the

definition of Gross Revenues does not include sales tax that is collected from customers and actually transmitted to the appropriate taxing authorities.

b. *Manner of Payment*. With the exception of the Initial Franchise Fee, we will collect all fees directly from customers, retain our portion for royalties, and remit the balance to you (through a Stripe (or similar) transaction) on a daily basis. Your revenue gets collected in your Stripe account, where we collect our fees, before being transferred to your bank account. You can remit your funds manually or automatically into your bank account after our fees have been collected. We will also issue you a report, on or before the 5th of each month, reflecting the payments for the prior month. You must immediately notify us of any change in your banking relationship, including any change to the EFT Account. We reserve the right to require you to pay any fees due by other means as we may specify from time to time.

3. Late Payment. If you fail to timely pay any fees owed to us (under the Franchise Agreement or otherwise) that we do not directly collect, then you are subject to a late fee of $100 per incident plus one and a half percent (1.5%) interest per month of the unpaid balance, or the maximum permitted by law, whichever is higher.

4. Training. We will provide our initial training program (the "Initial Training Program") to you and one additional representative you designate tuition-free. Additional personnel, or replacement personnel you wish to attend the Initial Training Program, are subject to our then-current tuition fee for initial training ("Tuition Fee") prior to attending our Initial Training Program (subject to class availability and the schedule/availability of our personnel). We may also establish additional and/or refresher training, as we deem necessary from time to time, and make your attendance at this training mandatory or discretionary. In the event you wish (or are required) to attend any additional or refresher training, we may charge you our then-current Tuition Fee to attend this training (subject to class availability and the schedule/availability of our personnel). We reserve the right to charge a Tuition Fee, which ranges from $500 to $2,000, depending upon our personnel involved in such training. You are responsible for all out-of-pocket expenses (including travel costs and payroll, if any) incurred in connection with your and any of your personnel's attendance at the Initial Training Program, as well as any additional and/or refresher training we conduct. We may also charge our Tuition Fee in connection with any on-site or other assistance we provide to you in connection with the establishment and/or operation of your PingPod Business, and you will be responsible for all out-of-pocket expenses (including travel costs, if any) we incur in providing any on-site assistance at your PingPod Business.

5. Renewal Fee. You must pay us a renewal fee equal to 50% of the then current franchise fee. In addition to the Renewal Fee we do have a number of conditions that you must meet in order to renew your Franchise Agreement, including without limitation: (i) providing us with written notice of your intent to renew no less than 12 months prior to the expiration of the term of the then-current Franchise Agreement; (ii) executing our then-current form of Franchise Agreement, the terms of which may materially differ from your current agreement; (iii) substantially complying with your Franchise Agreement during the

existing term; and (iv) executing our prescribed form of general release in favor of us. See Item 17 in this disclosure document for additional information regarding renewal.

6. Transfer Fee. You must pay us a transfer fee equal to Twelve Thousand Dollars ($12,000.00) per each Protected Territory that is being transferred to the transferee. In the event you transfer multiple Protected Territories at once, we reserve the right, but not the obligation, in our sole discretion, to reduce the transfer fee for any of the Protected Territories being transferred, and by any amount. If a third-party broker locates the transferee, you will also be solely responsible for any broker fees associated with the transfer. There are other conditions for transfer and all conditions must be met before the transfer is approved by us. See Item 17 in this disclosure document for additional information regarding transfer.

7. Attorneys' Fees and Costs. If we prevail in any action or other legal/administrative proceeding brought against you arising out of the Franchise Agreement or any other agreement with us, you must reimburse us for our reasonable attorneys' fees and other costs paid that we incurred in such proceedings in the event we prevail. If you bring any legal action to interpret or enforce the terms of the Franchise Agreement or any other agreement with us, and your claim in such action is denied or the action is dismissed, then we are entitled to recover our reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending the matter, and to have such an amount awarded as part of the judgment in the proceeding.

8. Software Maintenance Fee. This is paid for the maintenance, of and access to, our website and general internet marketing efforts.

9. PodPlay Technologies Recurring Fee. You pay us a monthly fee for the use of our proprietary software, inclusive of Booking, Access, Invitations, Coaching Dashboard, Remote Security, Replays, and Event Management. We may also send you software updates, as we deem necessary in our sole discretion, or other materials that we may develop in connection with the System that we require you to purchase.

10. Audit Costs. You must maintain accurate business records, reports, accounts, books and data relating to the operation of your PingPod Business. We and our designees retain the right to inspect and/or audit your business records at any time during normal business hours, without notice, to determine whether you are current with suppliers and/or otherwise are operating in compliance with the terms of the Franchise Agreement and Operations Manual. In the event any such audit discloses an understatement of amounts reported or paid to us, you agree to pay to us the amount due, plus interest (at the rate and on the terms provided for herein) from the date originally due until the date of payment. Furthermore, you must reimburse us for our costs and expenses associated with conducting the audit in the event: (i) such audit is made necessary by your failure to timely furnish reports, supporting records, other information or financial statements required under the Franchise Agreement; or (ii) if that audit reveals an understatement of greater than two percent (2%). These costs and expenses include, without limitation, our legal and accounting fees, travel, lodging and meal expenses and applicable per diem charges for our employees. The foregoing remedies are in addition to our other remedies and rights under the Franchise

Agreement and/or applicable law. In the event any audit reveals that your information has been inaccurately reported, we reserve the right to audit other entities owned, controlled by or affiliated with you.

11. Indemnification. You are solely responsible for and must indemnify and hold us harmless for all loss, damage, claims or demands arising out of, or related to, the operation of your PingPod Business. Your indemnification obligations are described more fully in the Franchise Agreement.

12. National Fund Contribution. If established, you must pay us a National Fund Contribution of one percent (1%) of your total Gross Revenue each month in the same manner as you are required to pay your Royalty Fee. Please see Item 11 of this disclosure document for additional information regarding the Fund and your other advertising/marketing obligations. We have the right to increase your required spend to up to two percent (2%).

13. Insurance. Cost to obtain and maintain required insurance under the Franchise Agreement, plus a service fee (if we are forced to obtain the required insurance for you on your behalf).

14. Post-Termination or Post-Expiration Expenses. Upon termination, expiration, non-renewal, and/or transfer of the Franchise Agreement, you are responsible for the costs associated with de-identifying yourself and your PingPod Business from the PingPod System. We will also remove You from our PodPlay system. Additionally, we may elect to take steps to modify, alter or de-identify your PingPod Business. If we do so, you must also reimburse us for our costs and expenses.

ITEM 7
YOUR ESTIMATED INITIAL INVESTMENT

LARGE FORMAT OPERATION (3-6 TABLES)

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee [1]	$49,500		Certified Check or Wire Transfer	When Franchise Agreement is Signed	Us
Real Estate, Rent Deposits and Pre-Paid Expenses - 3 Months [2][3]	$26,000	$78,000	As arranged	As incurred	To third party
Architectural and Engineering [4]	$15,000	$30,000	As arranged	As incurred	To third party
Construction of Leasehold Improvements [5]	$100,000	$350,000	As arranged	As incurred	To third party
Signage [6]	$10,000	$20,000	As arranged	As incurred	To third party
Furniture, Fixtures, Décor and Equipment [7]	$88,000	$100,000	As arranged	As incurred	To third party
PodPlay Technologies Setup Fee[8]	$19,000	$28,000	As arranged	As incurred	Us or an Affiliate
Business Licenses and Permits [9]	$2,000	$6,000	As arranged	As incurred	To third party
Professional Fees [10]	$3,000	$5,000	As arranged	As incurred	To third party
Insurance – 3 Months [11]	$1,500	$4,000	As arranged	As incurred	To third party
Inventory and Supplies [12]	$2,000	$4,000	As arranged	As incurred	To third party
Travel and Living Expenses While Training [13]	$3,300	$5,300	As arranged	As incurred	To third party
Grand Opening Advertising	$2,000	$4,000	As arranged	As incurred	To third party
Additional Funds – 3 Months [14]	$30,000	$90,000	As arranged	As incurred	You Determine
TOTAL ESTIMATED INITIAL INVESTMENT [15]	**$351,300**	**$773,800**			

SMALL FORMAT OPERATION (1 – 2 TABLES)

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee [1]	$49,500		Certified Check or Wire Transfer	When Franchise Agreement is Signed	Us
Real Estate, Rent Deposits and Pre-Paid Expenses - 3 Months [2][3]	$20,000	$60,000	As arranged	As incurred	To third party
Architectural and Engineering [4]	$15,000	$30,000	As arranged	As incurred	To third party
Construction of Leasehold Improvements [5]	$87,500	$175,000	As arranged	As incurred	To third party
Signage [6]	$10,000	$20,000	As arranged	As incurred	To third party
Furniture, Fixtures, Décor and Equipment [7]	$22,000	$44,000	As arranged	As incurred	To third party
PodPlay Technologies Setup Fee [8]	$13,000	$16,000	As arranged	As incurred	Us or an Affiliate
Business Licenses and Permits [9]	$2,000	$6,000	As arranged	As incurred	To third party
Professional Fees [10]	$3,000	$5,000	As arranged	As incurred	To third party
Insurance – 3 Months [11]	$1,500	$4,000	As arranged	As incurred	To third party
Inventory and Supplies [12]	$1,000	$2,000	As arranged	As incurred	To third party
Travel and Living Expenses While Training [13]	$3,300	$5,300	As arranged	As incurred	To third party
Grand Opening Advertising	$1,000	$2,000	As arranged	As incurred	To third party
Additional Funds – 3 Months [14]	$30,000	$90,000	As arranged	As incurred	You Determine
TOTAL ESTIMATED INITIAL INVESTMENT [15]	**$258,800**	**$508,800**			

In general, none of the expenses listed in the above charts are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment. All of our estimates assume that you will purchase the required items. Your costs may be lower if you choose to lease some items.

Explanatory Notes

For the purposes of this Item 7, "Large Format" means three to six tables within Your PingPod franchise, and "Small Format" means one to two tables within Your PingPod franchise.

All fees paid to us pursuant to the Franchise Disclosure Document are uniform and non-refundable. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers.

1. ***Initial Franchise Fee***. The initial franchise fee is discussed in Item 5.

2. ***Rent***. Our estimates assume that you will lease space for your PingPod franchise and that your Landlord will require 2-3-months' rent when you execute the Lease. Your PingPod franchise must be in an urban or densely-populated suburban market, with high visibility and foot traffic, and you will need approximately 750 to 1,500 square feet for a Small-Operation and 2,000 to 3,500 square feet for a Large Format operation; the difference determined on the number of tables. Landlords may vary the base rental rate and charge rent based on a percentage of gross sales. In addition to base rent, your lease may require you to pay common area maintenance charges ("CAM Charges") for your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The actual amount you pay under the lease will vary depending on the size of the space, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region.

If you choose to purchase real property on which to build your PingPod franchise, your initial investment will probably be higher than what we estimate above. If you purchase real property, we cannot estimate how this purchase will affect your total initial investment.

3. ***Lease & Utility Security Deposit***. In addition to your rent deposit your Landlord may require one to two months of rent as a security deposit, and you may need to provide security deposits for your utilities (such as gas, water and/or electric).

4. ***Design & Architect Fees***. You must obtain construction plans for the build-out of your PingPod location according to our specifications. We reserve the right to designate and/or approve of the designer and/or architect you use.

5. ***Leasehold Improvements***. The cost of leasehold improvements will vary depending on many factors, including: (i) the size and configuration of the premises; (ii) pre-construction costs (including demolition of existing walls and removal of existing improvements and fixtures); and (iii) cost of materials and labor, which may vary based on geography and location or whether you must use union labor for the build-out of your location. These figures are our principals' best estimate based on remodeling/finish-out rates in the Metro New York market area and other metro areas in which PingPods have been constructed. These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials. These costs may also vary depending on whether certain of these costs will be incurred by the landlord or through landlord tenant improvement contributions, and the condition of the space before you take possession of the premises. Our estimate does not include any tenant improvement

allowance that you may negotiate. These costs can be substantially lower if structural construction (i.e., bathrooms and HVAC) are already in place and in good working order and if minimal demolition work needs to occur.

6. ***Signage***. These amounts represent your cost for interior and exterior signage and interior graphics. Your landlord or your local ordinances may have different restrictions it places on interior and exterior signage which may affect your costs.

7. ***Equipment, Furniture and Fixtures***. The equipment, furniture and fixtures you will need will include: ping pong tables, ping pod equipment and accessories, counters, furniture, refrigerators, tables and chairs and "branding" décor items. Also included is the cost of establishing an office with computer, printer, file cabinets, safe and assorted stationary items.

8. ***PodPlay Technologies.*** You will need to equip and/or install the facility with security cameras, IT installations and a music system that we have approved. This includes our affiliate, PodPlay Technologies. PodPlay Technologies will purchase, configure and ship the required IT/AV equipment and provide the detailed installation guide, however, you remain responsible for costs associated with installation. The recurring fees for PodPlay technologies are presently $200 per venue and $200 per table, per month, of which the amounts remain subject to change. These amounts are subject to increase upon written notice. While you will own the equipment associated with PodPlay, upon termination or expiration of your Franchise Agreement, we have the right to disconnect you from the PodPlay Technologies system.

9. ***Business Licenses and Permits***. These are estimates of the costs for obtaining local business licenses which typically remain in effect for one year. These figures do not include occupancy and construction permits which are included in the leasehold improvements estimate. The cost of these permits and licenses will vary substantially depending on the location of the Franchised Business. We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement.

10. ***Professional Fees***. We strongly recommend that you engage an accountant and a franchise attorney to advise you in your evaluation of the franchise we are offering.

11. ***Insurance***. These figures are estimates of the cost of the quarterly premiums for the insurance you must obtain and maintain for your PingPod franchise, as described in Item 8. Insurance premiums may be payable monthly, quarterly, semi-annually or annually, based on the insurance company's practices and your creditworthiness.

12. ***Initial Inventory***. These amounts represent your initial inventory of beverage supplies, packaged snacks, merchandise, and cleaning materials and supplies.

13. ***Training Expenses***. We provide initial training for up to two people at no additional charge while attending our training location in the tri-state metropolitan area. These estimates include only some of your out-of-pocket costs associated with attending our initial training program. They do not include airfare, car rental or lodging. These amounts do not include any fees or expenses for training any other personnel. Your costs may vary depending on your selection of

lodging and dining facilities and mode and distance of transportation and the number of individuals you bring to the training facilities. Our training program lasts for three days at one of our Tri-State location(s) and two days at your location.

14. ***Additional Funds***. You will need additional funds to support ongoing expenses, such as payroll, utilities, rent, product purchases, Royalty Fees, and advertising and marketing fees, if these costs are not covered by sales revenue for your first three months of operation. Our estimate does not include any sales revenue you may generate. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be three months. We relied upon our Affiliate's experience in operating similar PingPod locations in New York, New Jersey, Pennsylvania, Illinois and Florida when preparing these figures.

15. ***Total***. Your actual costs may vary greatly and will depend on factors such as the size and condition of the space and cost to convert to a PingPod franchise, your management skill, experience and business acumen; local economic conditions; the local market for the PingPod products; the prevailing wage rate; competition; and the sales level reached during the start-up phase. These amounts do not include any estimates for debt service. These are only estimates and your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your PingPod Business according to our System and specifications. Except as described below, however, we do not require you to purchase or lease goods, services, supplies, fixtures, equipment, inventory, or real estate for your PingPod Business from us or any affiliate, or an Approved Supplier.

Approved Products and Services

You may only market, offer, sell, and provide the approved services, as well as any related merchandise and other products that we authorize for sale in conjunction with the Approved Products and Services. We will provide you with a list of our then-current Approved Products and Services, along with their standards and specifications, as part of the Manuals or otherwise in writing prior to the opening of your Franchised Business. We may update or modify this list in writing at any time.

If you wish to offer any product or service in your Franchised Business other than our Approved Products and Services, or use any item in connection with your Franchised Business that does not meet our System standards and specifications, then you must obtain our prior written approval as described more fully in this Item.

We have the right to require you to purchase any items or services necessary to operate your Franchised Business from a supplier that we approve or designate (each, an "Approved Supplier").

We will provide you with a list of our Approved Suppliers in writing as part of the Manuals or otherwise in writing, and we may update or modify this list as we deem appropriate.

Currently, we have Approved Suppliers for the following items that you must purchase in connection with the establishment and/or operation of your Franchised Business: (i) music; (ii) lighting system, including installation; (iii) sound system, including installation; (iv) signage; (v) furniture, fixtures, and equipment; (vi) Pod décor; (vii) payment processing system (the "Payment Processing System") and then-current software from our affiliate, PodPlay Technologies LLC, that we require you to use in connection with that Payment Processing System and your Pod; and (viii) uniforms and any items bearing our Marks. Except as provided in this paragraph, neither we nor any of our officers own an interest in any of our Approved Suppliers. However, we reserve the right to require you to purchase additional items from us or our affiliates in the future.

At present, our only approved technology software provider is PodPlay Technologies LLC, which is our affiliate and from which we have the right to derive income. PodPlay Technologies will purchase, configure and ship the required IT/AV equipment and provide the detailed installation guide, however, you remain responsible for costs associated with installation. The recurring fees for PodPlay technologies are presently $200 per venue and $200 per table, per month, of which the amounts remain subject to change. These amounts are subject to increase upon written notice. While you will own the equipment associated with PodPlay, upon termination or expiration of your Franchise Agreement, we have the right to disconnect you from the PodPlay Technologies system. Similarly, at present, our only approved security monitoring provider is Table Tennis Monitoring Services, Inc. d/b/a TT Monitoring Services, Inc. ("NOC"), in which one of our founders has an ownership stake. Both PodPlay Technologies and NOC provide preferential pricing to PingPod franchisees. At present, our only approved table tennis equipment and performance apparel supplier is JOOLA, from whom we have the right to derive income. As of the issuance of this Disclosure Document, we have not derived revenue from franchisee purchases from PodPlay Technologies, NOC, or JOOLA.

We may develop proprietary products for use in your Franchised Business, including private-label products that bear our Marks, and require you to purchase these items from us or our affiliate(s).

Required Purchases and Right to Derive Revenue

The products or services we require you to purchase or lease from an Approved Supplier, or purchase or lease in accordance with our standards and specifications, are referred to collectively as your "Required Purchases." We estimate that your Required Purchases, purchases from Approved Suppliers and purchases that must meet our specifications in total will be up to 35% to 70% of your total purchases to establish the Pod and about 70% of your purchases to continue the operation of the Pod. Please be advised that these percentages do not include the lease (or mortgage) payments that you make in connection with your premises.

We and our affiliates reserve the right to derive revenue from any of the purchases (items or services) that our System franchisees are required to make in connection with the Franchised Business. In our last fiscal year, ending on December 31, 2023, we received $0 in revenue from

all required purchases and leases of products and services by franchisees, including purchases of items to be resold in the Pod, and rebates we receive from third-parties. This was 0% of our total revenue of $0, as reported in our most recent audited financial statements.

Non-Approved Product/Service and Alternate Supplier Approval

We may, but are not obligated to, grant your request to: (i) offer any products or services in connection with your Franchised Business that are not Approved Products and Services; or (ii) purchase any item or service we require you to purchase from an Approved Supplier from an alternative supplier.

If you wish to undertake either of these actions, you must request and obtain our approval in writing before: (i) using or offering the non-approved product or service in connection with your Franchised Business; or (ii) purchasing from a non-approved supplier. You must pay our then-current supplier or non-approved product evaluation fee when submitting your request, as well as cover our costs incurred in evaluating your request. We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue, but also the supplier's production and delivery capability, overall business reputation and financial condition. We may provide any alternate supplier you propose with a copy of our then-current specifications for any product(s) you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products and/or services, and request that you reimburse our actual costs associated with the testing/inspection. We do not anticipate charging a fee to evaluate potential alternate suppliers.

We will notify you in writing within 30 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. The criteria we use in approving or rejecting new suppliers is proprietary, but we may (although are not required to) make it available to you upon request. Each supplier that we approve must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Marks. The revocation of a previously-approved product or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

We do not provide material benefits to a franchisee based on the franchisee's purchase of particular products or services or use of designated or approved suppliers.

Purchasing Cooperatives and Right to Receive Compensation

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and Approved Suppliers on behalf of the System. We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Pods in our System. If we do establish those types of alliances or programs, we may: (i) limit the number of approved suppliers with whom you may deal; (ii) designate sources that you must use for some or all products, equipment and services; and (iii) refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System.

We and/or our affiliate(s) may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers' dealings with us, you, or other Franchised Businesses in the System, such as rebates, commissions or other forms of compensation. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and/or our franchisees.

We reserve the right to create additional purchasing cooperatives in the future. We may negotiate volume purchase agreements with some vendors or Approved Suppliers for the purchase of goods and equipment needed to operate the Pod.

Franchise Compliance

When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements.

Insurance

You must obtain and maintain insurance, at your expense, as we require, in addition to any other insurance required by applicable law, your landlord, or otherwise. We may periodically change the amounts of coverage required under the insurance policies and require different or additional kinds of insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances, if the changes apply to all PingPod Business. Each insurance policy must name us and entities and persons affiliated with us as additional insureds. On our request, you must provide us with copies of all insurance policies together with proof of payment for insurance. You must send to us current certificates of insurance and copies of all insurance policies on an annual basis. Before you open your PingPod Business, you must furnish us with a certificate of insurance showing compliance with the insurance requirements. Currently, you must have the following insurance at a minimum from an AM Best "A" rated insurance company or better:

- Comprehensive general liability insurance with limits of at least $1,000,000 per person per occurrence (and $2,000,000 aggregate for bodily injury) and at least $100,000 for property damage per occurrence;

- Personal injury and advertising injury insurance with limits of at least $1,000,000 per occurrence;

- Employer Practices Liability insurance with limits of at least $1,000,000;

- An Umbrella Liability insurance policy with a limit of at least $1,000,000;

- USA Table Tennis ("USATT") insurance in accordance with the standard USATT policy, which covers USATT events held at Your Pod;

- "All risk" insurance on the premises, equipment and supplies, for loss or damage by fire, windstorm, flood, casualty, theft and other risk usually insured against by the owners or lessors of similar property, for at least 100% of the replacement cost of the property. Unless you obtain a written waiver from us, any PingPod Business sustaining loss or damage must be repaired, restored, or rebuilt within 60 days after the date of the loss or damage;

- Automobile liability insurance on each vehicle used in the business within the minimum coverage limits as required by the law of the state or jurisdiction in which you are engaged in business; and

- Worker's compensation or similar insurance as required by the law of the state or jurisdiction in which you are engaged in business. This insurance must be maintained for trainees, as well as for those employed or engaged in the operation of your PingPod Business, if required by your state or jurisdiction.

- Tenant User Liability Insurance Policy ("TULIP") is required for private events over a certain number of people.

Computer System

You must purchase the computer system that we specify, including computer hardware, software, point of sale system, inventory control systems, and high-speed network connections (collectively, the "Computer System"). The component parts of the Computer System must be purchased from Approved Suppliers. If we require you to use any proprietary software or to purchase any software from a designated vendor, you must sign any software license agreements that we or the licensor of the software require and any related software maintenance agreements. Currently, we require you to utilize our proprietary software system, from our affiliate, PodPlay Technologies, at a cost of $400 to $600 per month for a Small Format PingPod Business and $800 to $1,400 for a Large Format PingPod Business, inclusive of Booking, Access, Invitations, Coaching Dashboard, Remote Security, Replays, Reporting, and Event Management for the first year following execution of your franchise agreement. Additionally, we require you to utilize NOC for security

services, in which one of our founders has an ownership interest. The Computer System is described in more detail in Item 11 of this Disclosure Document.

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 Franchise Disclosure Document.

Obligation		Section in Franchise Agreement	Section in Area Development Agreement	Item in Franchise Disclosure Document
a.	Site selection and acquisition/lease	Sections 4.2 and 7.2	Section 4	Items 5, 7 & 11
b.	Pre-opening purchases/leases	Sections 4.2 and 7.2	Not Applicable	Items 7
c.	Site development and other pre-opening requirements	Section 7.2	Section 4	Items 7 & 11
d.	Initial and ongoing training	Section 5.2	Not Applicable	Items 11
e.	Opening	Sections 7.2, 7.3 and 7.6.1	Exhibit B	Items 6 & 7
f.	Fees	Section 6	Section 3	Items 5, 6 & 7
g.	Compliance with standards and policies/ Operations Manual	Sections 5.4, 5.6, 7.1 and 7.3	Section 4	Items 11
h.	Trademarks and proprietary information	Section 8.1	Not Applicable	Items 13 & 14
i.	Restrictions on products/services offered	Sections 5.6 and 7.3.3	Not Applicable	Items 8& 16
j.	Warranty and customer service requirements	Not Applicable	Not Applicable	
k.	Territorial development & sales quotas	Not Applicable	Section 4	
l.	Ongoing products/service purchases	Sections 7.3.3 and 7.6.4.2	Not Applicable	Items 8 & 16
m.	Maintenance, appearance, and remodeling requirements	Section 7.3.6	Not Applicable	Items 11
n.	Insurance	Section 7.7	Not Applicable	Items 7
o.	Advertising	Sections 5.5, 7.1.3 and 7.6	Not Applicable	Items 6 & 11

p.	Indemnification	Section 8.5	Not Applicable	Items 6, 13 & 14
q.	Owner's participation/management/staffing	Sections 7.4 and 7.5	Not Applicable	Items 11 & 15
r.	Records and reports	Section 7.6	Not Applicable	Items 6
s.	Inspections and audits	Sections 6.5 and 7.3.4	Not Applicable	Items 6 & 11
t.	Transfer	Sections 6.8 and 9	Section 9	Items 17
u.	Renewal	Section 4.6.2	Not Applicable	Items 17
v.	Post-termination obligations	Section 10.3	Section 8	Items 17
w.	Non-competition covenants	Sections 8.6 and 10.3	Not Applicable	Items 17
x.	Dispute resolution	Section 11	Section 10	Items 17

ITEM 10
FINANCING

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

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

Except as listed below, PingPod Franchising LLC is not required to provide you with any assistance.

Pre-Opening Obligations

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

(1) Designate your Territory (See Sections 4.3 and 7.2 of the Franchise Agreement);

(2) Loan you one (1) copy of the Confidential Operations Manual. The Confidential Operations Manual contains approximately 143 pages. The table of contents for the Confidential Operations Manual is attached to this Franchise Disclosure Documents as Exhibit D (See Section 5.4 of the Franchise Agreement);

(3) Provide site selection guidelines and criteria and provide site selection assistance to determine an acceptable location for your PingPod Business (See Section 7.2 of the Franchise Agreement). We do not intend to own the premises from which you operate, and we will not assist you in conforming the premises to local ordinances and building

codes, and obtaining any required permits, and/or constructing, remodeling, or decorating the premises, and/or hiring and training employees;

(4) Provide you assistance with equipment, signs, fixtures, opening inventory, and supplies. For the equipment, signs, fixtures, opening inventory, and supplies provided by us or an affiliate, we will directly support your purchase or acquisition of such equipment, signs, fixtures, opening inventory, and supplies. If the equipment, signs, fixtures, opening inventory, and supplies are purchased through a third-party, we will provide you with a list of approved suppliers. Under no circumstances will we deliver or install any equipment, signs, fixtures, opening inventory, and supplies.

(5) Within 30 days of your signing the approved lease or location purchase, we will provide you with access to prototype design plans, specifications, décor and layout for a Pod, including requirements for design, color, scheme, image, interior layout and operation assets that include fixtures equipment interior signs and furnishings. We may also designate additional suppliers of goods and services (See Section 7.3 of the Franchise Agreement);

(6) Assist you in implementing an opening marketing initiative for your PingPod Business (See Section 5 of the Franchise Agreement);

(7) We, or our designee, will provide instruction and assistance prior to the opening of your PingPod Business and immediately following the opening by telephone or in-person, as we determine in our sole discretion (See Sections 5.2 and 5.5 of the Franchise Agreement); and

(8) Provide an initial training program ("Initial Training Program") as described below.

Post-Opening Obligations

During the operation of your business, we will:

(1) Provide periodic telephone and electronic mail assistance on daily operations, marketing, advertising, personnel and other operating issues that you encounter, and provide review and analyses of your operations (See Section 5.3 of the Franchise Agreement);

(2) Update the manuals to incorporate improvements and new developments in the System. These revisions may be made at any time (See Section 5.4 of the Franchise Agreement);

(3) Make available to you initial training of replacement managers at a location that we determine. We may charge you a fee for this training. (See Section 5.2.1 of the Franchise Agreement);

(4) Advise as to source of supply for equipment, services, supplies, products and materials, and make reasonable efforts to negotiate, enter into and maintain contracts for equipment, supplies and services for your purchase (See Sections 5.6 and 7.3.3 of the Franchise Agreement);

(5) Assist you with sales promotions and administer a system-wide Brand Fund (See Section 7.6.3 of the Franchise Agreement) (See Brand Fund below);

(6) Offer annual regional or national conferences designed to encourage the exchange of information and new ideas between us and our franchisees. You may be required to pay fees to us for these conferences based on our out-of-pocket costs to hold the conferences (See Section 5.2.3 of the Franchise Agreement);

(7) At our option, provide access to our manuals, franchisee resources and company news (See Sections 5.2.3 and 5.4 of the Franchise Agreement);

(8) At our option, maintain a website and provide you with a standard web page on the website (See Section 7.6.4 of the Franchise Agreement); and

(9) Provide you access to digital, print, and/or television advertisements, if and when they exist, for use by you (See Section 5.5 of the Franchise Agreement).

Advertising and Promotion

Brand Fund

Currently, we do not require you to contribute to a system-wide advertising fund, but reserve the right to require you to contribute up to 1% of Gross Revenues each month to our system-wide advertising and promotions fund ("Brand Fund"). If and when established, all franchises will contribute on an equal basis to the Brand Fund. The Brand Fund will be intended to promote the services of the System. We intend to use in-house, national, and regional advertising agencies to support the brand fund. We will administer the Brand Fund and all programs that the Brand Fund finances. We will use the Brand Fund for public relationships and the development and placement of print, electronic media and web-based advertising. We will not use the Brand Fund to solicit prospective franchisees, but we may use the Brand Fund to develop a website and social media platforms. We may use an outside advertising agency to create and place advertising, and handle public relations. The Brand Fund will advertise locally, regionally and nationally, as we decide in our sole discretion, to promote the System.

We will account for the Brand Fund separately from our other funds each year. No particular amount must be spent in your territory, if any. The Brand Fund will not be audited, but we will prepare an annual unaudited financial statement of the Brand Fund that will be available on your request about 120 days after the end of the fiscal year. Other than reimbursement for reasonable costs and overhead incurred in activities for the administration or direction of the Brand Fund, which may include prorated salary and benefits of any personnel who manage and administer the Brand Fund, meeting costs and similar expenses, neither we nor any affiliate will receive any

payment for providing services or products to the Brand Fund. We may, but are not required to, collect for deposit into the Brand Fund any advertising, marketing or similar allowances paid to us for that purpose by suppliers who deal with your PingPod Business.

Franchisee Advisory Council

We do not currently have a Franchisee Advisory Council.

Local Advertising

You are not currently required to participate in a local or regional advertising cooperative, and we have no intention to do so in the future. You are not required to spend any specific amount on local advertising each month. However, you are required to submit to us in writing a comprehensive "Required Marketing Reports," as outlined and instructed in your confidential operations manual of all marketing dollars you spend, marketing activities and the outcome of the marketing in relation to your PingPod business. Local Marketing is not currently required but is strongly encouraged in the operation of your PingPod Business.

You must submit to us, for our approval, all media and materials to be used for local advertising, unless the media and/or materials have been approved before and/or unless we provided the materials to you and/or they are in accordance with our Social Media Guidelines, which are incorporated into the Manual. All materials containing our proprietary marks must include the designation service mark SM, trademark ™, registered trademark ®, copyright ©, or any other designation we specify. If you do not receive written or oral approval of any materials submitted within 30 days from the date we receive the materials, the materials are disapproved. We may require you to withdraw and/or discontinue the use of any promotional materials or advertising, even if previously approved. We must make this requirement in writing, and you have 5 days after receipt of our notice to withdraw and/or discontinue use of the materials or advertising. Your submission of advertising for our approval does not affect your right to determine the prices at which you sell your services.

You may have as many telephone numbers and telephone directory listings for the franchised business as you choose; however, you acknowledge and agree that we will own all rights and interest in each telephone number (regardless of whether such telephone number pre-existed any franchise agreement) and telephone directory listing, email address, domain name, social media platform, and comparable electronic identity that is associated in any manner with your Franchise and/or with any Mark ("Listing"). You acknowledge and agree that all goodwill arising from or in connection with the use of each Listing will inure to our benefit. Promptly after expiration, termination, repurchase or transfer of the Franchise, you will notify each telephone or Internet Service Provider ("ISP") with whom you have any Listing and direct them to transfer the Listing to us, or any persons we designate, at your expense; and you agree to execute all documents necessary to complete these transfers.

You must include in any significant display advertisements, and in marketing materials for your PingPod Business, a notice that your PingPod Business is individually owned and operated. Subject to any legal restrictions, you also are required to display or make available in your PingPod

Business's reception area, marketing materials that we may provide to you about the purchase of PingPod franchises, but you have no responsibility or authority to act for us in franchise sales.

You may not solicit business outside your Territory through the use of a toll-free number, direct mail, website, social media platform, or other advertising method without our prior written approval. You may not establish your own website or social media platforms without approval; however, you will be responsible to manage Your own Google Business Page.

System Website

At our option, we may establish one or more websites to advertise, market and promote the System and the franchise opportunity. We currently maintain the website https://pingpod.com/; however, we are not obligated to continue to maintain that website, and are not barred from (or required to) creating additional or replacement websites. In any website now in existence or hereinafter-created, we may provide you with a listing for your location, or a web page to promote your business, if you provide us with the information that we request to develop your web page. Our system standard will apply to any website advertising. We may provide a secure intranet for our franchisees, but do not currently have one.

Computer System and Internet Access

You must purchase and use the complete computer software services and point-of-sale system (i.e., the "Payment Processing System") we require, which we have the right to change at any time. Currently, our designated Payment Processing System is Stripe; however, this Payment Processing System is subject to change at any time. Beyond the Payment Processing System, you are required to obtain other, necessary computer hardware, such as a computer or tablet, router, and related items, with a current cost of between is $4,800 and $16,800. Currently, the approximate annual cost to you for the Payment Processing System (other than Stripe transaction-based fees) and other required equipment, is $4,800 and $16,800 for one year. This is separate from our PodPlay Technology-related fees, and our Web App, Technology, and Marketing Fee, and this cost is subject to increases by the vendors. Any maintenance, repair or updates due to the computer system are Your responsibility. (See Section 7.3.8 of the Franchise Agreement). We have no obligation to provide ongoing maintenance, repairs, upgrades, or updates to the computer system.

Independent Access to Information. We have a right and you are required to provide us with independent access to the information that will be generated or stored in your computer systems, which includes, but is not limited to, customer, transaction, and operational information. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. There are no contractual limitations imposed upon our access to your data.

You must have broadband Internet access, which will permit you to use web-based technology (including PodPlay Technologies), gather information, exchange ideas and transfer data. You may use any independent Internet Service Provider of your choosing that provides broad-band access.

We will issue you a PingPod email address for all business matters. You must also maintain a functioning personal email address so that we can communicate with you electronically.

We may upgrade our minimum computer system requirements at any time in order to keep pace with technology. There are no contractual limitations on the frequency or cost of this obligation, but we expect you will need to upgrade at least every five (5) years. If we modify or impose a requirement, we will notify you in our manuals or other written communications, and will give you a reasonable time in which to comply at your expense. We estimate that the cost of upgrading and replacing a computer system could be from $500 to $3,000 annually.

We may assist you in obtaining the computer system and related services, but we are not obligated to do so. We may, in the future, designate an approved supplier for computer components.

Manuals

After you sign your franchise agreement, and prior to initial training, we will give you electronic access to or lend you a paper or read-only disk copy of a single copy of our manuals. The manuals contain proprietary information, and you must keep this information confidential as described in Item 14. A copy of the Table of Contents for the Operations Manual, as of August 7, 2024, is attached hereto as Exhibit D. The Operations Manual is currently 143 pages.

Initial Training Program

You will receive the following training before you open your PingPod Business:

TRAINING PROGRAM

Subject	Hours Classroom Training	Hours On-The-Job Training	Location
Welcome & Introduction of Franchisees and Corporate Staff	2	0	Our Location in the Tri-State Area
Human Resources	2	0	Our Location in the Tri-State Area
Budgeting & Budget Maintenance	1	0	Our Location in the Tri-State Area
Equipment Overview, Training, and Troubleshooting	0	2.5	Our Location in the Tri-State Area
PingPod Technology	3	0	Our Location in the Tri-State Area
PingPod Coaching and Events	2.5	0	Our Location in the Tri-State Area
General Operations	5	2.5	Our Location in the Tri-State Area
Local Marketing & Partnerships	3	0	Our Location in the Tri-State Area

Website Management & Social Media Practices	2	0	Our Location in the Tri-State Area
PingPod Leagues & Tournaments	2	0	Our Location in the Tri-State Area
Wrap Up, General Review, and Q&A	2	0	Our Location in the Tri-State Area
HOURS	**24.5**	**5**	
TOTAL HOURS	**29.5**		

Our training program lasts one (1) week and is held in the New York metropolitan area. We will train up to two (2) people. Prior to scheduling training, key pre-opening tasks must be completed such as locating and fitting out your Pod and event center, hiring staff and any business-related licenses. We typically schedule training four (4) to six (6) times a year, between eight (8) and twelve (12) weeks apart.

David Silberman will oversee initial training. David has over five years of industry experience. All trainers will have a minimum of two years' experience. Trainees are expected to read and have reviewed the Operations Manual prior to attending training. Supplemental training will be provided in a review of the material along with hands-on, observational and visual instruction on our daily procedures and best practices for operating the Pod and event center.

We offer 12 hours of on-site support once you are ready to commence operations. Support and evaluation include these topics: daily operations, knowledge of programs offered, proper set up and procedures for classes and events, customer service, pricing, scheduling and the financial reporting process. We will only approve operations to commence once all procedures and brand practices are acceptable, and training must be completed at least ten (10) days before opening the business.

If you are an individual, you and your original manager, if any, must attend and complete our initial training program to our satisfaction. If you are a legal entity, your Operating Principal and your original manager, if any, must attend and successfully complete initial training. We recommend that you plan to attend training before you sign a lease for your business.

We do not currently conduct, but may in the future, regional and/or national conferences. If and when we do, you (or your Operating Principal) must attend a regional or national conference, which shall not occur more than one time per year. At our option, we may charge you a conference fee or a proportionate share of our out-of-pocket costs for each annual conference.

You (or your Operating Principal) and/or any previously-trained manager must attend any refresher or follow-up training that we designate. We will not charge you a fee for this training, however, you may incur out-of-pocket costs in attending same.

Training for replacement managers or employees is required and provided on the same terms as the initial training provided to you, except that there may be a fee. Training for replacement managers will occur at a time we schedule on a space-available basis, and may not be available immediately after the replacement manager (or employee) is hired. You will be responsible for all

expenses incurred by you and your employees in connection with attending all training programs, including the cost of transportation, lodging, meals and wages.

Training for transferees of your franchised business is required and provided on the same terms as the initial training provided to you, except that there may be a fee. Training for transferees will occur at a time we schedule on a space-available basis, but must be completed before the transfer takes place.

You must pay travel, lodging, and meal expenses for trainees and any compensation or benefits due trainees during initial training, or during any regional or national conferences, or any additional or refresher training.

Site Selection - PingPod Business

If you have not selected a site when you sign your Franchise Agreement, we will approve a Territory within which you can locate a site for your business. We will assist you in evaluating proposed sites based on information that you provide to us and on other information that we deem relevant. The factors that we consider relevant are square footage, a storefront location, visibility, population density, interior dimensions and layout of the space, and traffic patterns. We may, but we are not required to, visit proposed sites with you. We will approve or disapprove a proposed site within 30 days after you propose it in writing with appropriate documentation as stated in our manuals. If we disapprove of a site, you must locate another site. If you do not, we may terminate the Franchise Agreement.

We may require you to use a third-party vendor for the purposes of Site Selection.

We must approve your site before you open your PingPod Business franchise. You must open for business within 240 days after signing your franchise agreement, subject to our opening schedule availability. If you are delayed from opening within the first 240 days, you must provide us with a written request to delay opening. Your request must state: (1) that a delay is anticipated; (2) the reasons that caused the delay; (3) the efforts that you are making to proceed with the opening; and (4) an anticipated opening date. In considering the request, we will not unreasonably withhold our consent to delay, up to a maximum of 120 days, if you have been diligently pursuing the opening. If, for any reason (including your failure to locate a site acceptable to us), you do not open your business within eight (8) months (or any longer period to which we have consented), we may terminate your franchise without refunding any of the initial franchise fee.

We typically will not own the premises from which your PingPod Business will operate, and do not intend to lease such premises ot you.

Opening Business

For a PingPod Business, you are required to obtain a site (via a signed letter of intent or lease agreement) within eighty (8) months of the Effective Date. The maximum time to open, after the Effective Date, is ten (10) months. The typical length of time between the signing of a Franchise Agreement and the opening of a business is six (6) to eight (8) months. Factors that may affect this

time include your ability to obtain business licenses and permits, when you complete training, select a site, negotiate a lease and complete any construction or renovation of your facility.

ITEM 12
TERRITORY

The specific location for each Pod granted shall be identified in the Franchise Agreement itself or an addendum, as the case may be, once a site has been approved. You will have the license to operate a Pod within your Territory.

The Approved Location of a single franchise will be at the center of the Territory, composed of a circle having a radius of three (3) miles or up to a population of 200,000, whichever is smaller, except for in metropolitan areas with a population in excess of 500,000. The Approved Location of a single franchise in a metropolitan area will be at the center of a Territory composed of a circle having a diameter that PingPod believes will not cause a material adverse effect on the Pod.

We grant you a franchise for a specific Approved Location within the Territory. The site may not be changed without our written approval and compliance with our relocation procedures, and you may not operate out of any site other than the approved site within the Territory without our written approval. We may allow you to move your site under the following conditions: the structure in which you are located is sold and/or slated for demolition; you find that you are able to negotiate a better lease elsewhere and are willing to relocate; or another condition that makes it impossible for you to retain your site.

All sales must be made from the approved site. You may not directly solicit business outside your Territory through other channels of distribution, such as the use of a toll-free number, direct mail, Internet website, social media platform or other advertising method without our prior written approval.

During the term of your franchise, your Territory may not be modified except by a written agreement between you and us. On renewal or transfer of your franchise, the Territory may be modified. Depending on the then-current demographics of the Territory, and on our then-current standards for territories, if the Territory is larger than our then-current standard Territory, we may require you or the transferee to accept a renewal Territory or a transfer Territory smaller than the Territory.

You receive an exclusive Territory in that your territorial rights restrict us from establishing or operating, or granting any person other than you the right to establish or operate, a PingPod Business at any physical location in your Territory. However, we may: (a) at locations outside your Territory, including locations near the boundaries of your Territory, establish and operate, and grant others the right to establish and operate, a PingPod Business; (b) at locations outside your Territory, establish and operate, and grant others the right to operate, businesses similar to the PingPod Business; (c) at any location, license the use of alternative proprietary marks or methods in connection with the operation of businesses that may be similar to or different from the PingPod Business; and (d) use other channels of distribution, including the Internet. We are not required to pay you if we exercise any of these reserved rights. Currently, we do not operate or franchise, and do not have any plans to operate or franchise, any other businesses under alternative proprietary marks in the table tennis business.

As a single-pod PingPod Business franchisee, you do not receive the automatic right to acquire additional franchises.

Your territorial exclusivity is not dependent upon achievement of a certain sales volume or market penetration.

ITEM 13
TRADEMARKS

We grant you the right to operate a business using our System, which is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin (the "Marks"), as are designated by us in writing for use in connection with the System. Our right to use and license others to use the Marks is exercised pursuant to a ninety-nine (99) year intellectual property license agreement with our affiliate, PingPod IP LLC (the "IP Agreement"), which, if not renewed, ends on December 31, 2121, and which can be terminated upon thirty-days' notice for a material breach. Under the IP Agreement, we are granted the right to use and to permit others to use the Marks. We have the right to license the use of the registered trademark to you for the term of the Franchise Agreement, including any extensions or renewals.

We or our Affiliate has filed for the registration of the following Marks in the U.S. Patent and Trademark Office ("USPTO") Principal Register:

Trademark	Registration Date	Registration Number	Principal or Supplement Register of the USPTO
PingPod	December 22, 2020	6229105	Principal
PODPLAY	May 21, 2024	7393487	Principal
	December 5, 2023	7233723	Principal

You must follow our rules when you use the Marks. You cannot, under any circumstances, use any Mark with modifying words, designs or symbols, except for those which we license to you or have expressly approved in writing. You cannot modify a Mark in any way without our express written consent. You may not use any Mark in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

All required affidavits have been filed. No registrations have been renewed as of yet but, when such renewals are due, we intend to renew the above Marks.

You may not, under any circumstances, use any of the Marks, including "PingPod," in any manner, in the name of your corporation, limited liability company, partnership, or other legal entity.

In connection with the establishment of our trademarks, we operate a website for the promotion of the marks and PingPod. This website lists the location, operating hours, and other facts regarding our Pods. You may not register any domain name nor operate any website that includes the terms "PingPod." You may request the establishment of a web page within the PingPod website to include additional information specific to your franchised PingPod. You may not use any electronic media, including the Internet, or any social media, for viewing by the public that contains our registered trademarks without our prior written approval. You may not establish a Facebook®, TikTok®, SnapChat®, or similar page, post through Instagram® or on YouTube®, or utilize other, similar social media, without our prior written approval. You may not establish a Twitter® feed or other social media without our prior, written approval. Notwithstanding the foregoing, we intend to establish Pod-specific social media accounts, which we will own, and to which we will provide you access.

The confidentiality provisions of the Franchise Agreement apply to all uses of electronic media.

There are no other license agreements in effect that significantly limit our right to use or license the use of the principal trademarks that are material to the franchise.

Determinations

There is no currently effective determination of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, or any pending interference, opposition or cancellation proceeding, or any pending material litigation involving the above-described Marks, which are relevant to your use of these Marks.

No currently effective material determinations or agreements limit our right to use or license the use of the trademarks listed in this section in a manner material to the franchise.

We do not know of any pending material state or federal court litigation regarding our use or ownership rights in the trademarks.

Protection of Rights

You must notify us immediately when you learn about an infringement of or challenge to your use of our trademarks. We will take the action we think is appropriate in these situations, and we have exclusive control over any settlement or proceeding concerning any Mark. You must take actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks. While we are not required to defend you against a claim arising from your use of our Marks, we will indemnify and hold you harmless from all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark in accordance with the Franchise Agreement and the Operations Manual, but only if you notify us of the proceeding m a timely manner and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Mark. We will not reimburse you for disputes where we challenge your use of a Mark.

You must promptly notify us in writing of any claim, demand, or suit against you or your principals in connection with your use of the Marks. We have the right to select legal counsel and to control the proceedings. In certain cases, as described in Section 8.5 of the Franchise Agreement, we will indemnify and hold you harmless.

Modification of Trademarks

You must modify or discontinue the use of a trademark if we modify or discontinue it at your own cost. Because your telephone listings and email addresses will be associated with our trademarks, we will own all rights to the telephone listings, and all goodwill generated from the use of the telephone listings will inure to our benefit.

We may acquire or develop additional trademarks, and may use those trademarks ourselves, make those trademarks available for use by you and other PingPod franchisees or make those trademarks available for use by other persons or entities. You may not directly or indirectly contest our rights in our trademarks. We may require you to use and display a notice in a form we approve that you are a franchisee under the System using the trademarks under a franchise agreement.

You may not directly or indirectly contest our rights to our trademarks, trade secrets or business techniques that are part of our business.

Superior Prior Rights or Infringing Uses

We do not know of any superior rights of infringing uses that could materially affect your use of our principal trademarks.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

Our Affiliate, PingPod LLC applied for a patent with the U.S. Patent and Trademark Office, under Application No. 63/245,484, relating to a "System and method for generation and delivering of video clips of sport."

Our right to use or license this patent is not materially limited by any agreement or known infringing use.

You must tell us immediately if you learn about an infringement or challenge to our use of this patent. We will take action that we think is appropriate. You must also agree not to contest our interest in these or our other trade secrets.

If we decide to add, modify, or discontinue the use of an item or process covered by a patent or copyright, we must also do so. Our sole obligation to reimburse you for the tangible cost of complying with this obligation.

Although we are not obligated to defend your use of these items or processes, we will reimburse you for damages and reasonable costs incurred in litigation about them.

Copyrights

We have not registered any copyrights with the United States Copyright Office (Library of Congress), but various marketing, sales, training, management and other materials that we have created are and will be protected under the U.S. Copyright Act, whether or not we have obtained registrations. You may use these copyrighted materials during the term of the franchise, in a. manner consistent with our ownership rights, solely for the purpose of promoting your franchised business.

There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials that are relevant to their use by our franchisees.

There are no agreements currently in effect that significantly limit our right to use or license the use of our copyrighted materials in any manner material to the franchise. All of the provisions in Item 13 under the heading "Protection of Rights" also apply to copyrights; provided, however, that you must modify or discontinue use of any subject matter covered by a copyright if directed by us.

We do not know of any superior rights in or any infringing uses of our copyrighted materials that could materially affect your use of the copyrighted materials.

Proprietary Information

We have proprietary, copyrighted manuals that include guidelines, standards and policies for the operation of your business, and other proprietary, copyrighted materials. Item 11 and Exhibit D to this Franchise Disclosure Document describe the manuals and the manner in which you may use them. All proprietary manuals and materials provided to you are for your exclusive use during the term of the franchise, and may not be reproduced, copied, loaned to, used by or shown to any person outside the System without our permission.

Each Operating Principal, manager, supervisory employee, independent contractor, or other person attending initial training must sign an agreement in which he or she agrees to the confidentiality of the System, agrees not to use any information about the system for his or her own benefit, and agrees not to compete in certain respects with your business and other franchisees' businesses. Each of these persons must sign the confidentiality agreement (see Exhibit E to the Franchise Agreement), before you grant him or her access to our manuals or any other confidential information.

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

We strongly believe that the success of your franchised business will depend to a large extent on your personal and continued efforts, supervision and attention. If you are an individual, you or a trained manager must personally manage the franchised business at all times. You and your manager, if any, must attend and successfully complete initial training.

If you are a legal entity, you must designate a managing shareholder, partner, or member ("Operating Principal"). If you are a legal entity, your Operating Principal or a trained manager must personally manage the franchised business at all times. Your Operating Principal and your manager, if any, must attend and successfully complete initial training.

Any replacement manager must attend and successfully complete initial training. Neither an original manager nor a replacement manager needs to have an equity interest in the franchised business. Each Operating Principal, manager, supervisory employee, independent contractor, or other person attending initial training must sign an agreement in which he or she agrees to the confidentiality of System, agrees not to use any information about the system for his or her own benefit, and agrees not to compete in certain respects with your business and other franchisees' businesses. Each of these persons must sign the confidentiality agreement (see Exhibit E to the Franchise Agreement), before you grant him or her access to our manuals or any other confidential information.

If you are a legal entity, each shareholder, principal officer, partner, or member must personally guarantee your obligations under the franchise agreement and also agree to be personally bound by, and personally liable for breach of, the franchise agreement (see Exhibit C to the Franchise Agreement).

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and sell only services and products that we have approved or authorized. You may not offer for sale or sell services or products that would detract from or be inconsistent with the System. You may use services or products not purchased from us, but those services or products must be of comparable quality and must be approved by us in writing before use to ensure maintenance of proper quality standards. You may not use or permit the use of your premises for any other purpose or activity at any time without first obtaining our written consent.

You must offer for sale all approved services and products; must not deviate from our specifications for the approved services and products without our written consent; and must discontinue offering any items that we disapprove in writing.

We may change the types of services and products that we approve or authorize, if the services and products are compatible with the System. There are no other limits on our right to make these changes.

You are not restricted in the customers to whom you may sell approved services or products or the prices the services are rendered or products are sold. However, all sales must occur at or from your Pod. You may not solicit business outside your site through the use of a toll-free number, direct mail, Internet website or other advertising method without our prior written approval.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Franchise Disclosure Document.

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 4.6.1	Ten (10) years from the Effective Date of the Franchise Agreement.

b. Renewal or extension of the term	Section 4.6.2	If you are in good standing, and have met the conditions set forth in row (c), below, you have the right to renew the Franchise Agreement for one (1) successive ten (10) year terms (or the length of your then-current lease term, whichever is shorter), with payment of any franchise renewal fee that is in effect at the time of renewal. The current renewal fee is one-half of the current initial franchise fee.
c. Requirements for you to renew or extend	Section 4.6.2	Good standing; timely advance notice; pay any then-current renewal fee; sign new franchise agreement that may contain materially different terms and conditions than the Franchise Agreement in this Disclosure Document; be current in payments; sign release; and modernize Pod to meet then-current standards.
d. Termination by you	Not Applicable	
e. Termination by us without cause	Not Applicable	
f. Termination by us with cause	Section 10.2	We can terminate only if you default.
g. "Cause" defined – curable defaults	Section 10.2.2	You have 30 days to cure noticed curable defaults other than for non-payment of fees. You have five (5) days to cure non-payment of fees.

h.	"Cause" defined – non-curable defaults	Section 10.2.1	Non-curable defaults include misuse of trademarks; breach of non-competition; unauthorized assignment or transfer of any rights of the Franchise Agreement; material misrepresentation; lack of prior consent when required; abandonment; repeated defaults even if cured; threat to public health or safety; bankruptcy; plead guilty or no contest to or conviction of a felony. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. § 1101, *et seq*.).
i.	Your obligations on expiration, termination or non-renewal	Section 10.3	Obligations include final accounting, complete de-identification, our option to purchase assets, our option to assume your real estate lease (if any), and payment of amounts due. See row (r) below.
j.	Our transfer of franchise agreement	Section 9.1	No restriction on our right to assign.
k.	"Transfer" by you – definition	Section 9.2	Includes transfer of contract or assets, or any change of ownership.
l.	Our approval of your transfer	Section 9.3	We have the right to approve all transfers.
m.	Conditions for our approval of transfer	Section 9.3	New franchisee qualifies, payment of all of your outstanding debts to us, cure of any defaults, then-current agreement signed by new franchisee or assumption of existing agreement, transfer fee paid; training completed; and release signed by you and your Related Parties.
n.	Our right of first refusal to acquire your business	Section 9.4	We or our designee can match any offer for your business.

o.	Our option to purchase your business	Section 9.4	We or our designee may, but are not required to, purchase your inventory and equipment at the lesser of the fair market value or depreciated value, if franchise is terminated for any reason.
p.	Your death or disability	Section 9.5	Heirs or beneficiaries must demonstrate within 90 days ability to operate franchise. Otherwise, franchise must be assigned by estate to approved buyer within six (6) months.
q.	Non-competition covenants during the term of the franchise	Section 8.6.1	No competing business during the Term.
r.	Non-competition covenants after the franchise expires, is terminated, or is not renewed	Sections 8.6.2 and 10.3	No competing business for two (2) years: (i) at the Approved Location, (ii) within 25 miles of the Approved location, or (iii) within 25 miles of another PingPod (including after assignment).
s.	Modification of the franchise agreement	Section 11.4	No modification, generally, unless on consent of both parties, but Operations Manual subject to change.
t.	Integration/merger clause	Section 11.6	Only the terms of the Franchise Agreement are binding (subject to this Disclosure Document and applicable state law). Any other promises may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Sections 11.7 and 11.8	Except for certain claims, claims must first be mediated prior to arbitration or litigation. All disputes must be litigated in New Jersey. The arbitration will occur with each respective party paying their own costs.
v.	Choice of forum	Section 11.2.2	Arbitration in Bergen County, New Jersey, or, if litigated, the Superior Court of New Jersey, Bergen County, Civil Division or United States District Court for the District of New Jersey. (subject to applicable law)

w. Choice of law	Section 11.2.1	New Jersey law applies. (subject to applicable law)

ITEM 18
PUBLIC FIGURES

Adam Bobrow is an official PingPod sponsor, and has been compensated with stock options from our affiliate. Adam Bobrow is a well-known figure in the table tennis world, celebrated for his charismatic commentary, unique playing style, and significant contributions to promoting the sport globally. Often referred to as "The Voice of Table Tennis," he has gained a substantial following through his lively and engaging match commentary. In addition to his on-court and commentary roles, he actively engages with fans through social media and YouTube, helping to increase the sport's visibility and popularity. Mr. Bowbrow is not involved in the management of the franchisor.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned Businesses, 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 Business 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.

Background

In the calendar year ending on December 31, 2023, our affiliated entity, which is listed in Item 1 of this Franchise Disclosure Document, operated businesses similar to the PingPod Business offered pursuant to this Franchise Disclosure Document. These businesses did business as "PingPod" in multiple locations (collectively, the "Affiliate Pods"), as described below. PingPod began franchising in 2023, and does not have any franchised business operating for a 12-month period.

Pod 1 is located at 40-42 Allen Street, New York, New York. Pod 1 commenced operations in May 2020. Pod 1 has 4 tables. Pod 1 is representative of the PingPod Business offered by way of this Franchise Disclosure Document.

Pod 2 is located at 321 West 37th Street, New York, New York. Pod 2 commenced operations in June 2021. Pod 2 has 5 tables. Pod 2 is representative of the PingPod Business offered by way of this Franchise Disclosure Document.

Pod 3 is located at 101 Broadway, Brooklyn, New York. Pod 3 commenced operations in February 2022. Pod 3 has 4-plus tables. Pod 3 is representative of the PingPod Business offered by way of this Franchise Disclosure Document.

Pod 4 is located at 515 East 86th St, New York, New York 10028. Pod 4 commenced operations in May 2021. Pod 4 has 1 table. Pod 4 is representative of the PingPod Business offered by way of this Franchise Disclosure Document.

Pod 5 is located at 330-18 Steinway Street, Astoria, New York 11103. Pod 6 commenced operations in April 2021. Pod 6 has 6 tables. Pod 6 is representative of the PingPod Business offered by way of this Franchise Disclosure Document.

Pod 6 is located at 325 Chestnut St, Philadelphia, Pennsylvania 19106. Pod 6 commenced operations in October 2021. Pod 6 has 4 tables. Pod 6 is representative of the PingPod Business offered by way of this Franchise Disclosure Document.

The information contained in this Financial Performance Representation presents the historical results of our Affiliate Pods for the period of January 2023 through December 2023, and represent all Pods that operated for all of 2023 and are similar to what is being offered by way of this Disclosure Document.

Definitions

1. "Affiliated Entity" means PingPod, Inc., which operates twenty (20) business similar to the PingPod business offered by way of this Franchise Disclosure Document, six (6) of which operated for the entire twelve-month period preceding issuance of this Franchise Disclosure Document.

2. "Gross Revenues" are defined to include all income of any type or nature and from any source that you derive or receive directly or indirectly from, through, by or on account of the operation of the Business at any time after the signing of your Franchise Agreement, in whatever form and from whatever source, including but not limited to cash, services, in kind from barter and/or exchange, on credit or otherwise as well as business interruption insurance proceeds, all without deduction for expenses including marketing expenses and taxes. However, the definition of Gross Revenues does not include sales tax that is collected from customers and actually transmitted to the appropriate taxing authorities.

3. "Tables" are defined as the number of Tables in a particular Ping Pod.

Performance of Our Affiliate Pods

	Pod 1	Pod 2	Pod 3	Pod 4	Pod 5	Pod 6
Gross Revenues	$411,924	$515,854	$241,663	$192,503	$332,440	$147,610
Number of Tables in Pod	4	5	4	1	6	4
Date Operations Commenced	May 2020	June 2021	February 2022	May 2022	April 2022	October 2022

[redacted]	High	Low	Average	Median	Pods that Met or Exceeded Average	Percentage that Met or Exceeded Average
All Units	$515,854	$147,610	$306,999	$287,052	3	50%
Large Format	$515,854	$147,610	$329,898	$332,440	2	40%
Small Format	$192,503	$192,503	$192,503	$192,503	1	100%

This table summarizes shows the additional expenses a Franchised Business would incur based on the Average Gross Sales of all Affiliate Pods identified in the above tables (for 2023), and based on an average of 4 pods (based on the average of Pod 1 through Pod 5 in the tables above):

	2023
Annual Royalty Fees	$18,419.94
Web App, Technology, & Marketing Fee	$1,800.00
PodPlay Technologies Recurring Fee	$12,000.00

Notes

1. The above represents the results achieved by our Affiliate Pods that operated for the entirety of the 2023 calendar year. We had one additional Affiliate Pod, in New Jersey (which opened in 2022), however, that Pod is not representative of the PingPod Business offered by way of this Franchise Disclosure Document, as it is an add-on to an existing business.

2. Royalties are calculated based on the rates set forth in Item 6 of this Franchise Disclosure Document.

3. The Affiliate Pods reflected in this financial performance representation offer products and services, and operate in a manner that is substantially similar to the Pods that you will operate.

4. Our Affiliate Pods did not account for labor expenses in the above financial performance representation. Our Affiliate uses Affiliate-employed employees, who are staffed in a variety of jobs, to perform oversight duties for the Affiliate Pods. Our Affiliate does not account for the percentage of that employee's salary/compensation in this financial performance representation; however, we expect that each pod will require a minimum of 15 hours a week of manual labor input. This could be handled by the Franchisee or by third-party employees or contractors. Due to the wide range of hourly rates throughout the United States, we do not provide an estimate of the labor sum to be paid by a Franchisee in operating their individual Pod(s).

5. These results are unaudited.

6. These results represent sales of products and services similar to those that will be available for a franchisee to sell.

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

We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable to you. We strongly suggest that you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that you may incur in operating a Business.

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Beyond the foregoing, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised Businesses. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Business, however, we may provide you with the actual records of that Business. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting David Silberman, 2025 Hudson Street, Fort Lee, New Jersey 07024, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Pod Summary for Years 2021 to 2023

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company-Owned	2021	1	2	+1
	2022	2	7	+5
	2023	7	13	+6
Total Outlets	**2021**	**1**	**2**	**+1**
	2022	**2**	**7**	**+5**
	2023	**7**	**12**	**+5**

Table 2
Transfers of Outlets From Franchisees to New Owners (Other than Franchisor or an Affiliate) for Years 2021 to 2023

State	Year	Number of Transfers
Total	2021	0
	2022	0
	2023	0

Table 3
Status of Franchised Outlets for Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Termi-nations	Non-Rene-wals	Reacquired by Franchisor	Ceased Operat-ions	Outlets at End of Year
Total	**2021**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 4
Status of Company-Owned Outlets For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Re-Acquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Florida	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Illinois	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Massachusetts	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
New Jersey	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
	2023	1	2	0	0	0	3
New York	2021	1	1	0	0	0	2
	2022	2	3	0	0	0	5
	2023	5	3	0	0	0	8

Pennsylvania	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
Total	**2021**	**1**	**1**	**0**	**0**	**0**	**2**
	2022	**2**	**5**	**0**	**0**	**0**	**7**
	2023	**7**	**5**	**0**	**0**	**0**	**12**

Table 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Outlets Not Opened as of December 31, 2023	Projected New Franchised Outlets as of December 31, 2023 (in 2024)	Projected New Company-Owned Outlets as of December 31, 2023 (in 2024)
Florida	0	1	0
New York	0	1	0
New Jersey	0	1	0
Total	**0**	**3**	**0**

Attached as Exhibit C to this disclosure document is a list of the names, addresses and telephone numbers of our current franchised businesses. Also attached as Exhibit C to this disclosure documents is a list of the names and city, state and last known business telephone number, of every franchisee who had a pod terminated, canceled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the previous fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Please note that Exhibit C is current as of the issuance date of this Disclosure Document, while the tables above reflect the status of our pods at the end of our prior fiscal year. Any discrepancies between Exhibit C and the Item 20 tables are due to events that have occurred in the intervening period.

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses with us that would restrict them from speaking openly with you about their experience with us.

There are no trademark-specific franchisee organizations associated with our franchise system.

ITEM 21
FINANCIAL STATEMENTS

Exhibit C to this Franchise Disclosure Document includes our audited financial statements, dated December 31, 2023. **We have not been in business for three years and, therefore, do not have**

three years of audited financials available. Exhibit C also includes our unaudited financial statements, dated June 30, 2024. Our fiscal year ends on December 31.

ITEM 22
CONTRACTS

Copies of all proposed agreements regarding the PingPod franchise offering are included in Exhibit A. These include:

The Franchise Agreement and the following exhibits:

Exhibit A –	Franchise Data Sheet
Exhibit B –	Statement of Ownership
Exhibit C –	Principal Owner's Guaranty
Exhibit D –	Sample Release Agreement, Waiver and Release of Claims
Exhibit E –	Nondisclosure, Nonsolicitation and Noncompetition Agreement
Exhibit F –	Sample Confidentiality Agreement
Exhibit G –	Sample Approval of Requested Assignment
Exhibit H –	Lease Addendum
Exhibit I –	Master Services Agreement

ITEM 23
RECEIPTS

Exhibit H to this Franchise Disclosure Document includes detachable documents acknowledging your receipt of this disclosure document. Please sign one (1) copy of the receipt and return it to us at the following address:

David Silberman
PingPod Franchising LLC
2025 Hudson Street
Fort Lee, New Jersey 07024
david@pingpod.com

The duplicate receipt is for your records.

EXHIBIT A TO PINGPOD FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT

PINGPOD FRANCHISE AGREEMENT

Franchise Owner: _____

Date: _____

Franchise Location: _____

PINGPOD FRANCHISE AGREEMENT

1. PARTIES

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into on this _____ day of _____, 20__ (the "Effective Date"), by and between PingPod Franchising LLC, a Delaware limited liability company, with its principal place of business at 2025 Hudson Street, Fort Lee, New Jersey 07024 ("PingPod", "Franchisor", "we", "us", or "our"), and _____, located at _____ (collectively, "You" or "Franchisee").

2. RECITALS

2.1 Ownership of the System

PingPod has the right to license You certain intellectual property rights, trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the PingPod trademarks, the words "PingPod" PingPod has spent a considerable amount of time, effort, and money to construct, and continues to develop, use, and control business methods, technical knowledge, marketing concepts, trade secrets, purchasing arrangements, commercial ideas, advertising materials, marketing strategies, information on sources of supply, administrative procedures, business forms, distinctive signs, trade dress, architectural designs and uniforms, and employee training techniques that, taken together, make up a proprietary system for the operation of Pod (the "System").

2.2 Objectives of Parties

You desire to enter into the business of operating a PingPod under the System using the Trade Name and Marks (as those are defined in Sections 3.11 and 3.17, below), and You wish to obtain from PingPod, and PingPod wishes to grant to You, a franchise for that purpose.

3. DEFINITIONS

3.1 Brand Fund

"Brand Fund" means a fund established by PingPod for purposes of increasing brand awareness and national advertising.

3.2 Approved Location

"Approved Location" means the street address of the physical location approved in writing by PingPod for the operation of the PingPod, You will operate under this Agreement, which shall be set forth in Exhibit A to this Agreement.

3.3 Approved Territory

"Approved Territory" or "Territory" means the area set forth in Exhibit A of this Agreement.

3.4 PingPod

"PingPod" or the "Pod" or the "Franchise Business" means the single "PingPod" business that PingPod authorized You to conduct under the Trade Name, Marks, and System within the Approved Territory, at the Approved Location, under this Agreement.

3.5 PingPod

"PingPod" means PingPod Franchising LLC or any person or entity to which PingPod allocates all or part of its rights and obligations under this Agreement.

3.6 Expiration

"Expiration" means expiration of the Term of this Agreement, the non-renewal of this Agreement.

3.7 Franchise Network

"Franchise Network" means the interdependent network composed of PingPods, all PingPod franchisees, PingPod's Related Parties, any other persons or business entities that PingPod has licensed to use the Trade Name, Marks, System, or any of them.

3.8 Good Standing

"Good Standing" means timely compliance by You and Your Related Parties with all provisions of this Agreement and the Manual, specifically including provisions for timely payment of amounts You owe to PingPod and its Related Parties.

3.9 Gross Revenues

"Gross Revenues" means the total selling price of all services and products sold at or from your PingPod Business (not adjusted for credit card fees), including the full value of any gift certificate redeemed at your PingPod Business or coupon sold for use at your PingPod Business (fees retained by or paid to third-party sellers of such gift certificates or coupons are not excluded from calculation), and all income and revenue of every other kind and nature related to the PingPod Business operation, whether for cash or credit.

3.10 Manual

"Manual" means the confidential Operations Manual and all other manuals that PingPod will lend to You, or authorize You to use, during the term of this Agreement and that contains information, forms and requirements for the establishment and operation of the PingPod, and for use of

PingPod's Trade Name and Marks, along with communications from PingPod to You, including, but not limited to, bulletins, e-mails, and text messages.

3.11 Marks

"Marks" means selected trademarks, service marks, trade dress, logotypes, slogans, and other commercial symbols licensed by PingPod to You under this Agreement.

3.12 Operating Principal

"Operating Principal" means the managing shareholder, partner, or member that you must designate if you are a legal entity.

3.13 Proprietary Service

"Proprietary Service" means any product or service that is composed of or in accordance with PingPod's specifications or that bears or has been labeled with any of the Marks.

3.14 Related Party

"Related Party" or "Related Parties" means persons and companies affiliated with PingPod or You, as the context indicates, including, but not limited to, owners (as defined herein), general partners, limited partners, shareholders, or members, owning an interest in (i) PingPod or in You; (ii) corporations or limited liability companies in which PingPod or You have an interest; (iii) corporations or limited liability companies in which any person or entity owning an interest in You also has an interest; or (iv) officers, directors, members, or agents of PingPod or of You

3.15 Termination

"Termination" means the termination of this Agreement under the circumstances described in Section 10 of this Agreement before the expiration of the Term.

3.16 Transfer

"Transfer" means any direct or indirect transfer, pledge, encumbrance, sale, gift, hypothecation, mortgage, sublicense, transfer through bequest or inheritance, transfer in trust, divorce or by operation of law or by any other means, or disposition of (i) any of the rights granted under this Agreement (ii) any part of this Agreement, (in) any rights or privileges incidental to this Agreement, (iv) the Pod or any interest therein, or (v) any ownership interest in you, including, without limitation, any arrangement whereby you sell or pledge accounts receivable or any other assets of the Franchised Business (each a "Transfer"). Without limiting the foregoing the term, "Transfer" includes any sale, resale, pledge, encumbrance transfer or assignment of: (a) any fractional partnership ownership interest if You are a partnership (b) any membership interest in you if you are a limited liability company and (c) any beneficial or economic ownership interest in you, any transfer of any fractional portion of your voting stock, or any increase in the number

of outstanding shares of your voting stock which results in a change of ownership, if you are a corporation.

3.17 Trade Name

"Trade Name" means the commercial names PingPod, individually or collectively.

3.18 You

"You" means the person or entity that is named as "You" in Section 1 of this Agreement. In addition, "You" means all persons or entities that succeed to Your interest by Transfer, other transfer, or operation of law.

NOW, THEREFORE, the parties agree as follows:

4. GRANT OF FRANCHISE

4.1 Granting Clause

PingPod grants to You the right and You hereby undertake the obligation upon the terms and conditions set forth in this Agreement: (a) to establish the PingPod at the Approved Location that includes the provision of such products and services as designated by PingPod, and (b) to use solely in connection therewith the Trade Name, Marks, and System, as they may be changed, improved and further developed from time-to-time. You shall not engage in any other business at the Approved Location without the prior written consent of PingPod.

4.2 Location

If you have not secured an Approved Location as of the Effective Date, You shall, at your sole cost and expense, secure an approved site for the PingPod in accordance with Section 7.2 of this Agreement. It is your sole responsibility to locate and purchase and/or lease a suitable site for the PingPod. In no event shall the PingPod be less than 750 square feet for a small format location or 2,000 square feet for a large format location without prior written consent of PingPod. You may not establish any other business at the Approved Location. You may not sublease space at the Approved Location to a third-party without our prior written consent. You may not market to customers outside of Your Approved Territory or engage in mail order, Internet, or any other sales except with PingPod's express written approval and as part of PingPod's coordinated marketing effort.

4.3 Approved Territory

During the term of this Agreement, and except as otherwise provided in this Agreement, PingPod agrees that it shall not establish, nor license any other person to establish another PingPod at any location within Your Approved Territory. Except as set forth in this Section 4.3, You have no exclusivity. You have no right to exclude development of concepts owned, franchised, or licensed by PingPod or its affiliates.

4.4 Rights Reserved

PingPod retains all rights that are not expressly granted to you under this Agreement. Without limiting this broad retention, and without granting You any rights therein, PingPod shall have the right to:

(a) Operate a PingPod concept at a trade show booth, or similar temporary location, within Your Approved Territory for up to fifteen (15) consecutive days;

(b) Offer PingPod franchises to others for any site outside Your Approved Territory regardless of how close the site is to Your Approved Territory;

(c) Sell, rent and distribute any Proprietary Services directly or indirectly, and/or license others to sell and distribute, any Proprietary Services, directly or indirectly, from any location to any purchaser (including, but not limited to, sales made to purchasers in the Approved Territory through retail establishments, mail order, independent distributors, wholesale distribution, phone order, and on the Internet, and/or sales to delivery customers), except that PingPod shall not do so from a PingPod inside the Approved Territory;

(d) Develop, operate, and franchise others to operate, any business concept except a PingPod at any place, including within the Approved Territory, and use the Marks or any other trademarks owned, licensed, or developed by PingPod or its Affiliates in connection with those concepts, even if such concepts sell products and services similar to, the same as or competitive with, the Proprietary Services;

(e) In its sole discretion, approve or disprove other franchisees' requests to purchase local advertising that penetrates Your Approved Territory; and

(f) Merge with, acquire or be acquired by, any business of any kind under other systems and/or other marks, which business may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute goods and services through franchised or non-franchised businesses, at wholesale or retail, within and outside the Approved Territory.

4.5 Relocation

At PingPod's option, You may relocate the PingPod, with PingPod's prior written consent, if all of the following conditions are met:

(a) You and Your Related Parties are in Good Standing under this Agreement and any other Agreement between PingPod and You, and You and Your Related Parties are in compliance with all provisions of the Manual;

(b) You and any of Your Related Parties that have signed this Agreement have agreed to cancel this Agreement and execute a new Franchise Agreement in the form that

is currently effective at the time of relocation (with a term equal to the then-remaining term of this Agreement);

(c) You have secured a site that is not located in another PingPod franchisee's approved Territory, and which meets our then-current size and demographic requirements and, if you are leasing the space, you have submitted the proposed lease agreement for our review and paid a Lease Review Fee;

(d) You agree to equip and furnish Your new PingPod so that the Pod meets the standards of appearance and function applicable to new PingPods at the time of relocation;

(e) You and Your Related Parties that are parties to this Agreement shall have executed a general release, in a form satisfactory to PingPod, of any and all claims against PingPod and its Related Parties, affiliates, successors and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants and employees in their corporate and individual capacities, including, without limitation, claims arising under this Agreement, any other agreement between You and PingPod or its affiliates, and federal, state, and local laws and rules; and

(f) You may cease to operate the PingPod for no more than one (1) day only for the purposes of moving all equipment from the old Approved Location to the new approved location for the PingPod.

4.6 Term and Renewal

4.6.1 Initial Term

Except as otherwise provided herein the initial term of this Agreement shall commence on the Effective Date and shall expire on the date that is ten (10) years from the Effective Date (the "Term Expiration Date").

4.6.2 Renewal

You shall have the option to renew this Agreement for one (1) renewal term (the "Renewal Term"), with such Renewal Term being for a period of ten (10) years, or for the remainder of Your then-current lease term, whichever is shorter, subject to your satisfaction of the following conditions, all of which shall be met before each renewal:

(a) You and Your Related Parties are in Good Standing under this Agreement, and any other Agreement between PingPod and You, and You and Your Related Parties are in compliance with the Manual;

(b) You shall give PingPod written notice of Your election to renew not less than six (6) months nor more than twelve (12) months prior to the end of the then-current term;

(c) You and any Related Parties that have signed this Agreement shall have signed a copy of the then-current Franchise Agreement (except with respect to the renewal provisions thereof, which shall not supersede this Section 4.6.2) not less than thirty (30) days before the expiration of the then-current term, or thirty (30) days after You receive a signature-ready copy of the then-current Franchise Agreement from PingPod, whichever is later,

(d) You shall have, before the beginning of the renewal term, at Your own expense, modernized the PingPod and replaced and modernized the equipment, and the signs used in the PingPod as PingPod may require, in order for the PingPod to meet the then-current standards of appearance and function at the time of renewal;

(e) You and Your Related Parties that are parties to this Agreement shall have executed a general release, in a form satisfactory to PingPod, of any and all claims against PingPod and its Related Parties affiliates successors and assigns and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities, including, without limitation, claims arising under this Agreement, any other agreement between You and PingPod or its affiliates, and federal, state, and local laws and rules,

(f) You shall have paid a Renewal Fee of fifty percent (50%) of our then-current initial franchise fee; and

(g) You must submit a copy of the proposed lease agreement for the Premises You will occupy during the Renewal Term to PingPod for review and approval at least forty-five (45) days before the end of the then-current term. You are not required to pay an additional Lease Review Fee.

The provisions of the standard franchise agreement in use by PingPod at the time of renewal may be materially different than those contained in this Agreement, including, but not limited to, provisions for increased royalties, advertising, and other fees. You hereby acknowledge and agree that Your right to renew this Agreement shall be contingent upon Your execution of the then-current form of franchise agreement and acceptance of the new provisions.

5. SERVICES TO FRANCHISEE

PingPod agrees to perform the following services for You provided that You are, at the time when service is to be rendered, in Good Standing under this Agreement, any other agreement with PingPod, and You are in compliance with the Manual.

5.1 Pod Layout and Interior Decoration

PingPod will make available prototype or sample plans and specifications for one or more existing PingPod. You shall, at your own expense, tailor the plans and specifications provided by PingPod for Your individual use and then submit the customized plans and specifications to PingPod for written approval, which will not be unreasonably withheld.

PingPod's approval shall be limited to conformance with PingPod's prototype and sample plans, and shall not relate to Your obligations with respect to any federal, state or local laws, or codes and regulations, including the applicable provisions of the Americans with Disabilities Act (the "ADA"), regarding the construction, design and operation of the PingPod, which subjects shall be Your sole responsibility.

You shall comply with all federal, state and local laws, and codes and regulations, including the applicable provisions of the ADA regarding the construction, design and operation of the PingPod. You are responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances, or regulations, or which may be necessary or advisable owing to any restrictive covenants relating to Your location. After having obtained such approvals and clearances, You shall obtain all permits and certifications required for the lawful construction and operation of the PingPod.

5.2 Training

5.2.1 Initial Training

Before the opening of Your PingPod, PingPod will conduct an initial training program concerning the operation of the PingPod under the PingPod System for Your Operating Principal and manager, if any, if you are a legal entity, or You and your manager, if any, if you are an individual. Additional persons may attend initial training for a fee of up to five hundred dollars ($500) each. You or Your Operating Principal (if you are a corporate entity) and/or manager, if any, shall attend and successfully complete the initial training program to the satisfaction of PingPod before You may open the PingPod.

5.2.2 Continuing Training

In an effort to maintain brand standards and to protect and enhance the goodwill associated with the System and the Marks, PingPod may offer ongoing training or education programs on matters related to the operation or promotion of the PingPod on an optional or mandatory basis, as it deems appropriate, in its sole discretion. You shall attend and complete all such continuing education programs PingPod requires. You shall be responsible for Your own expenses and those of Your employees who attend any such training or education programs. PingPod may also require you to pay a fee for continuing training and education programs of its costs, plus an administrative fee. You must complete all education and training programs PingPod designates to PingPod's satisfaction.

5.2.3 Annual Conference

PingPod may, in its sole and absolute discretion, require you to attend a mandatory conference once per calendar year during the Term. You shall attend all such conferences. You are responsible for your own expenses and those of your employees who attend any such conferences. PingPod may require you to pay a reasonable fee to attend each conference.

5.3 Periodic Advisory Assistance

PingPod will, as it deems advisable, provide periodic advisory assistance to You concerning the operation and promotion of the PingPod.

5.4 Manual

PingPod will lend You a Manual containing explicit instructions for use of the Marks, specifications for goods that will be used in or sold by the PingPod, sample business forms, information on marketing, management, and administration methods developed by PingPod for use in the PingPod, names of approved suppliers, and other information that PingPod believes may be necessary or helpful to You in Your operation of the PingPod. PingPod will revise the Manual periodically, at its discretion to conform to the changing needs of the Franchise Network and will distribute updated pages containing these revisions to You from time-to-time. Alternatively, and in lieu of a hard copy of the Manual, PingPod may make available to You a Manual in electronic form that is accessible to you. PingPod will notify You of any updates to the Manual. You shall be responsible for immediately downloading and complying with the revised Manual.

5.5 Advertising

PingPod may, but is not required to, provide you with electronic access to certain advertising materials, including in PDF format. These materials may include video and audiotapes, copy-ready print advertising materials, posters, banners and miscellaneous point-of-sale Items, and may be regional or national at PingPod's sole discretion. Printing of any and all such materials shall be at your sole cost and expense. PingPod reserves the right to change the format in which it provides these materials to you in the future.

5.6 Approved Suppliers

PingPod has the absolute right to limit the suppliers with whom you may deal. PingPod will provide to You a list of the names and addresses of the approved suppliers who then-currently meet PingPod's standards and specifications in the Manual. PingPod reserves the right to act as the only approved supplier for some or all of the Approved Products and Services and products You will purchase for Your PingPod. PingPod reserves the right to charge a mark-up on any product or service sold to You. In advising You of suppliers who meet its standards and specifications, PingPod expressly disclaims any warranties or representations as to the condition of the goods or services sold by the suppliers, including, without limitation, expressed or implied warranties as to merchantability or fitness for any intended purpose. You agree to look solely to the manufacturer or the supplier of equipment or services for the remedy for any defect in the

goods or services. PingPod reserves the right to change the list of approved suppliers from time-to-time, in its sole and absolute discretion.

PingPod may receive payments and/or other compensation from approved suppliers in any form on account of such suppliers dealing with You and/or other franchisees, and PingPod may use all amounts so received for any purpose PingPod deems appropriate. You acknowledge and agree that PingPod shall have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments, or benefits (collectively. Allowances") offered by suppliers to You or to PingPod or its affiliates based upon Your purchases of Proprietary Services, products and other goods and services. You assign to PingPod or its designee all of Your right, title and interest in, and to any and all such Allowances and authorize PingPod or its designee to collect and retain any or all such Allowances without restriction.

PingPod may, from time-to-time, revoke its approval of particular items, services, products or suppliers if PingPod determines, in its sole and absolute discretion. Upon receipt of notice of such revocation, You shall cease to offer, sell or use any disapproved item, products or services and You shall immediately cease to purchase from any disapproved supplier.

6. PAYMENTS BY FRANCHISEE

6.1 Initial Franchise Fee

When You sign this Agreement, You shall pay PingPod in cash or another form of payment that will make the funds immediately accessible to PingPod, such as cashier's check or wire transfer, an initial franchise fee of $49,500 (the "Initial Franchise Fee"). The Initial Franchise Fee is not refundable.

6.2 Royalties

You shall pay PingPod a continuing royalty fee in the amount of six percent (6%) of Gross Revenues. If You are not in good standing, Penalty Royalty payments may be imposed by PingPod in its sole discretion as set forth in Section 10.2.4.

6.3 Method and Application of Payments

PingPod (or an affiliate) will collect all Gross Revenues from customers and retain the Royalties due and owing pursuant to this Franchise Agreement. PingPod will then remit the net balance to You via a Stripe (or similar) transfer, on a daily basis. On or before the 5th of each month, PingPod will issue to you a report detailing the prior month's transactions.

At no time will You sell, encumber or assign any of Your revenue stream, which includes, but is not limited to, current or future customer charges, to any other party without the prior written consent of PingPod.

PingPod has the right to apply any payment it receives from You to any past due amount You owe to PingPod regardless of how You indicate the payment is to be applied. PingPod reserves the right

to change the manner in which you pay any and all fees you are required to pay to PingPod at any time upon written notice to you.

6.4 When Payments Begin

Your obligation to pay continuing monthly royalties and other fees begins on the date Your Pod opens for business.

6.5 Audit

PingPod has the right during normal working hours to audit Your books and records, including Your tax returns with respect to the PingPod. If an audit discloses an underpayment of royalties, advertising, or other fees payable under this Agreement, You shall immediately pay these amounts to PingPod, together with accrued interest on the amount underpaid in accordance with Section 6.9 of this Agreement. In addition, if the underpayment exceeds two percent (2%) of the total royalty, advertising, or other fee payable for any period covered under the audit, You shall reimburse PingPod for all expenses actually incurred by PingPod in connection with the audit, including reasonable attorneys' fees.

6.6 Training Fees and Costs

PingPod will not charge a fee for the initial training program for Your Operating Principal and manager, if any, if you are a legal entity, or You and your manager, if any, if you are an individual. However, if additional persons are trained, PingPod may charge a training fee of five hundred dollars ($500) per person. PingPod may also charge a training fee for continuing education programs at cost plus an administrative fee determined by PingPod for all training offered by PingPod, You shall pay any costs of travel, lodging, meals and other incidental expenses that You and Your employees incur. You shall also pay for the cost of business class transportation, lodging, meals, and other incidental expenses incurred by PingPod in connection with any training conducted at Your site.

6.7 Consulting Fees and Costs

In addition to the periodic advisory assistance described in Section 5.3, optional consulting services may be made available to You by PingPod on a per hour fee basis, at a rate determined by PingPod, plus reimbursement of direct costs. You shall promptly pay such consulting fees and reimburse PingPod for all incidental expenses incurred by PingPod in rendering such consulting services, including, but not limited to, the cost of business class transportation, lodging, meals, and telephone, fax, and courier charges.

6.8 Transfer Fee

You shall pay to PingPod a transfer fee of Twelve Thousand Dollars ($12,000) as a condition of, and prior to, any Transfer.

6.9 Interest on Late Payments

Any payment not received by PingPod when due will bear interest at eighteen percent (18%) per year or at the highest rate allowed by applicable law on the date when payment is due, whichever is less. Interest charges on late payments are intended to partially compensate PingPod for loss of use of the funds and for internal administrative costs resulting from late payment which would otherwise be difficult to measure precisely. The fact that such charges are imposed shall not be construed as a waiver of PingPod right to timely payment.

6.10 Lease Review Fee

Upon submission of a proposed franchised location for the PingPod, You shall pay PingPod or our designated supplier (which may be an affiliate of PingPod) a lease review fee of one thousand dollars ($1,000) (the "Lease Review Fee"). The Lease Review Fee is due upon your submission of a proposed lease agreement to PingPod. The Lease Review Fee pays the expenses incurred to review the lease on PingPod's behalf. You are not a third-party beneficiary of the lease negotiation or review. You agree that PingPod does not guarantee that the terms, including rent, will represent the most favorable terms available in the market. You acknowledge that PingPod has the right, and not the obligation, to review Your lease. If PingPod is required to engage in more than one lease review for the proposed franchise location (or a different proposed franchised location), You shall pay PingPod or its designated supplier a Lease Review Fee for each lease review PingPod undertakes. Upon submission of your request for a Renewal Term, You must submit Your lease for review, but we will not charge You an additional Lease Review Fee.

6.11 Supplier and Product Evaluation Fee

If You would like to use alternative supplier for a product or service to be used in or sold at Your PingPod (except in instances where we have designated a sole supplier of any product, item, good, equipment service or supplies), You must submit a Supplier and Product Evaluation Form (as set forth in Section 7.3.3) and may be required to pay a Supplier and Product Evaluation Fee. The current Supplier and Product Evaluation Fee is one thousand dollars ($1,000) for each alternative supplier request You submit to Us. If a fee is required, it is due and payable upon submission of an alternative supplier request. It is not refundable under any circumstances. We may grant or deny any such request in our sole and absolute discretion.

6.12 Insufficient Funds Fee

If any payment is returned for insufficient funds, each time, You shall pay to us an Insufficient Funds Fee of $50.

6.13 Priority of Payments

All fees paid in accordance with this Section 6, inclusive, shall be paid on a preferred priority basis, before the payment of operating and capital expenditures, including, but not limited to, rent, vendors, suppliers, distributors, advertisers, salaries, commissions, and in advance of all distributions and remunerations by You to Your Operating Principal and/or Related Parties.

7. OBLIGATIONS OF FRANCHISEE

7.1 Use of Trade Name and Marks

7.1.1 Permitted Use

You may use the Trade Name and Marks only in the operation of the PingPod within the Approved Territory in accordance with the terms and conditions of this Agreement and subject to the limitations specified by PingPod in the Manual or otherwise in writing. **You shall not, under any circumstances, use the Trade Name or any of the Marks, including "PingPod" in any manner, in the name of your corporation, limited liability company, partnership or other legal entity.** You may not license any third party to use PingPod's Trade Name and Marks. You may not use the Trade Name or Marks on the internet, in any electronic advertising or social media, including but not limited to on Facebook®, Twitter®, Instagram®, YouTube® or other similar electronic advertising or social media without our prior written consent. You may not use any other trade name or marks at the Approved Location, or in connection with the PingPod, without the express written consent and direction of PingPod. You shall refrain from engaging in any action (or failing to take any action) that causes or could cause damage to the Marks, the System, or the goodwill associated with the Marks.

7.1.2 Changes in Trade Names and Marks

PingPod has invested substantial time, energy, and money in the promotion and protection of its Trade Name and Marks as they exist on the Effective Date. However, You and PingPod recognize that rights in intangible property such as the Trade Name and Marks are often difficult to establish and defend, and that changes in the cultural and economic environment within which the System operates or third-party challenges to PingPod rights in the Marks may make changes in the Trade Name and Marks desirable or necessary. PingPod therefore reserves the right to change its Trade Name and Marks (although it has no present intention to do so) and the specifications for each when PingPod believes that such changes will benefit the Franchise Network. PingPod will do this in a manner that minimizes cost to You. You agree that You shall promptly conform, at Your own expense, to any such changes.

7.1.3 Advertising Materials

You agree to submit to PingPod copies of all advertising materials that You propose to use at least two weeks before the first time they are broadcast or published. PingPod will review the materials within a reasonable time and will promptly notify You in writing as to whether it approves or rejects them. PingPod may not withhold its approval unreasonably. For purposes of this paragraph, advertising materials that differ from previously approved materials only in such variables as date or price will be considered to be previously approved. Even if PingPod approves specified materials, it may later withdraw its approval in its sole and absolute discretion, including, without limitation, if it reasonably believes this is necessary to make the advertising conform to changes in the System or to correct unacceptable features of the advertising, including any misrepresentation in the advertising material.

7.1.4 Legal Protection

You agree to notify PingPod immediately in writing if You become aware of any unauthorized use of PingPod's Trade Name, Marks, or System. You shall promptly notify PingPod in writing of any claim, demand or suit against You or against Your principals. You shall promptly notify PingPod in writing of any claim, demand or suit against You or against Your principals in connection with Your use of the Trade Name, Marks, or System. In any action or proceeding arising from or in connection with any such claim, demand, or suit, You agree that PingPod may select legal counsel and has the right to control the proceedings. In certain cases, as described in Section 8.5 of this agreement, PingPod will indemnify and hold You harmless.

7.2 Site Selection and Approval, Lease or Purchase of Location

7.2.1 Site Selection

You shall, on Your own initiative and at Your own expense, locate, obtain and occupy the site for the PingPod. The site shall be a minimum of 750 square feet for a small format operation or a minimum of 2,000 square feet for a large format operation, and shall meet minimum demographic/geographic requirements, as described in the Manual, which vary by region. You are responsible for completing and submitting to PingPod for review and approval the information and materials regarding your proposed site. PingPod will issue its preliminary approval or disapproval of your proposed site within 30 days after PingPod has received all of the information and materials. PingPod may not withhold its approval unreasonably. PingPod will not be deemed to have withheld its approval unreasonably if the proposed site fails to meet PingPod's then-current standards and specifications, as PingPod determines in its sole and absolute discretion. If, after your submission to PingPod of the necessary documents, PingPod issues an approval of your proposed site (the "Approved Location") you shall submit a copy of the proposed lease for the Approved Location before you sign the lease.

You acknowledge and agree that our recommendation or approval of a particular site for the PingPod, and any information communicated to you regarding our site-selection requirements or criteria, do not constitute a representation or warranty of any kind, express or implied, as to the suitability of the location or for any other purpose. By approving a particular site for the PingPod, PingPod does not guarantee that the PingPod will be successful. You acknowledge that your selection of the site for the PingPod is based on Your own independent investigation of the suitability of the site.

If you do not locate an Approved Location and enter into a lease or purchase agreement for the Approved Location in accordance with paragraph 7.2.2 below within ninety (90) days of the Effective Date, PingPod may terminate this Agreement. You hereby acknowledge that PingPod will not refund the Initial Franchise Fee to You if You are unable to secure a satisfactory site.

7.2.2 Purchase or Lease of the Location

As stated above, You must lease, sublease or purchase the Approved Location within ninety (90) days of the Effective Date. If you fail to do so, we have the right to immediately terminate this

Agreement. You shall provide us with a copy of the proposed lease agreement for the Approved Location and pay us or our designee the Lease Review Fee in accordance with Section 6.10 of this Agreement, before You sign the lease. The Lease Review Fee pays the expenses we incur to review the lease on our behalf. You are not a third party beneficiary to the lease review. You agree that we do not guarantee that the terms, including rent, will represent the most favorable terms available in the market. We have the right, but not the obligation, to review the business terms of any lease, sublease, lease renewal or purchase contract for the Approved Location before You sign it. You must include all of the provisions set forth in the Lease Rider attached to this Agreement as Exhibit H, along with any other provision we designate, in the lease agreement for the Approved Location. You shall not execute a lease, sublease, lease renewal or purchase agreement, or any modification to any lease, sublease or lease renewal, without first obtaining our written approval. If we disapprove of Your lease, sublease, lease renewal or purchase agreement, the Approved Location shall be deemed disapproved and you shall have no right to open or operate the PingPod at such location. **You acknowledge that our approval of the lease, sublease, lease renewal or purchase contract, as applicable, does not constitute a warranty or representation of any kind, express or implied, as to its fairness, suitability, or for any other purpose.** You are strongly advised to seek legal counsel to review, negotiate and evaluate the proposed lease for the Approved Location on Your behalf. You shall provide us with a fully-executed copy of the lease, sublease, lease renewal or purchase contract within five (5) business days following the date such agreement is fully executed.

7.3 Quality Control

7.3.1 Pod Construction and Opening

(a) Plans and Specifications. PingPod will provide you with its then-current generic, prototypical plans for a typical PingPod, including a sample layout for the interior of a typical franchised location. You acknowledge that such plans and specifications shall not contain the requirements of any federal, state, or local law, code, or regulation (including, without limitation, those concerning the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations or commercial facilities for persons with disabilities), nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build your PingPod. It shall be Your sole and absolute responsibility to construct the PingPod in accordance with all applicable laws, including the ADA and local laws, rules and regulations governing public accommodations.

(b) Adaption of Plans and Specifications. You shall, at Your sole cost and expense, employ architects, designers, engineers or others as may be necessary to complete, adapt, modify or substitute the sample plans and specifications to PingPod prior to commencing construction of the PingPod. PingPod will review such plans and specifications and will approve or provide comments on the plans and specifications to You.

(c) PingPod's Approval. You shall not commence construction of the PingPod until PingPod approves, in writing, the final plans and specifications to be used in constructing the PingPod. Once the final plans are approved, You shall cause the PingPod to be completed in full accordance therewith.

(d) Alterations and Modifications. If PingPod determines that the PingPod is not being built, or was not built, in full accordance with the final plans, PingPod shall have the right to require You to cause to be made all alterations or modifications of the PingPod that PingPod deems necessary. PingPod may consult with You, to the extent PingPod deems necessary, on the construction and equipping of the PingPod, but it will be and remain Your sole responsibility to diligently design, construct, equip and otherwise ready and open the PingPod.

(e) Zoning and Permits. You shall be responsible, at your expense, for obtaining all zoning classifications, permits clearances, certificates of occupancy and PingPod clearances which may be required by governmental authorities for the PingPod.

(f) Insurance Coverage. You shall obtain and maintain in force during the entire period of such construction, such insurance policies required under Your lease agreement, in addition to such policies and coverage amounts as PingPod may designate in its sole discretion. Currently, you must have the following insurance at a minimum:

- Comprehensive general liability insurance with limits of at least $1,000,000 per person per occurrence (and $2,000,000 aggregate for bodily injury) and at least $100,000 for property damage per occurrence;
- Personal injury and advertising injury insurance with limits of at least $1,000,000 per occurrence;
- Employer Practices Liability insurance with limits of at least $1,000,000;
- An Umbrella Liability insurance policy with a limit of at least $1,000,000;
- USA Table Tennis ("USATT") insurance in accordance with the standard USATT policy, which covers USATT events held at Your Pod;
- "All risk" insurance on the premises, equipment and supplies, for loss or damage by fire, windstorm, flood, casualty, theft and other risk usually insured against by the owners or lessors of similar property, for at least 100% of the replacement cost of the property. Unless you obtain a written waiver from us, any PingPod Business sustaining loss or damage must be repaired, restored, or rebuilt within 60 days after the date of the loss or damage;

- Automobile liability insurance on each vehicle used in the business within the minimum coverage limits as required by the law of the state or jurisdiction in which you are engaged in business; and

- Worker's compensation or similar insurance as required by the law of the state or jurisdiction in which you are engaged in business. This insurance must be maintained for trainees, as well as for those employed or engaged in the operation of your PingPod Business, if required by your state or jurisdiction.

(g) Licensed Contractors. You shall use licensed general contractors, designers and architects in performing any and all construction work at the PingPod, including in connection with any remodeling or renovations. PingPod expressly disclaims any warranty of the quality or merchantability of any goods or services provided by architects, contractors or any other persons or entities to which PingPod may refer You. PingPod is not responsible for delays in the construction, equipping or decoration of any PingPod, or for any loss resulting from the PingPod design or construction. You acknowledge that PingPod has no control over the landlord or developer, and numerous construction and/or related problems that could occur and delay the opening of the PingPod.

(h) PingPod Access to Pod and Progress Reports. PingPod shall have access to the PingPod at all times during the Term, including while work is in progress and may require alterations or modifications of the construction of the PingPod that PingPod deems necessary to ensure brand uniformity and system standard compliance.

(i) Final Inspection, Approval. You shall promptly notify PingPod of the date of completion of the construction of the PingPod. PingPod shall have the right to conduct a final inspection of the PingPod. You shall not open the PingPod for business without the express written authorization of PingPod, and PingPod's authorization to open may be conditioned upon your strict compliance with the specifications of the approved final plans and with the standards of the System.

(j) Installation of Equipment, Furnishings, Fixtures, and Signs/Décor.

i. You shall install and use in and about the PingPod only such equipment, fixtures, furnishings, interior and exterior signage, and other personal property, which strictly conforms to the appearance, uniform standards, specifications and procedures of PingPod and the System, as may be revised from time-to-time in PingPod's sole discretion. Such items are sometimes referred to herein collectively as "Equipment and Furnishings." You shall purchase and install all Equipment and Furnishings only from those suppliers PingPod designates or approves in its sole discretion, including affiliates of PingPod. PingPod shall have the right to retain any rebates or incentives offered by such vendors or suppliers. PingPod reserves the right to be one of, or the sole, supplier of any Equipment and Furnishings and

may derive revenue, benefits, or other material consideration from such purchases. PingPod shall have the right to inspect and approve all Equipment and Furnishings and their installation to ensure your compliance with PingPod's System Standards and Specifications.

ii. You agree that all decor of the PingPod must be previously approved by PingPod and must comply with PingPod's standards, as described in the Manual or in other written communications PingPod provides to you, which may be periodically revised. PingPod shall be deemed to be the owner of all copyrights in and to all forms of art or other visual media displayed in the Pod, including pictures, drawings photographs and items that PingPod directs you to display (the "Art"), as well as all intellectual property rights in and to the Art. You shall not, without PingPod's prior written consent, allow any of the Art to become a fixture of Your PingPod and You shall not display or use the Art in any other business. Your failure to maintain your PingPod's decor in compliance with PingPod's specifications and standards described in the Manual or otherwise constitutes a material breach of this Agreement.

(k) Completion and Opening Requirements. You shall complete construction of the PingPod (including all exterior and interior carpentry, electrical painting, and finishing work, and installation of all furniture, fixtures, equipment, and signs) in accordance with the plans approved in writing by PingPod, at your expense and open the PingPod to the public no later than two hundred and forty (240) days after the Effective Date (the "Required Opening Date'). Time is of the essence. You may not open the PingPod to the public until PingPod issues a written approval authorizing your opening. PingPod will not issue its approval, and you will be prohibited from opening the Pod, if (a) the Pod has not been constructed and equipped in accordance with PingPod's standards and specifications, (b) you fail to successfully complete initial training, or (c) in view of PingPod's management, PingPod determines you and your employees are not prepared to open.

Opening without PingPod's written certification that You are prepared to do so is a material breach of this Agreement and constitutes infringement on PingPod's intellectual property rights, justifying injunctive relief and termination of this Agreement. **By certifying that PingPod's management believes the You are prepared to commence business, PingPod does not guarantee that the PingPod will be successful.** Your success will depend on a number of factors, including general economic conditions and Your skill and hard work which are not within PingPod control.

7.3.2 Compliance with Manual

You shall operate Your PingPod in complete compliance with the standards and specifications, as set forth in the Manual, or otherwise in writing. PingPod may make changes to any of these standards and specifications, at any time, in PingPod's sole and absolute discretion. Such changes

may necessitate the purchase of equipment, supplies, furnishings or other goods, completion of additional training by Your employees, remodeling of the PingPod, or other cost to You. You shall promptly conform to the modified standards and specifications at Your own expense. You shall, at all times, keep Your copy of the Manual current (by, for example, inserting in it revised pages given to You by PingPod and deleting superseded pages, or downloading from PingPod's website, the current version of the Manual upon notification of any revision to the Manual). If there is any dispute as to the requirements of the Manual at any point in time, the terms of the master copy of the Manual maintained by PingPod will control.

You shall at all times treat the Manual, any other manuals created for or approved for use in the operation of the PingPod, and the information contained therein as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Except for those portions of the Manual that PingPod designates, in writing, as appropriate for copying and use at the PingPod, You shall not, at any time, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any third party without our prior written consent.

7.3.3 Required Products and Services

You must offer all of the products and services we designate. We have the right to modify these items from time-to-time, at our sole discretion. You may not offer or sell any other product or service without our prior written consent. You must use the proprietary and nonproprietary techniques, materials and supplies we designate in the Manual. You must provide all services (including Proprietary Services) in accordance with the standards and specifications set forth in the Manual. You must, at all times, maintain sufficient staff, materials and supplies to meet reasonably anticipated customer demand.

(a) Approved Suppliers. We have the absolute right to limit the suppliers with whom you may deal. We may require you to purchase certain items, products, services, signs, furnishings, supplies, fixtures and equipment from us or distributors we have approved. Unless we specify otherwise in writing, you may be required to purchase all goods, items, products, equipment and services required for the development and operation of the Pod from our approved or designated suppliers. We have the right to designate one supplier for any given item or service. We may provide you with a list of suppliers, which list may change over time. While the suppliers included on this list may be mandated, approved and/or recommended, we reserve the right to change this list, from time-to-time, in our sole discretion. Notifications of changes to the approved suppliers list will be communicated to you through changes to the Manual or other written communications, including via electronic mail. We may revoke approval of suppliers in our sole and absolute discretion, at any time, upon written notice. We may become an approved supplier, and/or the only supplier, for any item, product, good and/or service at any time. We reserve the right to own an interest in any entity that will act as an approved supplier for any or all products and services You will use, offer and/or sell in the PingPod.

(b) Right to Derive Income. We may derive income, consideration payments and other benefits on account of your purchase or lease of any products, services, supplies, equipment and/or other items from us or any supplier, including approved suppliers and/or designated suppliers. This income may be derived in any form, including as a rebate from various suppliers based on the quantity of System franchisee purchases. We may use these benefits for any purpose we deem appropriate. We are not obligated to remit any benefits to you and reserve the right to retain all such benefits.

(c) Alternative Suppliers. If you want to purchase any item, product service, goods, equipment or supplies from a supplier or distributor who is not on our approved list, you may request our approval of the supplier or distributor (except in instances where we have designated a sole supplier of any product, item good, equipment, service or supplies), which we may grant or deny in our sole and absolute discretion. The proposed supplier's or distributor's product or service, as applicable, must conform in every respect to our standards and specifications, and the supplier or distributor must have a good business reputation and be able and willing to provide sufficient quantities of the product and adequate service to you. The supplier or distributor must also provide us with any information we request in order to analyze the supplier's or distributor's suitability, and the composition and conformity of the product to our standards. This evaluation may include a sampling of the product at either the supplier's/distributor's or our place of business as we may designate. Where appropriate, we may require the supplier or distributor to provide us with product liability insurance. All suppliers and distributors must agree to provide us with reports concerning all purchases by you or other franchisees. You may be required to pay us a Supplier and Product Evaluation Fee of not more than one thousand dollars ($1,000) for each alternative supplier request You submit to Us. We cannot predict with any certainty how long any evaluation will take, however, we will attempt to complete our evaluation within thirty (30) days. Upon the completion of our evaluation, we will inform you of our approval or disapproval of your request. If we approve the supplier or distributor, the supplier or distributor is added to our approved list, however, our approval of a supplier or distributor relates only to the item or product line evaluated and specifically approved by us.

Our standards, specifications and other criteria, for supplier or distributor approval have been developed by us, our affiliates, and/or or principals through the expenditure of extensive work and time, and are considered confidential information. Therefore, we do not make our standards and specifications or our other criteria for supplier or distributor approval available to you or suppliers.

(d) Modifications. We may modify our specifications and standards for any item or revoke our approval of any supplier or distributor who fails to adhere to our quality standards or other requirements. We may limit the number of potential suppliers that we consider for approval and, for some categories of products, we may designate a third-party or ourselves as an exclusive supplier.

NEITHER PINGPOD, ITS PARENTS OR AFFILIATES, MAKE ANY EXPRESS OR IMPLIED WARRANTIES REGARDING ANY ITEM OR SERVICE, AND PINGPOD AND ITS AFFILIATES EXCLUDE (AND EXPRESSLY DISCLAIM) ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, except as set forth in a particular written warranty, if any, provided in connection with a particular item or service.

(e) Further Restrictions. You shall not offer or sell any product, item or service we have not designated or expressly approved in writing without our prior written consent, which may be granted or withheld in our sole and absolute discretion. We reserve the right to sell products and services to you for a profit.

(f) Purchasing Programs, Promotional Programs. We may establish national or regional purchasing programs for the purpose of negotiating purchases of certain products and/or services from approved or designated suppliers. The purchasing programs may (but are not required to) benefit you by reducing prices, increasing reliability in supply, improving distribution, and establishing consistent pricing for reasonable periods to avoid market fluctuations. If a national and/or regional purchasing program is established for the region where your Franchised Business is located, you must participate in the program.

(g) Pricing. You must offer all Proprietary Services, products and services that we designate. We reserve the right to prohibit you from charging prices lower than our published prices for any service or item, to the maximum extent allowed by applicable law. We may also suggest pricing to you from time-to-time. We may change the types of authorized goods and services, and the prices for authorized goods and services sold by You in our sole discretion. There are no limitations on our right to make changes.

7.3.4 Inspections.

In an effort to advance the protection and enhancement of the PingPod brand and the Marks, PingPod and/or its designated agents or representatives may conduct periodic quality control and records inspections of the PingPod at any time during the Term. Inspections may be made with or without prior notice. Without limiting the foregoing, you grant PingPod and its agents the right to: (a) enter upon the PingPod premises for the purpose of conducting inspections, and you shall cooperate with PingPod representatives in such inspections by rendering such assistance as they may reasonably request; (b) photograph your PingPod and observe and record video of your Pod's operation for consecutive or intermittent periods as PingPod deems necessary; (c) interview your personnel and customers; and (d) inspect and copy any books records and documents related to your PingPod's operation. You shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. If any inspection reveals that you are not in compliance with any provision of this Agreement, the Manual, or any of PingPod's standards and/or specifications, you shall be deemed in breach of your obligations under this Agreement and

PingPod shall have the right to terminate this Agreement as provided under Section 10.2 of this Agreement, if you fail to cure the breach before the expiration of all applicable notice and cure periods. You further agree that You will reimburse PingPod for its representative's time and travel expenses if an additional inspection at the PingPod is required when a violation has occurred and You have not corrected the violation.

7.3.5 Customer Satisfaction

You must present customers with such evaluation cards or forms as the Franchisor may periodically prescribe, for return by the customers to PingPod If Your scores from the customer response forms do not meet PingPod's then-current standards, as may be described in the Manual, PingPod may suggest ways in which You can improve Your scores. If You do not take immediate, effective steps to bring Your operation into conformity with PingPod's standards, Your failure to do so will constitute a material breach of this Agreement, and You shall be subject to termination pursuant to Section 10.2.

You shall respond to all customer complaints suggestions and the like via e-mail, telephone, or regular mail within 48 hours of submission by the customer or prospective customer.

You shall install a video and/or security system, in a manner we deem acceptable, in our sole discretion, and shall provide PingPod with access to view the video at any time.

7.3.6 Maintenance Requirements

All equipment repairs shall be completed within seventy-two (72) hours. Any damaged or "worn" equipment shall be repaired (reupholstered, etc.) every six months, or as needed. Interior walls of common areas shall be painted or "touched up" every six months, or as needed. You shall maintain the PingPod in accordance with the requirements set forth in the Manual. From time-to-time, PingPod may require You to remodel all or part of the PingPod and purchase new equipment furniture, fixtures, signs and other such items as PingPod designates in its sole discretion. You must promptly, at Your own cost and expense, remodel, refurbish, and improve the PingPod as instructed by PingPod.

7.3.7 Notification of Complaints

You shall notify PingPod promptly if You are served with a complaint or demand in any legal proceeding that is in any way related to the PingPod or if You become aware that You are the subject of any complaint to or investigation by a governmental agency, governmental licensing authority, or consumer protection agency. You shall notify PingPod immediately upon receipt of any notice of a breach of the lease agreement for the premises of the PingPod. You must notify PingPod of any claim arising from or affecting the financial condition of your PingPod.

7.3.8 Computer System Requirements

You shall purchase and maintain a computer and point-of-sale system, as designated by PingPod (the "Payment Processing System"), to be used in the operation of the PingPod and for reporting

purposes. You shall comply with the following provisions relating to the Payment Processing System:

(a) You shall update and upgrade the Payment Processing System as designed by PingPod. PingPod may require you to enter into a separate maintenance and/or support agreement for your Payment Processing System, at any time, at your sole cost and expense;

(b) You shall record all sales at or from the PingPod at the time of sale, in accordance with PingPod's procedures, on the Payment Processing System;

(c) You shall comply with such requirements determined by PingPod, from time-to-time, regarding maintenance, training, storage and safeguarding of data, records, reports, and other matters relative to the Payment Processing System; and

(d) PingPod has the right to independently access any and all information on your Payment Processing System, at any time, without first notifying you. Without limiting the generality of the foregoing, you shall, at your sole cost and expense, permit PingPod immediate access to your Payment Processing System, electronically or otherwise, at all times, without prior notice to you. PingPod shall have the right to use the information accessed on the Payment Processing System in any manner PingPod determines, including the right to use any and all such information in PingPod's Franchise Disclosure Document, and to share financial statements, including profit and loss statements, with other System franchisees.

PINGPOD MAKES NO WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, WITH REGARD TO THE ANY THIRD PARTY MATERIALS. PINGPOD DISCLAIMS ANY AND ALL WARRANTIES RELATED TO THE COMPUTER SYSTEM, WHETHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, INTEROPERABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, QUIET ENJOYMENT, OR THOSE ARISING FROM TRADE USAGE OR COURSE OF DEALING. PINGPOD DOES NOT WARRANT THAT THE COMPUTER SYSTEM WILL BE FREE FROM DEFECTS OR THAT USE OF THE COMPUTER SYSTEM WILL BE UNINTERRUPTED OR ERROR FREE.

IN NO EVENT WILL PINGPOD BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL SPECIAL OR PUNITIVE DAMAGES (INCLUDING WITHOUT LIMITATION, ANY DAMAGES ASSOCIATED WITH LOSS OF USE, INTERRUPTION OF BUSINESS, LOSS OF DATA OR LOSS OF PROFITS) ARISING OUT OF OR IN ANY WAY RELATED TO THE COMPUTER SYSTEM OR ITS USE.

7.3.9 Data Security

You shall use your best efforts to protect your customers against any and all data breaches and cyber-events, including, without limitation, identity theft or theft of personal information (a "Data

Security Breach"). If a Data Security Breach occurs, in the interest of protecting the goodwill associated with the PingPod brand and franchise system, PingPod hereby reserves the right to (but does not undertake the obligation to) directly or through its designee, perform or control any and all aspects of the response to such Data Security Breach, including, without limitation, the investigation, containment and resolution of the event and all communications with the franchise system, vendors and suppliers, customers, law enforcement agencies, regulatory authorities and the general public. You hereby acknowledge and agree that a Data Security Breach and/or any response to a Data Security Breach may impact operations of the Pod, including, without limitation, interruption in operations. You hereby acknowledge and agree that neither PingPod nor any of its parents, affiliates, subsidiaries, owners, officers, directors, or employees shall be liable to You for any damages arising out of or resulting from any Data Security Breach or any action or inaction in response to a Data Security Breach. You shall at all times be compliant with all Payment Card Industry Data Security Standards, any and all requirements imposed by all applicable payment processors and payment networks, including credit card and debit card processors, and any and all state and federal laws, rules and regulations relating to data privacy, data security and security breaches. You hereby acknowledge and agree that if PingPod engages or designates a third party service provider to administer a data security program, you will be required to comply with the requirements of such service provider. It is your responsibility to ensure that you operate the Pod at all times in compliance with all aforementioned laws, rules, regulations and requirements and you are strongly encouraged to engage legal, and data security professionals, including insurance providers to ensure your full compliance and adequate protection.

7.4 Management and Personnel

You are not required to devote a minimum number of hours to the management and operation of Your PingPod. You shall maintain, at all times, a staff of competent conscientious and trained employees sufficient to operate the PingPod in compliance with PingPod's standards. PingPod does not direct or control labor or employment matters for You or Your employees, or for any of PingPod's franchisees and/or their employees. PingPod may make suggestions and may provide guidance relating to such matters; however it is entirely Your responsibility to determine whether to adopt, follow and/or implement any of our suggestions or guidance. Notwithstanding anything contained in this Agreement to the contrary, mandatory specifications, standards and operating procedures including as set forth in any manual, do not include the terms or conditions of employment for any of your employees, nor do they include mandated or required personnel policies or procedures.

7.5 Advertising

Recognizing the value of advertising, marketing, and promotion, and the importance of the standardization of advertising, marketing, and promotion programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

7.5.1 Grand Opening

You shall spend the amount necessary, in your discretion, that is necessary for grand opening advertising and promotion using materials with that PingPod may, in its sole discretion, direct in

the Manual or otherwise in writing from time-to-time. Upon PingPod's request, You shall provide satisfactory evidence of its grand opening advertising and promotion expenditures in such manner as PingPod shall direct in the manual or otherwise in writing from time-to-time.

7.5.2 Local Advertising

You shall spend the amount necessary, in your discretion, that is necessary for local marketing, advertising and promotion using materials with that PingPod may, in its sole discretion, direct in the Manual or otherwise in writing from time-to-time. Upon PingPod's request, You shall provide satisfactory evidence of its local advertising and promotion expenditures in such manner as PingPod shall direct in the manual or otherwise in writing from time-to-time.

7.5.3 Brand Fund Contribution

If requested, You shall pay to PingPod a fee to contribute to the expense of regional advertising, marketing and promotion undertaken by PingPod for the benefit of the System in the amount of up to one percent (1%) of Gross Revenues per month, in accordance with the manual or as otherwise stated in writing from time-to-time.

7.5.4 Websites and Web App

Unless otherwise approved in writing by PingPod, You shall not establish a separate Website or Web App. However, PingPod shall have the right to require that You have one or more references or webpage(s), as designated and approved in advance by PingPod, within PingPod's principal Website, which is currently https://pingpod.com/ ("Our Website"). The term "Website" means an interactive electronic document contained in a network of computers linked by communications software, commonly referred to as the Internet or World Wide Web, including, but not limited to, any account, page, or other presence on a social or business networking media site, such as Facebook, Twitter, Linked In, and on-line blogs and forums ("Networking Media Sites"). PingPod shall have the right to require that You not have any Website other than the webpage(s), if any, made available on Our Website.

7.5.4.1 PingPod Website

PingPod may approve a separate Marketing Website for You (which PingPod is not obligated to approve; and which approval, if granted, may later be revoked by PingPod) subject to the conditions set forth in this Section 7.6.4.1:

(a) You specifically acknowledge and agree that any Website owned or maintained by or for the benefit of You shall be subject to PingPod's prior review and approval;

(b) Any expenditures by You in connection with any Website shall not count towards fulfilling Your advertising obligations under this Section 7 of the Agreement;

(c) Before establishing any Website, You shall submit to PingPod, for PingPod's prior written approval, a sample of the proposed Website domain name, format, visible

content (including, without limitation, proposed screen shots), and non-visible content (including, without limitation, meta tags) in the form and manner PingPod may reasonably require;

(d) PingPod may designate a single vendor or supplier for the purposes of assisting You in creating Your Website;

(e) If approved, You shall not subsequently modify such Website without PingPod's prior written approval as to such proposed modification;

(f) You shall comply with the standards and specifications for Websites that PingPod may periodically prescribe in the Manual or otherwise in writing;

(g) If required by PingPod, You shall establish such hyperlinks to PingPod's Website and other Websites as PingPod may request in writing; and

(h) You shall not make any posting or other contribution to a Networking Media Site relating to PingPod, the System, the Proprietary Marks, or the Franchised Business that: (i) is derogatory, disparaging, or critical of PingPod; (ii) is offensive, inflammatory, or indecent; (iii) harms the goodwill and public image of the System and/or the Proprietary Marks; or (iv) violates PingPod's policies relating to the use of Networking Media Sites.

7.5.4.2 Web App, Technology & Marketing Fee

You pay us a fee for the use our proprietary software, PodPlay Technologies, inclusive of Booking, Access, Invitations, Coaching Dashboard, Remote Security, Replays, and Event Management. We may also send you software updates, as we deem necessary in our sole discretion, or other materials that we may develop in connection with the System that we require you to purchase. This fee shall be paid in monthly installments, payable by the first (1st) day following the close of each month, commencing with the end of the first month following entry into this Agreement. You will be requried to sign our then-current Master Services Agreement ("MSA") in order to access PodPlay Technologies, including, Booking, Access, Invitations, Coaching Dashboard, Remote Security, Replays, and Event Management. A copy of our current MSA is attached hereto as Exhibit I.

7.5.4.3 PodPlay Technologies Recurring Fee

PodPlay Technologies will purchase, configure and ship the required IT/AV equipment and provide the detailed installation guide, however, you remain responsible for costs associated with installation, along with our then-current monthly per table and per venue fees, which the amounts remain subject to change. These amounts are subject to increase upon written notice. While you will own the equipment associated with PodPlay, upon termination or expiration of your Franchise Agreement, we have the right to disconnect you from the PodPlay Technologies system.

7.5.4.2 Changes to Technology

You acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, You agree that PingPod shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and You agree that You shall abide by those reasonable new standards established by PingPod as if this Agreement were periodically revised by PingPod for that purpose.

7.5.5 Advertising Cooperative

PingPod shall have the right, in its sole discretion, to designate any geographic area for purposes of establishing a regional advertising and promotional cooperative (the "Cooperative"), and to determine whether a Cooperative is applicable to Your Approved Territory. If a Cooperative has been established in Your area prior to opening the Pod, You shall become a member of the Cooperative no later than thirty (30) days after opening the Pod. If a Cooperative is established subsequent to Your opening of the Pod, You shall become a member of the Cooperative no later than thirty (30) days after the date on which the cooperative commences operation. If the Pod is within the Territory of more than on Cooperative, You shall not be required to be a member of more than one Cooperative within that Territory. If a Cooperative is established, you will be required to contribute up to 2% of Your Gross Revenues.

7.5.6 Signs

You shall permanently display, at Your own expense, in Your PingPod and on your vehicle to be used in the operation of the franchised business, PingPod signs of any nature, form, color, number, location and size, and containing any legends, that PingPod has designated in the Manual or otherwise in writing. PingPod has the right to require you to change, modify, update upgrade and/or change any and all signs used in connection with the operation of your PingPod at any time upon written notice to you.

7.5.7 Marketing Materials

All marketing and promotion by You shall be in such media and of such type and format as PingPod may approve, shall be conducted in a dignified manner and shall conform to such standards and requirements as PingPod may specify. You shall not use any advertising or promotional plans or materials unless and until You have received written approval from PingPod You shall provide satisfactory evidence of Your local advertising and promotion expenditures in such as a manner as PingPod shall direct in the Manual or otherwise in writing from time-to-time. PingPod may make available to You, from time-to-time, at Your expense, such promotional materials, including newspaper mats, coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials.

7.5.8 Promotions

You acknowledge that periodic rebates, give-a-ways, and other promotions and programs are an integral part of the System. Accordingly, You, at your sole cost and expense, shall, from time-to-time, issue and offer such rebates, give-a-ways, and promotions, in accordance with any reasonable advertising programs established by PingPod, and shall further honor such rebates, give-a-ways, and promotions, issued by PingPod, as long as all of the above does not contravene regulations and laws of appropriate government agencies.

7.5.9 Telephone Directories

You shall, at your sole expense, obtain listings in the white and yellow pages of local telephone directories. You shall comply with PingPod's specifications concerning the form and size of such listings, and the number of directories in which such listings will be placed. Additionally, You are required to obtain listings and/or advertise with PingPod and other franchisees of the System on electronic yellow pages directories and other online directories as PingPod may designate in the Manual or otherwise in writing. PingPod reserves the right to place, and subsequently remove or modify, such online listings and advertisements on Your behalf, For any listings or advertisement posted or on behalf of You, You shall promptly pay, upon demand by PingPod, Your *pro rata* share of the costs of such listings or advertisements.

7.5.10 Franchise Advisory Council

PingPod shall have the right, in its discretion, to require the establishment of a franchise advisory council (the "Advisory Council") in Your Approved Territory. In the event such Advisory Council is established, You shall participate actively in the Advisory Council as PingPod designates and participate in all Advisory Council meetings approved by PingPod PingPod reserves the right to prepare and amend the governing documents for the Advisory Council from time-to-time, in its sole discretion, at any time. PingPod, in its sole discretion, will determine the topic areas to be considered by the Advisory Council. The purpose of the Advisory Council shall include, but is not limited to, exchanging ideas and problem-solving methods, advising PingPod on expenditures for system-wide advertising, and coordinating franchisee efforts. Amounts and expenditures may vary from time-to-time due to variations in Advisory Council participation and costs, as determined by the Advisory Council, and as approved by PingPod PingPod shall have the right to form, change, or dissolve an Advisory Council at any time in its sole discretion.

7.6 Financial Information

7.6.1 Records

You shall record all sales and all receipts of revenue on individual serial-numbered receipts. Bank Deposits must validate all receipts. You shall retain daily sales reporting forms and accompanying records for at least three (3) years after the date of sale (or for a longer period if required by state or local law). You shall retain all other records and receipts used in the ordinary course of business. You shall furnish all records to PingPod upon request.

7.6.2 Reports

You shall submit to PingPod, on or before the tenth (10th) day following the end of each month, financial reports on the income and expenses of the PingPod in the format specified in the Manual. You shall also submit to PingPod, at the time of filing, copies of all federal state and local income, sales, and property tax returns. PingPod will use this data to confirm that You are complying with Your obligations under this Agreement, and to formulate earnings and expense information for possible disclosure to prospective franchisees. In addition to the foregoing, on or before the tenth (10th) day following the end of each month, you shall submit proof of payment for any leasehold rental obligations, sales tax, and payroll taxes.

7.7 Insurance

7.7.1 Minimum Insurance Requirements

You shall procure, prior to the commencement of any activities or operations under this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the term of this Agreement), at Your expense, an insurance policy or policies protecting You, PingPod, and their respective officers, directors, partners, agents and employees against any demand or claim with respect to personal injury, death or property damage, business interruption, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Pod, including, but not limited to, comprehensive general liability insurance, property insurance (including, but not limited to, fire, vandalism, and malicious mischief insurance for the replacement value of the PingPod and its contents), casualty insurance, business interruption insurance, statutory workers' compensation insurance, employer's liability insurance, product liability insurance, and automobile insurance coverage for all vehicles used in connection with the operation of Pod, if applicable. Such policy or policies shall be written by a responsible carrier or carriers acceptable to PingPod, shall name PingPod and its subsidiaries and affiliates as additional insureds, shall provide for PingPod to receive notice upon cancellation or any event of default, including non-payment, and shall provide at least the types and minimum amounts of coverage specified in the Manual. PingPod shall have the right, from time-to-time, to make such changes in minimum policy limits and endorsements in the Manual or otherwise in writing as it may determine in its reasonable discretion.

7.7.2 Non-Waiver

Your obligation to obtain and maintain the policy or policies in the amounts specified in the Manual shall not be limited in any way by reason of any insurance that may be maintained by PingPod, nor shall Your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 8.5 of this Agreement.

7.7.3 Franchisor Entitled to Recover

All public liability and property damage policies shall contain a provision that PingPod, although not named as an insured, shall nevertheless be entitled to recover under such policies on any loss

occasioned to PingPod or its agents or employees by reason of the negligence of You or your agents or employees.

7.7.4 Certificates of Insurance

Prior to the commencement of any operations under this Agreement, and thereafter at least thirty (30) days prior to the expiration of any policy, You shall deliver to PingPod Certificates of Insurance evidencing the proper types and minimum amounts of coverage. All Certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given PingPod in the event of material alteration to or cancellation of the coverages evidenced by such Certificates.

7.7.5 Right to Procure Insurance

Should You, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time-to-time by PingPod in the Manual or otherwise in writing, PingPod shall have the right and authority (but not the obligation) to procure and maintain such insurance in Your name and to charge same to You, which charges, together with Our reasonable expenses in so acting, shall be payable by You immediately upon notice. The foregoing remedies shall be in addition to any other remedies PingPod may have under this Agreement, or at law or in equity.

7.8 Financial and Legal Responsibility

7.8.1 Compliance with Law

You shall comply with all federal, state and local laws and regulations pertaining directly or indirectly to the PingPod. You shall keep current and legally compliant all licenses, permits, bonds, contracts, and deposits made to or required by any government agency in connection with the operation of the PingPod. You are responsible for compliance with all requirements imposed by applicable law, rule, or regulation.

7.8.2 Payment of Indebtedness

You shall pay promptly when due all taxes and debts that You incur in the conduct of Your business. Except in connection with the financing of the initial development of the Pod, including your obtainment of any SBA financing, the PingPod and all assets and equipment used in connection with the operation of the PingPod shall remain free and clear of any pledge, mortgage, hypothecation, lien, charge, encumbrance, security interest or purchase right or options unless approved by PingPod in writing. The Pod revenues, including Gross Revenues and if You are a partnership, corporation, or limited liability company, each of your Owners' interest in the franchisee entity, shall be and remain free and clear of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options, unless approved by PingPod in writing.

7.9 Franchised Business Operations

You shall use the Pod solely for the operation of the business franchised hereunder; shall keep the Pod open and in normal operation for such minimum hours and days as PingPod may specify in the Manual or otherwise directs from time-to-time; shall refrain from using or permitting the use of the Pod for any other purpose or activity at any time without first obtaining the written consent of PingPod; and shall operate the Pod in strict conformity with such methods, standards, and specifications as PingPod may, from time-to-time, prescribe in the Manual or otherwise in writing. You shall refrain from deviating from such standards, specifications, and procedures without PingPod's prior written consent.

8. RELATIONSHIP OF PARTIES

8.1 Interest in Marks and System

You expressly understand and acknowledge that:

(a) PingPod (or its affiliate(s)) is the owner of all rights, title and interest in and to the Marks and the goodwill associated with and symbolized by them;

(b) The Marks are valid and serve to identify the System and those who are authorized to operate under the System;

(c) Neither You nor any principal of You shall directly or indirectly contest the validity of PingPod's ownership of the Marks, nor shall You directly or indirectly, seek to register the Marks with any government agency;

(d) Your use of the Marks does not give You any ownership interest or other interest in or to the Marks, except the licensure granted by this Agreement;

(e) Any and all goodwill arising from Your use of the Marks shall inure solely and exclusively to PingPod's benefit, and upon expiration or termination of this Agreement, and the license herein granted, no monetary amount shall be assigned or attributable to any goodwill associated with Your use of the System or the Marks; and

(f) The right and license of the Marks granted hereunder to You is non-exclusive, and PingPod thus has and retains the rights, among others:

i. to use the Marks itself in connection with selling services, products and other;

ii. to grant other licenses for the Marks, in addition to those licenses already granted to existing franchisees;

iii. to develop and establish other systems using the same or similar Marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to You; and

iv. to, from time-to-time, modify or delete existing Marks upon notice to You. You have absolutely no right to use any specific deleted mark owned or controlled by PingPod or its Affiliates.

8.2 Independent Status

It is expressly agreed that the parties intend by this Agreement to establish between you and PingPod the relationship of franchisee and franchisor. It is further agreed that you have no authority to create or assume in PingPod's name or on PingPod's behalf any obligation express or implied or to act or purport to act as agent or representative on our behalf for any purpose whatsoever. Neither you nor PingPod is the employer, employee, agent, partner, fiduciary or co-venturer, of or with the other, each being independent. All employees and agents hired or engaged by or working for you will be only the employees or agents of yours and will not, for any purpose be deemed employees or agents of PingPod nor subject to PingPod's control. PingPod has no authority to exercise control over the hiring or termination of your employees, independent contractors, agents or others who work for you, their compensation, working hours or conditions, or their day-to-day activities, except to the extent necessary to protect the brand and the Marks. You shall file your own tax, regulatory and payroll reports with respect to your employees, agents and contractors, and you shall save, indemnify and hold PingPod and its parents, affiliates, owners, officers, directors and subsidiaries harmless from any and all liability, costs and expenses, of any nature, that any such party incurs related to these obligations. You shall, in all respects, be an independent contractor and nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint-venturer, joint-employer, partner, employee or servant of the other for any purpose whatsoever. Without limiting the foregoing, You are an independent legal entity and must make this fact clear in Your dealings with suppliers, lessors, government agencies, employees, customers and others. You and PingPod are completely separate entities and are not fiduciaries, partners joint-venturers, or agents of the other in any sense, and neither party has the right to bind the other. No act or assistance by either party to the other pursuant to this Agreement may be construed to alter this relationship. You are solely responsible for compliance with all federal, state, and local laws rules and regulations, and for complying with PingPod policies, practices, and decisions relating to the operation of the PingPod. You shall rely on Your own knowledge and judgment in making business decisions, subject only to the requirements of this Agreement and the Manual. You may not expressly or implicitly hold Yourself out as an employee, partner, shareholder, member, joint-venturer or representative of PingPod, nor may You expressly or implicitly state or suggest that You have the right or power to bind PingPod, or to incur any liability on PingPod's behalf. You may not use the Trade Name or Marks as part of Your corporate name limited liability company name or limited partnership name. There is no fiduciary duty between You and PingPod.

8.3 Display of Disclaimer

You shall conspicuously display a sign that states that "THIS PINGPOD IS AN INDEPENDENTLY OWNED AND OPERATED FRANCHISED BUSINESS" within each Pod, business cards, client/customer agreements, stationery, purchase order forms, invoices, and other documents that You use in Your business dealings with suppliers, government agencies, employees and customers must clearly identify You as an independent legal entity.

8.4 Confidentiality

You acknowledge and agree that the information, ideas, forms, marketing plans and other materials disclosed to You under this Agreement, whether or not included in the Manual, are confidential and proprietary information and trade secrets of PingPod. Any and all information, knowledge and techniques which PingPod designates as confidential shall be deemed confidential for purposes of this Agreement, except information which You can demonstrate came to Your attention prior to disclosure thereof by PingPod or which, at or after the time of disclosure by PingPod to You, had become or later becomes a part of the public domain, through publication or communication by others. You agree to maintain the confidentiality of all such material. You may not disclose any such information to any third-party, except to Your employees and agents, as necessary in the regular conduct of the PingPod, and except as authorized in writing by PingPod. You shall be responsible for requiring compliance of Your Related Parties and employees with the provisions of this Section. You shall obtain signed Nondisclosure, Nonsolicitation and Noncompetition Agreements, in the form of Exhibit E to this Agreement, from Your Related Parties and employees, and send PingPod a copy of each such agreement upon demand.

8.5 Mutual Indemnification

You and your Related Parties agree to indemnify, defend and hold harmless us our affiliates, and our and their respective shareholders, members, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims obligations, and damages directly or indirectly arising out of or related to your act or omission, the act or omission of any of your Related Parties, employees, agents or representatives, the PingPod's operation, the business you conduct under this Agreement, or your breach of this Agreement, including, without limitation, those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, claims include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants , arbitrators, attorneys' fees, and expert witness fees costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation arbitration or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek

recovery from any insurer or other third-party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this paragraph. Without limiting the foregoing, if PingPod is made a party to a legal proceeding in connection with Your act or omission, PingPod may hire counsel to protect its interests and bill You for all costs and expenses incurred by PingPod. You shall promptly reimburse PingPod for such costs and expenses.

You shall notify PingPod immediately when you learn about an infringement or challenge to your use of any Mark, including the PingPod mark. PingPod will take the action PingPod deems appropriate in any such situation. PingPod has exclusive control over any proceeding or settlement concerning any of the Marks. You must take all actions that, in the opinion of PingPod's counsel, may be advisable to protect and maintain PingPod's interests in any proceeding or to otherwise protect and maintain PingPod's interests in the Mark. While PingPod is not required to defend you against a claim arising from your use of any of the Marks, PingPod will indemnify and hold you harmless from all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark provided that (a) your use is and has been in accordance with the terms of this Agreement and such other terms as may be specified by PingPod; and (b) you notify us of the proceeding or alleged infringement in a timely manner and you have complied with PingPod's directions regarding the proceeding. PingPod has the right to control the defense and settlement of any proceeding. PingPod will not reimburse you for your expenses and legal fees for separate, independent legal counsel, or for expenses in removing signage or discontinuing your use of any Mark. PingPod will not reimburse you for disputes where PingPod and/or any of its parents, affiliates, successors or assigns challenges your use of a Mark.

8.6 Covenants

8.6.1 In-Term Covenants

(a) During the Term, You shall not, directly or indirectly, for yourself or through, on behalf of, or in conjunction with any person or entity, own, maintain, operate, engage in, consult with, provide any assistance to, or have any interest (direct or indirect) in a Competitive Business (as defined below).

(b) You shall not divert or attempt to divert any business, client, or potential client of the PingPod or any other System Pod to any competitor, by direct or indirect inducement or otherwise, or to do or perform, directly or indirectly, any other act, injurious or prejudicial, to the goodwill associated with the Marks or the System.

The term "Competitive Business" shall mean any and all businesses that are competitive with PingPods, including, without limitation, any (a) fitness, recreation, or experiential business, (b) any fitness, recreation, or experiential marketing or consulting business, (c) any business offering Approved Products and Services of a similar nature to those of the Pod, or (d) in any business or entity which franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses described in subparts (a)-(c) of this Section. Furthermore, the

Restricted Parties shall not divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

8.6.2 Post-Term Covenants

You may not, for a continuous, uninterrupted period commencing upon the expiration, transfer or termination of this Agreement (regardless of the cause for termination), and continuing for two (2) years thereafter, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons (including your spouse or any immediate family member, or the spouse or any immediate family member of any personal guarantor of this Agreement), partnership, limited liability company or corporation, own, maintain, operate, engage in, provide any assistance to, or have any interest in, any Competitive Business that is located: (i) at the PingPod; (ii) within twenty-five (25) miles of the PingPod; or (iii) within twenty-five (25) miles of any other System Pod located then in existence or under construction.

8.6.3 Miscellaneous

You agree that the length of time in Section 8.6.2 will be tolled for any period during which you are in breach of the covenant or any other period during which PingPod seeks to enforce this Agreement. The parties agree that the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If any court of competent jurisdiction determined that the geographic limits, time period or line of business defined by this Section 8 (inclusive of all subsections) is unreasonable, the parties agree that such a court of competent jurisdiction may determine an appropriate limitation to accomplish the intent and purpose of this Section and the parties, and each of them, agree to be bound by such determination.

9. TRANSFER OF FRANCHISE

9.1 Franchisor's Right to Transfer

PingPod shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity, and any designated assignee of PingPod shall become solely responsible for all obligations of PingPod under this Agreement from the date of assignment. You shall execute such documents or attornment, or other documents, as PingPod may request.

9.2 Franchisee's Condition Right to Transfer

You understand and acknowledge that the rights and duties set forth in this Agreement are personal to You, and that PingPod has granted this franchise in reliance of Your (or, if You are a corporation, partnership, or limited liability company, your principals) business skill, financial capacity and personal character. Accordingly, neither You nor any immediate or remote successor to any part of Your interest in this Agreement, nor any individual, partnership, limited liability company, corporation or other legal entity, which directly or indirectly owns any interest in You, shall sell, assign, transfer, convey, pledge, encumber, merge or give away (collectively, "transfer") this Agreement, any direct or indirect interest in You, or in all or substantially all of the assets of

the Franchise without prior written consent of PingPod Any purported assignment or transfer not having the written consent of PingPod, required by Section 9.3, shall be null and void and shall constitute a material breach of this Agreement, for which PingPod may immediately terminate without opportunity to cure pursuant to Section 10.2.1 of this Agreement. The foregoing remedies shall be in addition to any other remedies PingPod may have under this Agreement or at law or in equity.

9.3 Conditions of Transfer

Franchisee shall notify PingPod in writing of any proposed transfer of this Agreement, any direct or indirect interest in You, or in all or substantially all of the assets of PingPod, at least thirty (30) days before such transfer is proposed to take place. PingPod shall not unreasonably withhold its consent to any transfer. PingPod may, in its sole discretion, require any or all of the following as conditions of its approval:

(a) That all of Your accrued monetary obligations and all other outstanding obligations to Franchisor and its affiliates have been satisfied;

(b) That You are not in default of any provision of this Agreement, any amendment or addendum hereof or successor hereto, or any other agreement between You and PingPod or its affiliates;

(c) That the transferor shall have executed a general release, in a form prescribed by PingPod, of any and all claims against PingPod and its affiliates, and their respective officers, directors, agents, shareholders, and employees;

(d) That the transferor (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as PingPod may request) demonstrate to PingPod's satisfaction that it meets PingPod's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the PingPod (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the PingPod, taking into consideration the purchase price paid by the transferee for the PingPod; and has not operated a business in competition with PingPod;

(e) That (1) at PingPod's option, (a) the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as PingPod may request) enter into a written assignment, in a form satisfactory to PingPod, assuming and agreeing to discharge all of Your obligations under this Agreement, or (b) the transferee(s) execute, for a term ending on the expiration date of this Agreement and with such renewal term(s) as may be provided by this Agreement, the PingPod's then-current form of franchise agreement and other ancillary agreements as Franchisor may require for the PingPod, which agreements shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, higher royalty fees,

advertising contributions, or other fees, and a smaller or modified Territory, except that the transferee shall not be required to pay any initial franchise fee; and (2) the transferee's principal guaranty the performance of all such obligations in writing in a form satisfactory to PingPod;

(f) That You remain liable for all of the obligations to PingPod in connection with the PingPod which arose prior to the effective date of the transfer and execute any and all instruments reasonable requested by PingPod to evidence such liability;

(g) That the transferee (or, if the transferee is a corporation, partnership or limited liability company, a principal of the transferee acceptable to PingPod) and the transferee's manager (if transferee or transferee's principal will not manage the PingPod), at the transferee's expense, have successfully completed any training programs then in effect upon such terms and conditions as PingPod may reasonably require and pay PingPod the then-current training fee;

(h) PingPod approves the terms and conditions of the transfer agreement between transferor and transferee; and

(i) You pay to PingPod a transfer fee in an amount of Twelve Thousand Dollars ($12,000); however, in the case of a transfer to a corporation or limited liability company formed by You for the convenience of ownership (as determined by PingPod in its sole discretion), no such transfer fee shall be required.

9.4 Franchisor's Right of First Refusal

If any party holding any direct or indirect interest in this Agreement, in You, or in all or substantially all of the assets of the Pod desires to accept any bona fide offer from a third party to purchase such interest, You shall notify PingPod as provided in Section 9 hereof, and shall provide such information and documentation relating to the offer as PingPod may require. PingPod shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that PingPod intends to purchase the seller's interest on the same terms and conditions offered by the third party. If PingPod elects to purchase the seller's interest, closing on such purchase shall occur within sixty (60) days from the date of notice to the seller of the election to purchase by PingPod. If PingPod elects not to purchase the seller's interest, any material change thereafter in the terms of the offer from a third party shall constitute a new offer subject to the same rights of first refusal by PingPod as in the case of the third party's initial offer. Failure of PingPod to exercise the option afforded by this Section 9 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 9, with respect to a proposed transfer. In the event the consideration, terms and/or conditions offered by a third party are such that PingPod may not reasonably be required to furnish the same consideration, terms and/or conditions, then PingPod may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within thirty (30) days on the reasonable equivalent in cash of the consideration, terms and/or conditions offered by the third party, an independent appraiser shall be designated by PingPod at PingPod's expense, and the appraiser's determination shall be binding.

9.5 Death or Mental Incapacity

Upon the death, physical or mental incapacity of any person with an interest in this Agreement, in You, or in all or substantially all of the assets of the Pod, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by PingPod within six (6) months after such death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section 9, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by PingPod within a reasonable time, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement, pursuant to Section 10 hereof.

9.6 Non-Waiver

PingPod's consent to a transfer of any interest in this Agreement, in You, or in all or substantially all of the assets of the Pod, shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of PingPod's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

10. TERMINATION OF FRANCHISE

10.1 Termination by Consent of the Parties

This Agreement may be terminated upon the mutual consent of the parties.

10.2 Termination by PingPod

10.2.1 Immediate Termination upon Notice of Default

Upon the occurrence of any of the following defaults, PingPod may, at its option, terminate this Agreement effective immediately upon written notice to You:

(a) If You misuse the Trade Name, Marks or the System, or engage in conduct which reflects materially and unfavorably upon the goodwill associated with them, or if You use in the PingPod any names, marks, systems, logotypes or symbols that PingPod has not authorized You to use.

(b) If You have any direct or indirect interest in the ownership or operation of any business other than the PingPod that is confusingly similar to the PingPod or uses the System or Marks, or if You fail to give PingPod a signed copy of the Nondisclosure, Nonsolicitation and Noncompetition Agreement, a form of which is attached hereto as Exhibit E for You (or if You are a corporation, all officers and shareholders, or, if You are a partnership, all Your general partners, or, if You are

a limited liability company, all Your members) within ten (10) days after PingPod requests it.

(c) If You attempt to assign or Transfer Your rights under this Agreement in any manner not authorized by this Agreement.

(d) If You have made any material misrepresentations in connection with the acquisition of a PingPod or to induce PingPod to enter into this Agreement.

(e) If You act without PingPod's prior written approval or consent in regard to any matter for which PingPod's prior written approval or consent is expressly required by this Agreement.

(f) If You cease to operate the PingPod, unless (i) operations are suspended for a period of no more than one hundred and eighty (180) days, and (ii) the suspension is caused by fire, condemnation, or other act of God.

(g) If You fail to permanently correct a breach of this Agreement, or to meet the operational standards stated in the Manual, after being twice requested in writing by PingPod to correct a similar breach or meet a similar standard in any twelve (12) months period.

(h) If a threat or danger to public health or safety results from the construction, maintenance or operation of the PingPod.

(i) Except as otherwise required by the United States Bankruptcy Code, if You become insolvent, are adjudicated a bankrupt, or file or have filed against You a petition in bankruptcy, reorganization, or similar proceeding.

(j) If You plead guilty to, plead no contest to, or are convicted of, a felony, a crime involving moral turpitude, or any other crime or offense that PingPod believes is reasonably likely to have an adverse effect on the System or Marks, the goodwill associated therewith, or PingPod's interest therein.

(k) If You maintain false books or records, or submit any false reports to PingPod.

(l) If You offer a product or service without PingPod's consent, or fail to offer any product or service designated by PingPod.

10.2.2 Termination after Five Days' Notice to Cure

PingPod may, at its option, terminate this Agreement, effective five (5) days after written notice is given to You, if You fail to make any payment when due under this Agreement or any other agreement between You and PingPod.

10.2.3 Termination after Thirty Days' Notice to Cure

Upon the occurrence of any of the following defaults, PingPod may, at its option, terminate this Agreement after thirty (30) days' notice to cure:

(a) If You fail to submit to PingPod in a timely manner any information You are required to submit under this Agreement.

(b) If You fail to begin operation of the PingPod within the time limits as provided in this Agreement, or if You fail to operate your PingPod in accordance with this Agreement and/or the Manual.

(c) If You default in the performance of any other obligation under this Agreement, or any other agreement with PingPod.

Under this Section 10.2.3, PingPod may terminate this Agreement only by giving written notice of termination stating the nature of such default to You at least thirty (30) days prior to the effective date of termination; provided, however, that You may avoid termination by immediately initiating a remedy to cure such default, curing it to PingPod's satisfaction, and by promptly providing proof thereof to PingPod within the thirty (30) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to You effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

10.2.4 Penalty Upon Default

In addition to PingPod's rights pursuant to Section 10.2.1 through Section 10.2.3, and any and all other remedies available to PingPod, if PingPod issues you a notice of default and you fail to cure such default before the expiration of the applicable cure period (each an "Uncured Default"), then PingPod may, at its option, require you to pay Uncured Default Royalty Payments as follows:

(a) For each Uncured Default, Franchisee shall pay PingPod additional royalty payments as follows ("Uncured Default Royalty Payments"):

i. one percent (1%) of Gross Revenues for the thirty day period beginning on the day after the expiration of the cure period specified in the default notice issued to you for the Uncured Default ("Default Royalty Period 1");

ii. two percent (2%) of Gross Revenues for the thirty day period beginning on the day after the expiration of Default Royalty Period 1 ("Default Royalty Period 2");

iii. three percent (3%) of Gross Revenues for the thirty day period beginning on the day after the expiration of Default Royalty Period 2 ("Default Royalty Period 3");

iv. four percent (4%) of Gross Revenues for the thirty day period beginning on the day after the expiration of Default Royalty Period 3 ("Default Royalty Period 4"); and

v. five percent (5%) of Gross Revenues for the period beginning on the day after the expiration of Default Royalty Period 4 and ending on the date you cure the Uncured Default to PingPod's satisfaction in accordance with Section 10.2.4.

(b) If PingPod exercises its right to impose the Uncured Default Royalty payment, and you subsequently cure the Uncured Default, You shall provide written notification to PingPod identifying the manner in which you cured each such Uncured Default (the "Franchisee Cure Notice"). PingPod will have a period of not more than five (5) business days after PingPod's receipt of the Franchisee Cure Notice to inform you of whether you cured the Uncured Default to PingPod's satisfaction. If PingPod notifies you within this five (5) business day period that you cured the Uncured Default to PingPod's satisfaction, or if PingPod fails to provide any response to the Franchisee Cure notice before the expiration of the five (5) business day period, your obligation to pay the Uncured Default Penalty in connection with the applicable Uncured Default shall no longer apply, effective on the date of PingPod's notification or the expiration of the five (5) business day period, whichever is first to occur.

(c) The Uncured Default Royalty payable by Franchisee to PingPod shall not exceed five percent (5%) of Gross Revenues. The Uncured Default Royalty Fee is payable in addition to all Royalty payments.

(d) The remedies contained in this Section 10.2.4 are in addition to, and not in lieu of, any other remedies available to PingPod.

10.3 Rights and Obligations After Termination or Expiration

Upon termination of this Agreement for any reason, the parties will have the following rights and obligations:

(a) PingPod will have no further obligations under this Agreement.

(b) You shall give the final accounting for the PingPod, pay PingPod within thirty (30) days after termination all payments due to PingPod, and return the Manual and any other property belonging to PingPod.

(c) You shall immediately and permanently cease to operate the PingPod. You shall immediately and permanently stop using the Marks or any confusingly similar marks, the System, or any advertising, signs, stationery, or forms that bear identifying marks or colors that might give others the impression that You are

operating a PingPod, You shall refrain from any statement or action that might give others the impression that You are or ever were affiliated with the PingPod Franchise Network.

(d) You shall promptly sign any documents and take any steps that, in the judgment of PingPod, are necessary to delete Your listings from classified telephone directories, disconnect, or, at PingPod's option, assign the PingPod all telephone numbers that have been used in the PingPod, and terminate all other references that indicate You are or ever were affiliated with PingPod or a PingPod. By signing this Agreement, You irrevocably appoint PingPod as Your attorney-in-fact to take the actions described in this paragraph if You do not do so Yourself within seven (7) days after termination of this Agreement. You further irrevocably assign Your telephone numbers listed on Exhibit A, or hereinafter acquired for the operation of Your PingPod, to PingPod.

(e) You shall maintain all records required by PingPod under this Agreement for a period of not less than five (5) years after final payment of any amounts You owe to PingPod when this Agreement is terminated (or such longer period as required by applicable law).

(f) PingPod, or its designee, has an option to purchase the business from You, including but not limited to any or all of the physical assets of the PingPod, including its equipment, supplies and inventory, during a period of sixty (60) days following the effective date of termination. If PingPod notifies You that it (or its designee) wishes to purchase the assets of the business from You following Termination of this Agreement, You must immediately surrender possession of the PingPod to PingPod or Its designee upon demand. PingPod or its designee will operate the PingPod at its expense pending determination of the purchase price as set forth below. The equipment, supplies, and inventory will be valued as follows:

i. The lower of depreciated value or fair market value of the equipment supplies and inventory; and

ii. Depreciated value of other tangible personal property calculated on the straight-line method over a five (5) year life, less any liens or encumbrances.

PingPod must send written notice to You within thirty (30) days after termination of this Agreement of its (or its designee s) election to exercise the option to purchase. If the parties do not agree on a price within the option period, the option period may be extended for up to fifteen (15) business days to permit appraisal by an independent appraiser who is mutually satisfactory to the parties. If the parties fail to agree upon an appraiser within the specified period, each will appoint an appraiser and the two appraisers thus appointed must agree on a third appraiser within ninety (90) days after termination who must determine the price for the physical assets of the PingPod in accordance with the standards specified above.

This determination will be final and binding upon both PingPod, or PingPod's designee, as applicable, and You.

PingPod or its designee may exclude from the assets appraised any signs, equipment, inventory, and materials that are not reasonably necessary (in function or quality) to the operation of the PingPod, or that PingPod has not approved as meeting PingPod's then-current standards, the purchase price determined by the appraisal will reflect such exclusions (the "Purchase Price").

The Purchase Price shall be paid at a closing date not later than ninety (90) days after determination. PingPod has the right to offset against the Purchase Price any and all amounts that You or Your Related Parties owe PingPod and/or its Related Parties. At closing, You agree to deliver instruments transferring (i) good and marketable title to the assets purchased, free and clear of all hens and encumbrances, with all sales and transfer taxes paid by You (ii) all licenses and permits related to the business which can be assigned, (iii) the leasehold interest in the Approved Location, (iv) a release agreement signed by You and Your Related Parties in a form and substance acceptable to PingPod, and (v) such other documentation as we may reasonably request.

(g) PingPod (or its designee) has an option to replace You as lessee under any equipment lease or note for equipment that is used in connection with the PingPod. Upon request by PingPod, You shall give PingPod or its designee copies of the leases for all equipment used in the PingPod immediately upon termination. Upon request by PingPod, You shall allow PingPod and/or its designee the opportunity, at a mutually satisfactory time, to inspect the leased equipment. PingPod must request the information and access described in this paragraph within fifteen (15) days after termination. It must advise You of its (or its designee's) intention to exercise the option within fifteen (15) days after it has received the information and/or inspected the equipment. PingPod or its designee may assume any equipment lease in consideration of its assumption of future obligations under the lease. Upon exercise of this option by PingPod or its designees, You shall be fully released and discharged from future rents and other future liabilities under the lease if the terms of the lease permit it, but not from any debts to the lessor that already exist on the date when the option is exercised.

(h) If PingPod declines to exercise the option, purchase, or assume the lease on Your equipment, You may sell it to either another PingPod franchisee or, with PingPod's prior written approval, You may de-brand the equipment and sell it to a non-franchisee.

(i) You may not sell, or in any way divulge, the client list of Your PingPod.

(j) If the premises are leased from a third-party, and if PingPod elects, you shall immediately assign your interest in the lease to PingPod or its designee and immediately surrender possession of the premises to PingPod. You are and shall

remain liable for all of your obligations accruing up to the effective date of any lease agreement.

(k) Franchisee and its Related Parties shall abide by the post-termination restrictive covenants in Section 8.6 of this Agreement.

10.4 No Limitation of Remedies

No right or remedy conferred upon or reserved to PingPod (including as set forth in Section 10.3 above) is intended to be, nor shall be deemed exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. Nothing herein shall be construed to deprive PingPod of the right to recover damages as compensation for lost future profits. Termination of this Agreement will not end any obligation of either party that has come into existence before termination. All obligations of the parties which, by their terms, or by reasonable implication are to be performed in whole or in part after termination, shall survive termination.

11. MISCELLANEOUS PROVISIONS

11.1 Construction of Contract

Section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each word in this Agreement may be considered to include any number or gender that the context requires.

11.2 Governing Law, Venue and Jurisdiction

11.2.1 This Agreement shall take effect upon its acceptance and execution by PingPod. Except to the extent governed by the United States Arbitration Act (9 U.S.C. § 1, et seq.), and the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C § 1050, et seq.), this Agreement, the franchise, and all claims arising from or in any way related to the relationship between PingPod, and/or any of its Related Parties, on the one hand, and you, and any of your owners, guarantors and/or affiliates, on the other hand, shall be interpreted and construed under the laws of the State of New Jersey, which laws shall prevail in the event of any conflict of law, except that any law regulating the sale of franchises or governing the relationship of a franchisor and its franchise, will not apply unless jurisdictional requirements are met independently without reference to this paragraph. Notwithstanding the foregoing, the New Jersey Franchise Practices Act ("NJFPA") will not apply to You unless you otherwise meet the requirements of same and your Pod is located within the State of New Jersey.

11.2.2 In the event the arbitration clause set forth in Section 11.8 is inapplicable or unenforceable, and subject to PingPod's rights, as outlined in Section 11.9, the following provision shall govern: The parties hereby expressly agree that the United States District Court for the District of New Jersey, or if such court lacks subject matter jurisdiction, the Superior Court of New Jersey, Monmouth County, Civil Division, shall be the exclusive venue and exclusive proper forum in which to adjudicate any case or controversy arising out of or related to, either directly or

indirectly, this Agreement, ancillary agreements, or the business relationship between the parties. The parties further agree that, in the event of such litigation, they will not contest or challenge the jurisdiction or venue of these courts. You acknowledge that this Agreement has been entered into in the State of New Jersey and that you are to receive valuable and continuing services emanating from PingPod's headquarters in New Jersey. Without limiting the generality of the foregoing, the parties waive all questions of jurisdiction or venue for the purposes of carrying out this provision.

11.3 Notices

The parties to this Agreement shall direct any notices to the other party at the Delivery Address specified below that party's name on the final page of this Agreement, or at another address if advised in writing that the address has been changed. The parties shall notify each other in writing of any Delivery Address changes. Notices may be delivered by facsimile (with simultaneous mailing of a copy by first class mail), by electronic mail (with simultaneous mailing of a copy by certified mail), courier, federal express, or first class mail. Notice by facsimile and electronic mail will be considered delivered upon submission, by courier, upon delivery, and by certified mail three days after posting. Any notice by a means which affords the sender evidence of delivery or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

11.4 Amendments

This Agreement may be amended only by a document signed by all of the parties to this Agreement or by their authorized agents.

11.5 No Waivers

No delay, waiver, omission or forbearance on the part of PingPod to exercise any right, option, duty, or power arising out of any breach of default by You under any of the terms, provisions, covenants, or conditions hereof shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against You or as to subsequent breach or default by You. Subsequent acceptance by PingPod or any payments due to it hereunder shall not be deemed to be a waiver by PingPod of any preceding breach by You of any terms, provisions, covenants, or conditions of this Agreement.

11.6 Integration

This Agreement and all exhibits to this Agreement, constitute the entire agreement between the parties. This Agreement supersedes any and all prior negotiations, understandings, representations and agreements. No representations have induced You to execute this Agreement with PingPod Except for those permitted to be made unilaterally by PingPod hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require You to waive reliance on any representation that PingPod made in the most recent disclosure document

(including its exhibits and amendments) (the "FDD") that PingPod delivered to You or your Your representative, subject to any agreed-upon changes to the contract terms and conditions described in that disclosure document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement).

You acknowledge that you are entering into this Agreement as a result of your own independent investigation and not as a result of any representations (with the exception of those representations made in the FDD) made by PingPod, its members, managers, officers, directors, employees, agents, representatives or independent contractors that are contrary to the terms set forth in this Agreement. You acknowledge that the FDD you received contained a copy of this Franchise Agreement and that you reviewed the FDD and Franchise Agreement at least fourteen (14) days (or such other time as applicable law requires) before you signed this Agreement. You further understand acknowledge and agree that any information you obtain from any PingPod franchisee, including relating to their sales, profit, cash flows, and/or expenses, does not constitute information obtained from PingPod, nor does PingPod make any representation as to the accuracy of any such information.

11.7 Negotiation and Mediation

11.7.1 Agreement to Use Procedure

The parties have reached this Agreement in good faith and in the belief that it is mutually advantageous to them. In the same spirit of cooperation, they pledge to try to resolve any dispute without litigation or arbitration. Other than an action by PingPod under Section 11.9 of this Agreement, the parties agree that if any dispute arises between them, before beginning any legal action or arbitration to interpret or enforce this Agreement, they will first follow the procedures described in this section. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any legal action or arbitration to interpret or enforce this Agreement.

11.7.2 Initiation of Procedures

The party that initiates these procedures ("Initiating Party") must give written notice to the other party, describing in general terms the nature of the dispute, specifying the Initiating Party's claim for relief including the damages sought, and identifying one or more persons with authority to settle the dispute for him, her, or it. The party receiving the notice ("Responding Party") has seven (7) days within which to designate by written notice to the Initiating Party one or more persons with authority to settle the dispute on the Responding Party's behalf (the "Authorized Persons").

11.7.3 Direct Negotiations

The Authorized Persons may investigate the dispute as they consider appropriate but agree to meet in-person at a location designated by PingPod within seven (7) days from the date of the designation of Authorized Persons to discuss resolution of the dispute. The Authorized Persons may meet at any times and places, and as often as they agree. If the dispute has not been resolved

within ten (10) days after their initial meeting, either party may begin mediation procedures by giving written notice to the other party that it is doing so.

11.7.4 Selection of Mediator

The Authorized Persons will have seven (7) days from the date on which one party gives notice that he, she or it is beginning mediation within which to submit to one another written lists of acceptable mediators who are not associated with either of the parties. Within seven (7) days from the date of receipt of any list, the Authorized Persons must rank all the mediators in numerical order of preference and exchange the rankings. If one or more names are on both lists, the highest ranking one of these will be designated the mediator. If this process does not result in selection of a mediator, the parties agree jointly to request the arbitral organization designated in Section 11.8 to supply a list of qualified potential mediators. Within seven (7) days after receipt of the list, the parties must again rank the proposed mediators in numerical order of preference and must simultaneously exchange their lists. The mediator having the highest combined ranking shall be appointed as mediator. If the highest ranking mediator is not available to serve, the parties must go on to contact the mediator who was next highest in ranking until they are able to select a mediator.

11.7.5 Time and Place for Mediation

In consultation with the parties, the mediator shall promptly designate a mutually acceptable time and place for the mediation. Unless circumstances make it impossible, the time may not be later than thirty (30) days after selection of the mediator.

11.7.6 Exchange of Information

If either party to this Agreement believes he, she, or it needs information in the possession of another party to this Agreement to prepare for the mediation, all parties must attempt in good faith to agree on procedures for an exchange of information, with the help of the mediator, if required.

11.7.7 Summary of Views

At least seven (7) days before the first scheduled mediation session, each party must deliver to the mediator, and to the other party, a concise written summary of its views on the matter in dispute and on any other matters that the mediator asks them to include. The mediator may also request that each party submit a confidential paper on relevant legal issues, which may be limited in length by the mediator, to him or her.

11.7.8 Representatives

In the mediation, each party must be represented by an Authorized Person, who must physically attend mediation, and may be represented by counsel. In addition, each party may, with permission of the mediator, bring with him, her or it any additional persons who are needed to respond to questions, contribute information, and participate in the negotiations.

11.7.9 Conduct of Mediation

The mediator shall advise the parties in writing of the format for the meeting or meetings. If the mediator believes it will be useful, after reviewing the position papers, the mediator shall give both himself or herself and the Authorized Persons an opportunity to hear an oral presentation of each party's views on the matter in dispute. The mediator shall assist the Authorized Persons to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties.

All mediation sessions will be strictly private. The mediator must keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party. The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible.

11.7.10 Termination of Procedure

The parties agree to participate in the mediation procedure to its conclusion as set forth in this section. The mediation may be concluded (1) by the signing of a settlement agreement by the parties, (2) by the mediator's declaration that the mediation is terminated, or (3) by a written declaration of either party, no earlier than at the conclusion of a full day's mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any legal action or seek another remedy before the expiration of five (5) days following the mediation. A party may begin arbitration within this period only if the arbitration might otherwise be barred by an applicable statute of limitations or in order to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

11.7.11 Fees of Mediator, Disqualification

The fees and expenses of the mediator must be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert or counsel for any party with respect to the dispute, or any related or similar matter in which either of the parties is involved.

11.7.12 Confidentiality

The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct statement, promise, offer, view or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator, is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible will not be excluded from discovery or made inadmissible simply because of its use in the mediation.

11.8 Arbitration

Except as provided in Section 11.9, and if not resolved by the negotiation and mediation procedures described in Section 11.7 above, any dispute, controversy, or claim between you and/or any of your Related Parties, on the one hand, and PingPod and/or any of PingPod's Related Parties, on the other hand, including, without limitation, any dispute, controversy, or claim arising under, out of in connection with or related to: (a) this Agreement; (b) the relationship of the parties; (c) the events leading up to the execution of this Agreement; (d) any loan or other finance arrangement between you and PingPod or its Related Parties; (e) the parties' relationship; (f) any System standard; (g) any claim based in tort or any theory of negligence; and/or (j) the scope or validity of the arbitration obligation under this Agreement, shall be determined in Monmouth County, New Jersey, by the American Arbitration Association ("AAA"). This arbitration clause will not deprive PingPod of any right it may otherwise have to seek provisional injunctive relief from a court of competent jurisdiction.

11.8.1 The arbitration will be administered by the AAA pursuant to its Commercial Arbitration Rules then in effect by one (1) arbitrator. The arbitrator shall be an attorney with substantial experience in franchise law. If proper notice of any hearing has been given, the arbitrator will have full power to proceed to take evidence or to perform any other acts necessary to arbitrate the matter in the absence of any party who fails to appear.

11.8.2 In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be forever barred.

11.8.3 Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action, associational action, or otherwise to join or consolidate any claim with any claim or any other proceeding involving third-parties. If a court or arbitrator determines that this limitation on joinder of, or class action certification of claims is unenforceable then the agreement to arbitrate the dispute will be null and void and the parties must submit all claims to the jurisdiction of the courts in accordance with Section 11.8. The arbitration must take place in Monmouth County, New Jersey, or at such other location as PingPod designates.

11.8.4 The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or PingPod. The arbitrator may not, under any circumstance, (a) stay the effectiveness of any pending termination of this Agreement, (b) assess punitive or exemplary damages, (c) certify a class or a consolidated action, or (d) make any award which extends, modifies or suspends any lawful term of this Agreement, or any reasonable standard of business performance that PingPod sets. The arbitrator will have the right to make a determination as to any procedural matters as would a court of competent jurisdiction be permitted to make in the state in which the main office of PingPod is located. The arbitrator will also decide any factual, procedural, or legal questions relating in any way to the dispute between the parties, including, but not limited to, any decision as to whether Section 11.8 is applicable and enforceable as against the parties,

subject matter, timeliness, scope, remedies, unconscionability, and any alleged fraud in the inducement.

11.8.5 The arbitrator can issue summary orders disposing of all or part of a claim, and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction.

11.8.6 The arbitrator will have subpoena powers limited only by the laws of the State of New Jersey.

11.8.7 The parties ask that the arbitrator limit discovery to the greatest extent possible consistent with basic fairness in order to minimize the time and expense of arbitration. The parties to the dispute will otherwise have the same discovery rights as are available in civil actions under the laws of the State of New Jersey.

11.8.8 All other procedural matters will be determined by applying the statutory common laws and rules of procedure that control a court of competent jurisdiction in the state of New Jersey.

11.8.9 Other than as may be required by law, the entire arbitration proceedings (including but not limited to, any rulings, decisions or orders of the arbitrator), will remain confidential and will not be disclosed to anyone other than the parties to this Agreement.

11.8.10 The judgment of the arbitrator on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction.

11.8.11 PingPod reserves the right, but has no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished PingPod's right to seek recovery of those costs against you.

11.8.12 The Arbitrator shall render a reasoned award unless otherwise requested by the parties. If PingPod requests a more detailed award, i.e. "findings of fact and conclusions of law," the parties shall evenly split the excess cost above the cost required for a reasoned award. However, if You request an award more detailed than a reasoned award, i.e. "findings of facts and conclusions of law," You shall bear the entire additional cost required for such award, which cost is above the cost for a reasoned award.

11.8.13 Should PingPod prevail in any arbitration, the Arbitrator shall require You to pay all expenses of Arbitration, as well as PingPod's attorneys' fees and costs.

11.9 Exceptions to Arbitration and Mediation

11.9.1 Notwithstanding the provisions of Sections 11.7 and 11.8 of this Agreement, PingPod shall be entitled, with a bond of not more than $10,000, to the entry of temporary, preliminary and permanent injunctions, and orders of specific performance, enforcing the provisions of this Agreement in any court of competent jurisdiction relating to: (a) Your, and/or any of Your Related Party's use of the Marks; (b) Your confidentiality and non-competition covenants (Section 8); (c) Your obligations upon termination or expiration of the franchise; or (d) Transfer or assignment by You. If PingPod secures any such injunction (i.e. temporary restraining order, preliminary injunction, or permanent injunction) or order of specific performance, you agree to pay to PingPod an amount equal to the aggregate of PingPod's costs of obtaining such relief including, without limitation, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses, and any damages incurred by PingPod as a result of the breach of any such provision.

11.9.2 Further, at the election of PingPod or its affiliate, the mediation and arbitration provisions of Sections 11.7 and 11.8, inclusive of all subparts, shall not apply to: (a) any claim by PingPod relating to your failure to pay any fee due to PingPod under this Agreement; and/or (b) any claim by PingPod or its affiliate relating to use of the Proprietary Marks and/or the System, including, without limitation, claims for violations of the Lanham Act; and/or (c) any claim by PingPod relating to a breach of your confidentiality and/or non-competition obligations under this Agreement.

11.10 Injunctive Remedy for Breach

You recognize that You are a member of a Franchise Network and that Your acts and omissions may have a positive or negative effect on the success of other businesses operating under PingPod's Trade Name and in association with its Marks. Failure on the part of a single franchisee to comply with the terms of its franchise agreement is likely to cause irreparable damage to PingPod and to some or all of the other franchisees of PingPod. For this reason, You agree that if PingPod can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of Your breach or threatened breach of any of the terms of this Agreement, PingPod will be entitled to an injunction restraining the breach or to a decree of specific performance, without showing or proving any actual damage and without the necessity of posting bond or other security, any bond or other security being waived hereby. Franchisor has the exclusive right to seek relief pursuant to this section in a court of competent jurisdiction as defined in section 11.2.2 of this Agreement or any other court of competent jurisdiction. Notwithstanding, if any Court of competent jurisdiction, as described herein, determines that a bond or other security is required, You agree that you will not seek bond or security in excess of $10,000 and, in fact, will oppose any effort by a Court to impose a bond or security in excess of $10,000.

11.11 Limitations of Actions

You may not maintain an arbitration against the Franchisor or its Related Parties unless: (a) You deliver written notice of any claim to the other party within one hundred eighty (180) days after the event complained of becomes known to You, or when you should have known of said event

had you been reasonably diligent; (b) thereafter, You must follow the negotiation and mediation procedures described above; and (c) You file an arbitration within one (1) year after the notice is delivered. While this Section 11.11 may limit the applicable statute of limitations, it is not intended to extend any applicable statute of limitation in any way. The limitations set forth in this Section 11.11 shall not apply to PingPod, its affiliates or its Related Parties.

11.12 Attorneys' Fees and Costs

If legal action or arbitration is necessary, including any motion to compel arbitration, or action on appeal, to enforce the terms and conditions of this Agreement, or for violation of this Agreement, PingPod will be entitled to recover reasonable compensation for preparation, investigation costs, court costs, arbitral costs, and reasonable accountants, attorneys, attorneys' assistants, and expert witness fees incurred by PingPod. Further, if PingPod is required to engage legal counsel in connection with any failure by You to comply with this Agreement, You shall reimburse PingPod for any of the above-listed costs and expenses incurred by PingPod, regardless of whether PingPod files or compels mediation, arbitration or litigation.

11.13 Severability

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

11.14 Individual Dispute Resolution – No Class Action or Multi-Party Actions

Any legal action between or among the parties to this Agreement and any of their Related Parties shall be conducted on an individual basis and not on a consolidated or class-wide basis.

11.15 Waiver of Rights

THE PARTIES HERETO AND EACH OF THEM KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY AGREE AS FOLLOWS:

11.15.1 Jury Trial. The parties hereto and each of them EXPRESSLY WAIVE(S) THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN ANY ARBITRATION, ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, FOR ANY CLAIMS RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NEGOTIATION OF THIS AGREEMENT, THE EVENTS LEADING UP TO THE SIGNING OF THIS AGREEMENT, OR THE BUSINESS RELATIONSHIP RELATING TO THIS AGREEMENT OR THE FRANCHISE, WHETHER BROUGHT IN STATE OR

FEDERAL COURT, WHETHER BASED IN CONTRACT THEORY, NEGLIGENCE OR TORT, AND REGARDLESS OF WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING. This waiver is effective even if a court of competent jurisdiction decides that the arbitration provision in Section 11.8 is unenforceable. Each party acknowledges that it has had full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary, intentional, and not the result of unequal bargaining power.

11.15.2 Damages Waiver. The parties hereto and each of them EXPRESSLY WAIVE(S) ANY CLAIM FOR PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES, ***except that*** this waiver and limitation shall not apply with respect to (a) your obligation to indemnify PingPod pursuant to any provision of this Agreement, and/or (b) any claims PingPod brings against you and/or your guarantors for unauthorized use of the Marks, unauthorized use or disclosure of any Confidential Information, unfair competition, breach of the non-competition covenant and any other cause of action under the Lanham Act and PingPod shall be entitled to receive an award of multiple damages, attorneys' fees and all damages as provided by law.

11.15.3 The parties hereto and each of **them EXPRESSLY AGREE(S) THAT IN THE EVENT OF ANY FINAL DETERMINATION ADJUDICATION OR APPLICABLE ENACTMENT OF LAW THAT PUNITIVE MULTIPLE AND/OR EXEMPLARY DAMAGES MAY NOT BE WAIVED, ANY RECOVERY BY ANY PARTY IN ANY ARBITRATION OR OTHER FORUM SHALL NEVER EXCEED TWO (2) TIMES ACTUAL DAMAGES, except that PINGPOD** may recover more than two (2) times its actual damages if you commit acts of willful trademark infringement or otherwise violate the Lanham Act, as provided by law.

11.15.4. You hereby expressly waive any and all rights, actions or claims for relief under the Federal Act entitled "Racketeer Influenced and Corrupt Organizations," 18 U.S.C. § 1961, *et seq.* ("RICO").

11.15.5 You hereby expressly agree that the existence of any claims You may have against PingPod or its Related Parties, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by PingPod of the covenants contained in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' fees, incurred by PingPod in connection with the enforcement of any covenant contained in this Agreement.

11.16 Approval and Guaranty Provision

If You are a corporation, all officers and shareholders, or, if You are a partnership, all Your general partners, or, if You are a limited liability company, all Your members, shall approve this Agreement, permit You to furnish the financial information required by PingPod , and agree to the restrictions placed on them including restrictions on the transferability of their interests in the franchise and the PingPod and limitations on their rights to compete, and sign separately a Guaranty, guaranteeing Your payments and performance. Where required to satisfy our standards of creditworthiness, or to secure the obligations made under this Agreement, Your spouse or the

spouses of Your Related Parties, may be asked to sign the Guaranty. Our form of Guaranty appears as Exhibit C to this Agreement.

11.17 Acceptance by PingPod

This Agreement will not be binding on PingPod unless and until an authorized management officer of PingPod has signed it.

11.18 Disclaimer of Representations

NO SALESPERSON, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE US EXCEPT OUR AUTHORIZED MANAGEMENT OFFICER BY A WRITTEN DOCUMENT. YOU ACKNOWLEDGE THAT NO REPRESENTATIONS, PROMISES INDUCEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND WERE MADE BY US OR ON OUR BEHALF WHICH HAVE LED YOU TO ENTER INTO THIS AGREEMENT. YOU UNDERSTAND THAT WHETHER YOU SUCCEED AS A FRANCHISEE IS DEPENDENT UPON YOUR EFFORTS, BUSINESS JUDGMENTS, THE PERFORMANCE OF YOUR EMPLOYEES, MARKET CONDITIONS AND VARIABLE FACTORS BEYOND OUR CONTROL OR INFLUENCE. YOU FURTHER UNDERSTAND THAT SOME FRANCHISEES ARE MORE OR LESS SUCCESSFUL THAN OTHER FRANCHISEES AND THAT WE HAVE MADE NO REPRESENTATION THAT YOU WILL DO AS WELL AS ANY OTHER FRANCHISEE. YOU UNDERSTAND THAT PINGPOD IS NOT A FIDUCIARY AND HAS NO SPECIAL RESPONSIBILITIES BEYOND THE NORMAL RESPONSIBILITIES OF A SELLER IN A BUSINESS TRANSACTION.

11.19 Receipt

The undersigned acknowledges receipt of this Agreement and the Franchise Disclosure Document, with exhibits, at least fourteen (14) calendar days (unless otherwise required by applicable law) before execution of this Agreement or Your payment of any monies to us refundable or otherwise.

11.20 Opportunity for Review by Your Advisors

You acknowledge that we have recommended, and that You have had the opportunity to obtain a review of this Agreement, and our Franchise Disclosure Document, by Your lawyer, accountant or other business advisor before execution hereof.

11.21 Execution of Agreements

Each of the undersigned parties warrants that it has the full authority to sign this Agreement. If You are a partnership, limited liability company or corporation, the person executing this agreement on behalf of such partnership, limited liability company or corporation warrants to us, both individually and in his capacity as partner member, manager or officer, that all of the partners of the partnership all of the members or managers of the limited liability company, or all of the shareholders of the corporation, as applicable, have read and approved this Agreement, including

any restrictions which this Agreement places upon rights to transfer their interest in the partnership limited liability company or corporation.

11.22 Independent Investigation

You acknowledge that You have conducted an independent investigation of the franchised business contemplated by this Agreement and recognize that it involves business risks which make the success of the venture largely dependent upon Your business abilities and efforts. You acknowledge that You have been given the opportunity to clarify any provision of this Agreement that You may not have initially understood and that we have advised You to have this Agreement reviewed by an attorney.

11.23 No Guarantee of Earnings

You understand that neither PingPod nor any of our representatives and/or agents with whom You have met have made and are not making any guarantees express or implied, as to the extent of Your success in Your franchised business, and have not and are not in any way representing or promising any specific amounts of earnings or profits in association with Your franchised business.

11.24 No Personal Liability

You agree that fulfillment of any and all of our obligations written in this Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be PingPod's sole responsibility and none of its agents, representatives, nor any individuals associated with it shall be personally liable to You for any reason

11.25 Non-Uniform Agreements

PingPod makes no representations or warranties that all other agreements with PingPod System franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. You recognize, acknowledge and agree that PingPod may waive or modify comparable provisions of other franchise agreements granted to other System franchisees in a non-uniform manner.

[REMAINDER OF PAGE INTENTIONALLY BLANK]
[SIGNATURE PAGE TO FOLLOW]

IN WITNESS TO THE PROVISIONS OF THIS FRANCHISE AGREEMENT, the undersigned have signed this Agreement on the date set forth in Section 1 hereof.

FRANCHISOR:

PINGPOD FRANCHISING LLC
doing business as PingPod

By: _____
Name: David Silberman
Title: Chief Financial Officer
Date: _____

Delivery Addresses for Notices:

PingPod Franchising LLC
2025 Hudson Street
Fort Lee, New Jersey 07024

Evan M. Goldman, Esquire
The Franchise Firm LLP
225 Wilmington West Chester Pike, Suite 200
Chadds Ford, Pennsylvania 19317

FRANCHISEE:

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

Delivery Address for Notices:

EXHIBIT A TO PINGPOD FRANCHISE AGREEMENT

FRANCHISE DATA SHEET

1. The Effective Date set forth in the introductory Paragraph of the Franchise Agreement is: _____, 20__.

2. The Franchise Owner set forth in the introductory Paragraph of the Franchise Agreement is: _____.

3. The address for notice and payments to Franchise Owner under Section 11.3 of the Franchise Agreement is:

_____
_____

4. You site is located at:

5. Your Approved Territory is the following geographic area:

If map is attached, check here: ____

EXHIBIT B TO PINGPOD FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

Franchise: _____

Trade Name (if different than above): _____

Form of Ownership
(Check One)

___ Individual ___ Partnership ___ Corporation ___ Limited Liability Company

If a Partnership, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a Corporation, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a Limited Liability Company, give the state and date of formation, the name of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

State and Date of Formation: _____

Management (managers, officers, board of directors, etc.):

Name	Title

Members, Stockholders, Partners:

Name	Title	Percentage

Principal Manager. The following individual is hereby designated the "Principal" of the Franchise business. PingPod Franchising LLC, and all of its vendors, suppliers, and associates may rely entirely on instructions from said Principal on behalf of the aforesaid franchise, to the exclusion of, and overriding, instructions from anyone else purporting to represent the franchise.

The only accepted method to change the identification of the Principal is to produce a signed statement to that effect, signed by 100% of the owners of the Franchise.

Name of Principal: _____

Franchisee acknowledges that this Statement of Ownership applies to the PingPod Business authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must reported to Franchisor in writing.

FRANCHISEE:
Business Entity Name (if any):

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

EXHIBIT C TO PINGPOD FRANCHISE AGREEMENT

PRINCIPAL OWNER'S GUARANTY

This Guaranty must be signed by each of the principal owners, and their spouses, (referred to as "you" or "your" for purposes of this Guaranty only) of _____ (the "Business Entity") under the Franchise Agreement dated _____ (the "Agreement") with PingPod Franchising LLC, a Delaware limited liability company ("we," "us," or "our").

1. **Incorporation of Terms**. Each term of the Agreement is incorporated into this Guaranty.

2. **Guaranty**. In consideration of and as an inducement to us signing and delivering the Agreement, each of you signing this Guaranty personally and unconditionally: guarantee to us and our successors and assigns that (a) the Business Entity will punctually pay and perform every obligation and obey every restriction and covenant set forth in the Agreement and (b) each of you agrees to be personally bound by, and personally liable for the breach of, each and every obligation, restriction and covenant in the Agreement.

3. **Payment**. If the Business Entity fails to make any payment when due or otherwise defaults under any of the terms of the Agreement, immediately upon demand, you will pay to us the full amount owed, plus any interest or penalty allowed under the Agreement. All payments are made without set-off, deduction or withholding for any reason, and are final and free from any defense, claim or counterclaim of you, except the defense that the Business Entity has paid all obligations in full.

4. **Waivers**. Each of you waives: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.

5. **Consents and Agreements**. Each of you consents and agrees that: (a) your direct and immediate liability under this Guaranty are joint and several; (b) you must render any payment or performance required under the Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may periodically grant to the Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will

continue and is irrevocable during the term of the Agreement and, if required by the Agreement, after its termination or expiration.

6. **Enforcement Costs**. If we are required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

7. **Effectiveness**. Your obligations under this Guaranty are effective on the Agreement Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Agreement. This Guaranty is governed by New Jersey law and we may enforce our rights regarding it in the courts of Monmouth County, New Jersey. Each of you irrevocably submits to the jurisdiction and venue of such courts.

Each of you now signs and delivers this Guaranty effective as of the date of the Agreement regardless of the actual date of signature. Each of the undersigned Guarantors represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is not married.

Signature of Each Guarantor	**Percentage of Ownership in Franchisee**
_____	_____%
_____	_____%
_____	_____%
_____	_____%
_____	_____%

EXHIBIT D TO PINGPOD FRANCHISE AGREEMENT

SAMPLE GENERAL RELEASE AGREEMENT
WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims ("Release") is made as of _____ ___, 20___ by _____, a(n) _____ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of PingPod Franchising LLC, a Delaware limited liability company ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a PingPod (as defined in the Agreement);

WHEREAS, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee, (enter into a successor franchise agreement) and Franchisor has consented to such transfer (agreed to enter into a successor franchise agreement); and

WHEREAS, as a condition to Franchisor's consent to the transfer (Franchisee's ability to enter into a successor franchise agreement), Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent to the transfer (Franchisor entering into a successor franchise agreement), and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, renewals and assigns and all persons or firms claiming by, through, under, or on behalf of any or all of them,

hereby release, acquit and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries or related companies, divisions and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, renewals and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business or their reputation.

4. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of New Jersey.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorney fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, renewals, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties.

This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

h. The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

IN WITNESS WHEREOF Releasor has executed this Release as of the date first written above.

Dated: _____, 20___

FRANCHISEE:

_____

_____
By: _____
Title: _____

FRANCHISEE'S OWNERS:

Date: _____ _____
Signature

_____
Print Name

EXHIBIT E TO PINGPOD FRANCHISE AGREEMENT

NONDISCLOSURE, NONSOLICITATION AND NONCOMPETITION AGREEMENT

This Agreement ("Agreement") is entered into by the undersigned ("you") in favor of PingPod Franchising LLC, a Delaware limited liability company, and its renewals and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. Definitions.

"Competitive Business" shall mean any and all businesses that are competitive with PingPods, including, without limitation, any (a) fitness or exercise business, (b) any fitness or exercise marketing or consulting business, (c) any business offering Approved Products and Services of a similar nature to those of the Pod, or (d) in any business or entity which franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses described in subparts (a)-(c) of this Section. Furthermore, the Restricted Parties shall not divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

"Copyrights" means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a PingPod, whether now in existence or created in the future.

"Franchisee" means the PingPod franchisee for whom you are an officer, director, employee or independent contractor.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how and System.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a PingPod, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies and information comprising the System and the Manual.

"Manual" means our confidential operations manual for the operation of a PingPod.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a PingPod, including "PingPod", and any other trademarks, service marks or trade names that we designate for use by a PingPod. The term "Marks" also includes any distinctive trade dress used to identify a PingPod, whether now in existence or hereafter created.

"Prohibited Activities" means any or all of the following: (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our

affiliates or franchisees); and/or (iii) inducing (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their position or (b) any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

"Restricted Period" means the two (2) year period after you cease to be a manager of Franchisee's PingPod; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the one (1) year period after you cease to be a manager or officer of Franchisee's PingPod.

"Restricted Territory" means the geographic area within: (i) a 25 mile radius from Franchisee's PingPod (and including the address of primary operation); and (ii) a 25 mile radius from all other PingPod Business that are operating or under construction as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "Restricted Territory" means the geographic area within a 15 mile radius from Franchisee's PingPod (and including the premises of the store).

"System" means our system for the establishment, development, operation and management of a PingPod, including Know-how, proprietary programs and products, confidential operations manuals and operating system.

2. **Background**. You are an officer, director, or manager of Franchisee. As a result of this relationship, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. **Intellectual Property**. You agree: (i) you will not use the Know-how in any business or capacity other tha PingPod Business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time-to-time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager of Franchisee's PingPod. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

4. **Unfair Competition During Relationship**. You agree not to unfairly compete with us at any time while you are a manager of Franchisee's PingPod by engaging in any Prohibited Activities.

5. **Unfair Competition After Relationship**. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply regarding a Competitive Business that is located within or provides competitive goods or services

to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

6. **Immediate Family Members**. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (*i.e.*, spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member

7. **Covenants Reasonable**. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

8. **Breach**. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other PingPod franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. **Miscellaneous**.

a. If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

b. This Agreement will be governed by, construed and enforced under the laws of New Jersey and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

EXECUTED on the date stated below.

Date: _____ _____
Signature

_____
Print Name

EXHIBIT F TO PINGPOD FRANCHISE AGREEMENT

SAMPLE CONFIDENTIALITY AGREEMENT

This Agreement ("Agreement") is entered into by the undersigned ("you") in favor of PingPod Franchising LLC, a Delaware limited liability company, and its renewals and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. **Definitions**. For purposes of this Agreement, the following terms have the meanings given to them below:

"*PingPod*" means a business that operates a Pod that offers fitness classes, personal fitness training programs, parties, and events in a nightclub environment.

"*Copyrights*" means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a PingPod Business, whether now in existence or created in the future.

"*Franchisee*" means the PingPod franchisee for whom you are an officer, director, employee or independent contractor.

"*Intellectual Property*" means, collectively or individually, our Marks, Copyrights, Know-how and System.

"*Know-how*" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a PingPod, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies and information comprising the System and the Manual.

"*Manual*" means our confidential operations manual for the operation of a PingPod.

"*Marks*" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a PingPod, including "PingPod", and any other trademarks, service marks or trade names that we designate for use by a PingPod. The term "Marks" also includes any distinctive trade dress used to identify a PingPod, whether now in existence or hereafter created.

"*System*" means our system for the establishment, development, operation and management of a PingPod, including Know-How, proprietary programs and products, confidential operations manuals and operating system.

2. **Background**. You are an employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. **Know-How and Intellectual Property**. You agree: (i) you will not use the Know-how in any business or capacity other than PingPod Business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time-to-time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer an officer, director, employee or independent contractor of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

4. **Immediate Family Members**. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (*i.e.*, spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

5. **Covenants Reasonable**. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

6. **Breach**. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other PingPod franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court

requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

7. **Miscellaneous**.

a. If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

b. This Agreement will be governed by, construed and enforced under the laws of New Jersey and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

EXECUTED on the date stated below.

Date: _____ _____
Signature

_____
Print Name

EXHIBIT G TO PINGPOD FRANCHISE AGREEMENT

SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment ("Agreement") is entered into this ___ day of _____, 20___, between PingPod Franchising LLC ("Franchisor"), _____ ("Former Franchisee"), and _____ ("New Franchisee").

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated _____, 20___ ("Franchise Agreement"), in which Franchisor granted Franchisor the right to operate a PingPod franchise with a primary operating address of _____ ("Franchised Business"); and

WHEREAS, Former Franchisee desires to assign ("Requested Assignment") the Franchised Business to New Franchisee from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement.

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

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement ("Franchisor's Assignment Fee").

2. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor's Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Franchise Agreement.

3. Termination of Rights to the Franchised Business. The parties acknowledge and agree that all of Former Franchisee's rights to operate the Franchised Business and rights under the Franchise Agreement are hereby relinquished and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business. Former Franchisee and its owners agree to comply with all of the covenants in the Franchise Agreement that expressly or by implication survive the termination, expiration or transfer of the Franchise Agreement.

Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement, which is attached to this Agreement as Attachment A.

4. New Franchise Agreement. New Franchisee shall execute Franchisor's current form of Franchise Agreement and attachments for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), which is attached to this Agreement as Attachment B, and any other required contracts for the operation of a PingPod franchise as stated in Franchisor's Franchise Disclosure Document.

5. Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three (3) year period following the execution of this Agreement.

6. Acknowledgment by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("Transaction") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of a new franchise agreement for the Franchised Business. New Franchisee agrees that any claims, disputes or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Franchisee and shall not involve Franchisor.

7. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed or disposed of any interest in the Franchise Agreement or Franchised Business. Buyer hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the new Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

8. Notices. Any notices given under this Agreement shall be in writing and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered.

9. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Franchise Agreement.

10. Affiliates. When used in this Agreement, the term "Affiliates" has the meaning as given in Rule 144 under the Securities Act of 1933.

11. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

12. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New Jersey.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be sealed, as of the day and year first above written.

Dated: _____, 20___

FRANCHISOR:

PINGPOD FRANCHISING LLC

_____
By: _____
Title: _____

FORMER FRANCHISEE:

_____

_____
By: _____
Title: _____

NEW FRANCHISEE:

_____

_____
By: _____
Title: _____

EXHIBIT G TO PINGPOD FRANCHISE AGREEMENT
Attachment A

(INSERT Termination and Release Agreement)

EXHIBIT G TO PINGPOD FRANCHISE AGREEMENT
Attachment B

(INSERT New Franchise Agreement to be Signed)

EXHIBIT H TO PINGPOD FRANCHISE AGREEMENT

LEASE ADDENDUM

This Addendum to Lease, dated _____, 20___, is entered into by and between _____ ("Lessor"), and _____ ("Lessee").

A. The parties hereto have entered into a certain Lease Agreement, dated _____, 20___, and pertaining to the premises located at _____ ("Lease").

B. Lessor acknowledges that Lessee intends to operate a PingPod franchise from the leased premises ("Premises"), pursuant to a Franchise Agreement ("Franchise Agreement") with PingPod Franchising LLC ("Franchisor") under the name "PingPod" or other name designated by Franchisor (hereinafter referred to as "Franchised Business" or "Franchise Business").

C. The parties now desire to amend the Lease in accordance with the terms and conditions contained herein.

NOW THEREFORE, it is hereby mutually covenanted and agreed between Lessor and Lessee as follows:

1. **Assignment**. Lessee shall have the right to assign all of its right, title and interest in the Lease to Franchisor or its parent, subsidiary, or affiliate (including another franchisee) at any time during the term of the Lease, including any extensions or renewals thereof, without first obtaining Lessor's consent in accordance with the Collateral Assignment of Lease attached hereto as Attachment 1. However, no assignment shall be effective until the time as Franchisor or its designated affiliate gives Lessor written notice of its acceptance of the assignment, and nothing contained herein or in any other document shall constitute Franchisor or its designated subsidiary or affiliate a party to the Lease, or guarantor thereof, and shall not create any liability or obligation of Franchisor or its parent unless and until the Lease is assigned to, and accepted in writing by, Franchisor or its parent, subsidiary or affiliate. In the event of any assignment, Lessee shall remain liable under the terms of the Lease. Franchisor shall have the right to reassign the Lease to another franchisee without the Landlord's consent in accordance with Section 3(a).

2. **Default and Notice**.

a. In the event there is a default or violation by Lessee under the terms of the Lease, Lessor shall give Lessee and Franchisor written notice of the default or violation within a reasonable time after Lessor receives knowledge of its occurrence. If Lessor gives Lessee a default notice, Lessor shall contemporaneously give Franchisor a copy of the notice. Franchisor shall have the right, but not the obligation, to cure the default. Franchisor will notify Lessor whether it intends to cure the default and take an automatic assignment of Lessee's interest as provided in Paragraph

4(a). Franchisor will have an additional 15 days from the expiration of Lessee's cure period in which it may exercise the option, but it is not obligated, to cure the default or violation.

b. All notices to Franchisor shall be sent via registered or certified mail, postage prepaid, to the following addresses:

PingPod Franchising LLC
2025 Hudson Street
Fort Lee, New Jersey 07024

Evan M. Goldman, Esquire
The Franchise Firm LLP
225 Wilmington West Chester Pike, Suite 200
Chadds Ford, Pennsylvania 19317

Franchisor may change its address for receiving notices by giving Lessor written notice of the new address. Lessor agrees that it will notify both Lessee and Franchisor of any change in Lessor's mailing address to which notices should be sent.

c. Following Franchisor's approval of the Lease, Lessee agrees not to terminate, or in any way alter or amend the same, during the Term of the Franchise Agreement or any renewal thereof without Franchisor's prior written consent, and any attempted termination, alteration or amendment shall be null and void and have no effect as to Franchisor's interests thereunder; and a clause to the effect shall be included in the Lease.

3. **Termination or Expiration**.

a. Upon Lessee's default and failure to cure the default within the applicable cure period, if any, under either the Lease or the Franchise Agreement, Franchisor will, at its option, have the right, but not the obligation, to take an automatic assignment of Lessee's interest and at any time thereafter to re-assign the Lease to a new franchisee without Landlord's consent and to be fully released from any and all liability to Landlord upon the reassignment, provided the franchisee agrees to assume Lessee's obligations and the Lease.

b. Upon the expiration or termination of either the Lease or the Franchise Agreement, Landlord will cooperate with and assist Franchisor in securing possession of the Premises and if Franchisor does not elect to take an assignment of the Lessee's interest, Lessor will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Lessor, to remove all signs, awnings, and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the PingPod or PingPod trademarks and system, and to distinguish the Premises from a Franchised Business. In the event Franchisor exercises its option to purchase assets of Lessee, Lessor shall permit Franchisor to remove all the assets being purchased by Franchisor.

4. **Consideration; No Liability**.

a. Lessor hereby acknowledges that the provisions of this Addendum to Lease are required pursuant to the Franchise Agreement under which Lessee plans to operate its Franchised Business and Lessee would not lease the Premises without this Addendum. Lessor also hereby consents to the Collateral Assignment of Lease from Lessee to Franchisor as evidenced by Attachment 1.

b. Lessor further acknowledges that Lessee is not an agent or employee of Franchisor and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor, and that Lessor has entered into this Addendum to Lease with full understanding that it creates no duties, obligations or liabilities of or against Franchisor or any affiliate of Franchisor.

5. **Amendments**. No amendment or variation of the terms of the Lease or this Addendum to the Lease shall be valid unless made in writing and signed by the parties hereto.

6. **Reaffirmation of Lease**. Except as amended or modified herein, all of the terms, conditions and covenants of the Lease shall remain in full force and effect and are incorporated herein by reference and made a part of this Agreement as though copies herein in full.

7. **Beneficiary**. Lessor and Lessee expressly agree that Franchisor is a third party beneficiary of this Addendum.

IN TESTIMONY WHEREOF, witness the signatures of the parties hereto as of the day, month and first year written above.

LESSOR:	LESSEE:
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ATTACHMENT 1 TO LEASE ADDENDUM
COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, as of the ___ day of _____, 20___ ("Effective Date"), the undersigned, _____, ("Assignor") hereby assigns, transfers and sets over unto PingPod Franchising LLC ("Assignee") all of Assignor's right, title and interest as tenant, in, to and under that certain lease, a copy of which is attached hereto as Exhibit A ("Lease") regarding the premises located at _____.

This Collateral Assignment of Lease ("Assignment") is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee shall take possession of the premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under that certain franchise agreement for a PingPod franchise between Assignee and Assignor ("Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in the event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Through the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than 30 days before the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to exercise the extension or renewal options

IN WITNESS WHEREOF, Assignor and Assignee have signed this Collateral Assignment of Lease as of the Effective Date first written above.

[SIGNATURE PAGES TO FOLLOW]

ASSIGNOR:

_____

_____
By: _____
Title: _____

ASSIGNEE:

PINGPOD FRANCHISING LLC

_____
By: _____
Title: _____

EXHIBIT I TO PINGPOD FRANCHISE AGREEMENT

MASTER SERVICES AGREEMENT

PODPLAY

Master Services Customer Agreement

This **PodPlay Master Services Customer Agreement** (this "**Agreement**") contains the terms and conditions that govern your access to and use of the PodPlay Services and is an agreement between PodPlay Technologies LLC, a Delaware limited liability company ("PodPlay," "we," "us," or "our") and [COMPANY NAME], a [JURISDICTION/ENTITY] ("Customer", "you" or "your"). This Agreement and any related Statements of Work and Exhibits attached hereto are collectively referred to as the "Agreement". This Agreement takes effect on the date it is fully executed by the parties hereto ("Effective Date").

Capitalized terms used herein shall have the meaning set forth on **Exhibit A**.

The initial Service Orders and Statements of Work between the parties are attached hereto as **Exhibit B**.

The Service Level Agreement ("SLA") shall be as set forth on **Exhibit C**.

1. Access and Use; Exclusivity.

(a) Access and Use. PodPlay grants to Customer a non-exclusive, non-transferable right to access and use the PodPlay Services via a web-based portal ("Website") or mobile application ("App") solely for use by you and your Users during the Term of this Agreement. PodPlay shall provide you with network links and other permissions to allow you to access the PodPlay Services. You are responsible for all activities that occur under your account, regardless of whether the activities are authorized by you or undertaken by your Users. PodPlay reserves all rights not expressly granted herein.

(b) Unauthorized Use. Customer shall not access or use the PodPlay Services for any unauthorized use or purpose. You shall not at any time, directly or indirectly: (i) copy, modify, or create derivative works of the PodPlay Services; (ii) rent, sell, license, assign, transfer, or otherwise make available the PodPlay Services outside the terms and conditions herein; (iii) reverse engineer, disassemble, decompile, decode, or otherwise attempt to derive or gain access to any software component of the PodPlay Services; (iv) remove any proprietary notices from the PodPlay Services; (v) use the PodPlay Services in any manner or for any purpose that infringes, misappropriates, or otherwise violates any intellectual property or other right of any person, or that violates any applicable law; (vi) access, use, study, test or benchmark the PodPlay Services nor use any Confidential Information of PodPlay to create or improve any competing product(s) nor for the benefit of any competitor to the PodPlay Services; (vii) post, send, process or store infringing, obscene, threatening, libelous, or otherwise unlawful or tortuous material, including material violating third party rights; or (viii) post, send, process or store material containing software viruses, worms, Trojan horses or other harmful or malicious computer code, files, scripts, agents or programs.

(c) Suspension. PodPlay may temporarily suspend Customer's access to the PodPlay Services if PodPlay reasonably determines that: (i) there is a threat or attack on any of the PodPlay IP or use of the PodPlay IP disrupts or poses a security risk to the PodPlay IP; (iii) Customer is using the PodPlay IP for fraudulent or illegal activities; (iv) Customer has ceased to continue its business in the ordinary course or made an assignment for the benefit of creditors or become the subject of any bankruptcy, reorganization, or similar proceeding; or (iv) PodPlay's access to or use of any Third-Party Products required to enable Customer to use the PodPlay Services has been suspended or terminated. PodPlay will have no liability to Customer for any damage, liabilities, losses, or any other consequences that Customer or any End User may incur because of a service suspension.

(d) Aggregated Statistics. Customer acknowledges that PodPlay may compile Aggregated Statistics based on Customer or End User Data input into the PodPlay Services. As between PodPlay and Customer, all right, title, and interest in Aggregated Statistics, and all intellectual property rights therein, belong to and are retained solely by PodPlay. Customer agrees that PodPlay may use and publish Aggregated Statistics to the extent permitted under applicable law.

(e) Modifications. We reserve the right to modify or discontinue the PodPlay Services at any time with or without notice to you, including without limitation by adding or subtracting features and functionality; provided, we shall give you at least 30 days' notice with respect to any material modification. In the event of such modification your sole

remedy shall be to terminate this Agreement as set forth herein. Continued use of the PodPlay Services following such changes will indicate your acceptance thereof.

2. Customer Responsibilities.

(a) General. PodPlay shall not be responsible for the use of your facility or facilities by you or any of your Users and any of their invitees. Without limiting the generality of the foregoing, you are responsible for all acts and omissions of your Users, and any act or omission by a User that would constitute a breach of this Agreement if taken by you will be deemed a breach of this Agreement by you. Customer shall ensure all Users are aware of this Agreement's provisions as applicable to use of the PodPlay Services and shall cause your Users to comply with such provisions.

(b) Third-Party Products. PodPlay may make Third-Party Products available to you in connection with the PodPlay Services (e.g., Stripe for payment processing or Kisi for door access). Use of such Third-Party Products is subject to their own respective terms of use, policies, and conditions. If and to the extent any hardware is provided by PodPlay (e.g., cameras, digital locks, or audiovisual equipment) such hardware shall be subject to the applicable third party's standard terms and warranty, and PodPlay shall not responsible or liable for any warranty, support, or servicing thereof, except as such support or servicing is agreed on by the parties. With respect to the remote monitoring of your facilities, PodPlay shall provide you with a "bundled", third-party video monitoring service subject to the terms and conditions of such service.

3. Service Levels; Support. PodPlay shall use commercially reasonable efforts to make the PodPlay Services available for normal commercial use in accordance with the SLA in Exhibit C, excluding any downtime for maintenance and/or for reasons outside PodPlay's reasonable control.

4. Fees and Payment. Customer shall pay PodPlay the fees ("**Fees**") as set forth in the applicable SOW without offset or deduction. All Fees shall be paid in US dollars. If Customer fails to make any payment when due PodPlay may charge interest on the past due amount at the rate of 1.5% per month or the highest rate permitted under applicable law. Customer shall reimburse PodPlay for all costs incurred by PodPlay in collecting any late payments or interest, including reasonable attorneys' fees and collection agency fees. Customer agrees to maintain accurate accounting records during the Term and for a period of two years thereafter for accurately determining Fees due hereunder.

5. Taxes. All Fees and other amounts payable by Customer under this Agreement are exclusive of taxes and similar assessments. Customer is responsible for all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, or local governmental or regulatory authority on any amounts payable by Customer hereunder.

6. Confidential Information. From time to time during the Term, either Party may disclose or make available to the other Party information about its business, products, intellectual property, trade secrets and other sensitive or proprietary information, whether oral, written, or electronic and whether or not marked, designated, or otherwise identified as "confidential" (collectively, "**Confidential Information**"). Confidential Information does not include information that, at the time of disclosure is: (a) in the public domain; (b) known to the receiving Party at the time of disclosure; (c) rightfully obtained by the receiving Party on a non-confidential basis from a third party; or (d) independently developed by the receiving Party. The receiving Party shall not disclose the disclosing Party's Confidential Information to any person or entity, except to the receiving Party's employees who have a need to know the Confidential Information for the receiving Party to exercise its rights or perform its obligations hereunder. Notwithstanding the foregoing, each Party may disclose Confidential Information to the limited extent required to comply with the order of a court or other governmental body, or as otherwise necessary to comply with applicable law, provided that the Party making the disclosure pursuant to the order shall first have given written notice to the other Party in order to obtain a protective order. On the expiration or termination of the Agreement, the receiving Party shall promptly return to the disclosing Party all copies, whether in written, electronic, or other form or media, of the disclosing Party's Confidential Information, or destroy all such copies and certify in writing to the disclosing Party that such Confidential Information has been destroyed. Each Party's obligations of non-disclosure with regard to Confidential Information are effective as of the Effective Date and will survive the Term for three (3) years, provided, however, with respect to any Confidential Information that constitutes a trade secret (as determined under

applicable law), such obligations of non-disclosure will survive the termination or expiration of this Agreement for as long as such Confidential Information remains subject to trade secret protection under applicable law.

7. Intellectual Property Ownership; Feedback.

(a) PodPlay IP. Customer acknowledges that, as between Customer and PodPlay, PodPlay owns all right, title, and interest, including all intellectual property rights, in and to the PodPlay IP and, with respect to Third-Party Products, the applicable third-party providers own all right, title, and interest, including all intellectual property rights, in and to the Third-Party Products.

(b) Customer Data. PodPlay acknowledges that, as between PodPlay and Customer, Customer owns all right, title, and interest, including all intellectual property rights, in and to the Customer Data. Customer hereby grants to PodPlay a non-exclusive, royalty-free, worldwide license to reproduce, distribute, and otherwise use and display the Customer Data and perform all acts with respect to the Customer Data as may be necessary for PodPlay to provide the PodPlay Services to Customer.

(c) Feedback. If Customer or any of its Users sends any communications or materials to PodPlay suggesting or recommending changes or modifications to the PodPlay IP, including without limitation, new features or functionality ("**Feedback**"), then Customer hereby assigns to PodPlay all right, title, and interest in any Feedback, and agrees that PodPlay is free to use, without any attribution or compensation, any ideas, know-how, concepts, techniques, or other intellectual property rights contained in the Feedback, for any purpose whatsoever.

8. Limited Warranty and Warranty Disclaimer.

(a) THE PODPLAY IP IS PROVIDED "AS IS" AND PODPLAY SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE, OR TRADE PRACTICE. PODPLAY MAKES NO WARRANTY OF ANY KIND THAT THE PODPLAY IP, OR ANY PRODUCTS OR RESULTS OF THE USE THEREOF, WILL MEET CUSTOMER'S OR ANY OTHER PERSON'S REQUIREMENTS, OPERATE WITHOUT INTERRUPTION, ACHIEVE ANY INTENDED RESULT, BE COMPATIBLE OR WORK WITH ANY SOFTWARE, SYSTEM, OR OTHER PODPLAY SERVICES, OR BE SECURE, ACCURATE, COMPLETE, FREE OF HARMFUL CODE, OR ERROR FREE.

(b) THE PODPLAY SERVICES ARE NOT DESIGNED OR INTENDED FOR USE IN ANY HIGH-RISK ENVIRONMENT (AS DEFINED BELOW). ANY USE OF THE PODPLAY SERVICES BY ANY PARTY, INCLUDING CUSTOMER OR USERS, IN ANY HIGH-RISK USE CASE, IS DONE AT THE USER'S OWN RISK, WITHOUT ANY WARRANTY. AS USED HEREIN, A "HIGH RISK USE CASE" IS ANY USE WHERE THE DELAY OR FAILURE OF THE SERVICE COULD CAUSE SERIOUS RISK, INCLUDING RISK OF INJURY TO PERSONS OR PROPERTY, OR A LIFE-THREATENING SITUATION, OR EXPOSURE TO LEGAL LIABILITY OR NON-COMPLIANCE WITH LAWS, INCLUDING BUT NOT LIMITED TO, MONITORING FOR CRIME OR COMPLIANCE WITH LAWS, LEGAL DRINKING AGE, HEALTH MONITORING, ETC., OR IN ANY MEDICAL, NUCLEAR, AVIATION, NAVIGATION, EMERGENCY PODPLAY SERVICES, EMERGENCY WEATHER ALERTS, OR MILITARY APPLICATIONS.

(c) Customer's Users, when using the PodPlay Services shall permit PodPlay to collect, store, process and use, any profile data or other data from or about such Users to the extent permitted by applicable laws (including without limitation collection and replay of any video and audio recordings of them and their likenesses when on premises at Customer facilities). Customer is responsible for ensuring that it makes all required disclosures to and obtains all necessary consents and opt-ins from its Users, to allow such recording, replay, collection, storage, processing and use of such video and data. If and to the extent PodPlay or any of its affiliates has information from End Users directly as customers of PodPlay or any of its affiliates, then PodPlay shall own such customer data. PodPlay is not responsible for any liability between Customer and End Users. Customer shall be responsible for disclosing to End Users (including without limitation in any of Customer's applicable posted terms and conditions, and in any written agreements between Customer and its End Users): (i) Customer (and not PodPlay) is solely responsible for all services, facilities, equipment, and other materials Customer provides to End Users (ii) that PodPlay shall have no liability

whatsoever to End Users, (iii) that PodPlay is not responsible for any disputes between Customer and Customer's End Users, and (iv) with respect to use of the PodPlay Services by End Users, End Users are responsible for and subject to at least all the same disclaimers and limitations on liability as herein, which must be fully disclosed to them by you. Customer hereby agrees to indemnify, defend, and hold harmless PodPlay from and against any allegation, loss, liability, claim made against PodPlay by any End User(s) arising out of the facilities, equipment, or use of the PodPlay Services in connection with such as provided by Customer.

9. Indemnification.

(a) PodPlay Indemnification.

(i) PodPlay shall indemnify, defend, and hold harmless Customer from and against any and all losses, damages, liabilities, costs (including reasonable attorneys' fees) ("**Losses**") incurred by Customer to the extent resulting from any third-party claim, suit, action, or proceeding ("**Third-Party Claim**") that the PodPlay Services, or any use of the PodPlay Services in accordance with this Agreement, infringes or misappropriates such third party's US intellectual property rights/US patents, copyrights, or trade secrets, provided that Customer promptly notifies PodPlay in writing of such Third-Party Claim, reasonably cooperates with PodPlay, and allows PodPlay sole authority to control the defense and settlement of such Third-Party Claim.

(ii) Customer agrees to permit PodPlay, at PodPlay's sole discretion, to modify or replace the PodPlay Services, or any component or part thereof, to make it non-infringing, or obtain the right for Customer to continue use. If PodPlay determines that neither alternative is reasonably available, PodPlay may terminate this Agreement, in its entirety or with respect to the affected component or part, effective immediately on written notice to Customer.

(iii) This Section 9(a) will not apply to the extent that the alleged infringement arises from: (A) any use of the PodPlay Services in combination with data, software, hardware, equipment, or technology not provided by PodPlay or authorized by PodPlay in writing; (B) any modifications to the PodPlay Services not made by PodPlay; or (C) any misuse of the PodPlay Services in violation of this Agreement.

(b) Customer Indemnification. Customer shall indemnify, hold harmless, and defend PodPlay and its affiliates from and against any Losses resulting from any allegation or Third-Party Claim arising out of: (a) Customer's breach of the terms and conditions of this Agreement, (b) injuries (including death) to persons or damage to property (such as without limitation incident to or during their use of the Customer facilities); and/or (c) Customer's or Authorized Users or End User's use of the PodPlay Services in a manner not authorized by this Agreement. Customer may not settle any Third-Party Claim against PodPlay unless PodPlay consents to such settlement in writing, and further provided that PodPlay will have the right, at its option, to defend itself against any such Third-Party Claim or to participate in the defense thereof by counsel of its own choice.

(c) Sole Remedy. THIS 9 SETS FORTH CUSTOMER'S SOLE REMEDIES AND PODPLAY'S SOLE LIABILITY AND OBLIGATION FOR ANY ACTUAL, THREATENED, OR ALLEGED CLAIMS THAT THE PODPLAY SERVICES INFRINGE, MISAPPROPRIATE, OR OTHERWISE VIOLATE ANY INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY. IN NO EVENT WILL PODPLAY'S LIABILITY UNDER THIS SECTION 9 EXCEED THE AMOUNTS SET FORTH IN SECTION 10 BELOW.

10. Limitations of Liability. IN NO EVENT WILL EITHER PARTY BE LIABLE UNDER OR IN CONNECTION WITH THIS AGREEMENT UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE, FOR ANY: (a) CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, ENHANCED, OR PUNITIVE DAMAGES; (b) INCREASED COSTS, DIMINUTION IN VALUE OR LOST BUSINESS, PRODUCTION, REVENUES, OR PROFITS; (c) LOSS OF GOODWILL OR REPUTATION; (d) USE, INABILITY TO USE, LOSS, INTERRUPTION, DELAY, OR RECOVERY OF ANY DATA, OR BREACH OF DATA OR SYSTEM SECURITY; OR (e) COST OF REPLACEMENT GOODS OR PODPLAY SERVICES, IN EACH CASE REGARDLESS OF WHETHER EITHER PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES OR SUCH LOSSES OR DAMAGES WERE OTHERWISE FORESEEABLE. IN NO EVENT WILL EITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT

UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE EXCEED THE TOTAL AMOUNTS PAID TO PODPLAY UNDER THIS AGREEMENT IN THE 12 MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM (THE "CAP").

11. Term and Termination.

(a) Term. The term of this Agreement begins on the Effective Date and, unless terminated earlier pursuant to this Agreement's express provisions, will be co-terminus with the SOW or any subsequent SOWs, including renewals or extensions (the "Term").

(b) Termination. In addition to any other express termination right set forth in this Agreement:

(i) PodPlay may terminate this Agreement, effective on written notice to Customer, if Customer: (A) fails to pay any amount when due hereunder, and such failure continues more than thirty (30) days after written notice thereof; or (B) breaches any of its obligations under this Agreement and such breach remains uncured 30 (thirty) day after written notice thereof; and

(ii) Customer may terminate this Agreement, effective on written notice, if PodPlay materially breaches any of its obligations under this Agreement and such breach remains uncured 30 (thirty) days after written notice thereof.

(c) Effect of Expiration or Termination. Upon expiration or earlier termination of this Agreement, Customer shall immediately discontinue use of the PodPlay IP and, without limiting Customer's obligations under 6, Customer shall delete, destroy, or return all copies of the PodPlay IP and certify in writing to the PodPlay that the PodPlay IP has been deleted or destroyed. No expiration or termination will affect Customer's obligation to pay all Fees that may have become due before such expiration or termination or entitle Customer to any refund.

(d) Survival. This Section 11(d) and Sections 1, 5, 6, 7, 8, 9, 10, and 12 survive any termination or expiration of this Agreement.

12. Publicity. The parties shall cooperate with respect to press releases, testimonials, and other communications to promote the value of the PodPlay Services, and the relationship of Customer and PodPlay. We will have the right to include your name and logo on our website and/or marketing and social media materials as a customer of PodPlay.

13. Miscellaneous.

(a) Entire Agreement. This Agreement, together with any SOW and Exhibits hereto, constitutes the entire agreement of the Parties with respect to the subject matter herein and supersedes all prior understandings, agreements, and representations and warranties, both written and oral, with respect to such subject matter. In the event of any inconsistency between this Agreement and the SOW or any Exhibits, this Agreement shall govern.

(b) Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a "**Notice**") must be in writing and addressed to the party at the address that may be designated by such party from time to time. All Notices must be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), or email (with confirmation of transmission), or certified or registered mail (in each case, return receipt requested, postage pre-paid).

(c) Force Majeure. In no event shall PodPlay be liable to Customer, or be deemed to have breached this Agreement, for any failure or delay in performing its obligations under this Agreement, if and to the extent such failure or delay is caused by any circumstances beyond PodPlay's reasonable control, including but not limited to acts of God, flood, fire, earthquake, epidemics, explosion, war, terrorism, invasion, riot or other civil unrest, strikes, labor stoppages or slowdowns or other industrial disturbances, or passage of law or any action taken by a governmental or public authority, including imposing an embargo.

(d) Amendment and Modification; Waiver. No amendment to or modification of this Agreement is effective unless it is in writing and signed by an authorized representative of each Party. No waiver by any Party of any of the provisions hereof will be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, (i) no failure to exercise, or delay in exercising, any rights, remedy, power, or privilege arising from this Agreement will operate or be construed as a waiver thereof, and (ii) no single or partial exercise of any right, remedy, power, or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

(e) Severability. If any provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to affect their original intent as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

(f) Dispute Resolution. The following procedures will be followed in any legal controversies or disputes arising out of or related to this Agreement ("Disputes"), which the parties cannot informally resolve at an operational level. The aggrieved party will notify the other party in writing of the nature of the Dispute with reasonable specificity. Representatives for the respective parties will meet (telephonically or in person) within fourteen (14) business days after the date of the written notification of the Dispute to seek to reach an agreement on the Dispute and corrective action(s) to be taken by the respective parties. If the representatives are unable to agree on corrective either party may exercise their individual rights under law or in equity. Except as otherwise specifically in this section, neither party will initiate litigation unless and until this Dispute resolution procedure has been employed or waived. Any time periods set forth above may be extended by mutual consent of the parties. The content of any discussions, negotiations, agreements, and/or disclosures made during this Dispute resolution process set forth in this section will be Confidential Information and as such will not be released to the public, nor will it be admissible in any court proceeding that a party or the parties may initiate pursuant to this section.

(g) Governing Law; Submission to Jurisdiction. This Agreement is governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule that would require or permit the application of the laws of any jurisdiction other than those of the State of New York. Any legal suit, action, or proceeding arising out of this Agreement or the licenses granted hereunder will be instituted exclusively in the federal courts of the United States or the courts of the State of New York in each case located in Manhattan (the County of New York), and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding.

(h) Assignment. Customer may not assign any of its rights or delegate any of its obligations hereunder without the prior written consent of PodPlay. Provided may assign this Agreement to any of its affiliates or transfer this Agreement in connection with a sale of all or substantially all its assets or a change of control. This Agreement is binding upon and inures to the benefit of the parties and their respective successors and assigns.

(i) Export Regulation. Customer shall comply with all applicable federal laws, regulations, and rules, and complete all required undertakings (including obtaining any necessary export license or other governmental approval), that prohibit or restrict the export or re-export of the PodPlay Services or any Customer Data outside the US.

(j) Equitable Relief. Each Party acknowledges and agrees that a breach or threatened breach by such Party of any of its obligations under 6 would cause the other Party irreparable harm for which monetary damages would not be an adequate remedy and agrees that, in the event of such breach or threatened breach, the other Party will be entitled to equitable relief, including an injunction without any requirement to post a bond or other security, or to prove actual damages or that monetary damages are not an adequate remedy. Such remedies are not exclusive.

(k) Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement.

[*Signature pages follow*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date written below.

[CUSTOMER]	**PODPLAY TECHNOLOGIES, LLC**
By: _____	By:_____
Name:	Name: Ben Borton
Title:	Title: Co-Founder
Date:	Date:

EXHIBIT A

DEFINED TERMS

(a) "**Aggregated Statistics**" means data and information related to Customer's and/or User(s)'s use of the PodPlay Services that is used by PodPlay in an aggregate and anonymized manner, including to compile statistical and performance information related to the provision and operation of the PodPlay Services.

(b) "**Authorized User**" means Customer's employees, agents and representatives who are authorized by Customer to access and use the PodPlay Services under the rights granted to Customer pursuant to this Agreement.

(c) "**Customer Data**" means, other than Aggregated Statistics, information, data, and other content, in any form or medium, that is submitted, posted, or otherwise transmitted by or on behalf of Customer or an End User of the PodPlay Services.

(d) "**End User**" means Customer's end users who are authorized by Customer to access and use the PodPlay Services under the rights granted to Customer pursuant to this Agreement and for whom access to the PodPlay Services has been purchased hereunder.

(e) "**Documentation**" means PodPlay's official, published user manuals, handbooks, and guides relating to the PodPlay Services provided by PodPlay to Customer either electronically or in hard copy form/end user documentation relating to the PodPlay Services.

(f) "**PodPlay IP**" means the PodPlay Services, the Documentation, and all intellectual property provided to Customer or any User in connection with the foregoing.

(g) "**PodPlay Services**" means the software-as-a-service offering of PodPlay as made available via any applicable Website or App.

(h) "**SOW**" means a Statement of Work or Order that defines specific tasks, deliverables, timelines, services, and payment terms to implement the PodPlay Services.

(i) "**Third-Party Products**" means any third-party products or services, such as, without limitation, those described in Section 2(b) and/or the relevant SOW provided with or incorporated into the PodPlay Services.

(j) "**User**" means, collectively, Authorized Users and End Users.

EXHIBIT B

SOWs agreed between the parties

EXHIBIT C

PODPLAY SERVICE LEVELS

1. PodPlay will maintain the availability of the Website and/or App as part of the Services for no less than ninety-nine percent (99%) of the time during each month, excluding downtime for regularly scheduled maintenance, which Company shall use its commercially reasonable efforts to be performed during off-peak hours.

2. PodPlay shall use its commercially reasonable efforts to provide Customer at least seventy-two (72) hours advance written notice of scheduled downtime of the Services, and prompt notice of any unscheduled downtime. Company also agrees to specify its support contacts in writing to Client, promptly troubleshoot any material Service defects and system errors, and observe any additional site and system availability and response times requirements, including the following support request response times during Company's standard business hours:

- **Tier 1 issue (Service Outage):** four (4) hour turnaround time for a live response from a member of Company technical support staff;

- **Tier 2 issue (Service Bug):** twelve (12) hour turnaround time for a live response from a member of Company technical support staff; and

- **Tier 3 issue (Service Bug):** seventy-two (72) hour turnaround time for a live response from a member of Company technical support staff.

3. For the purposes of this Schedule C, the following definitions shall apply:

- **Tier 1** – means a "Critical" issue affecting all users, including system unavailability and data integrity issues with no workaround available. Data privacy or security issue.

- **Tier 2** – means "Urgent" or "Major" functionality is impacted, or significant performance degradation is experienced. Issue is persistent and affects many users and/or major functionality. Also includes time-sensitive requests such as requests for processing or data review. No reasonable workaround available. Short-term workaround is available, but not scalable long term.

- **Tier 3** – means a "Moderate" system performance issue or bug affecting some but not all users. Workaround is available. Resolution required as soon as reasonably practicable.

4. Each Party agrees to give the other Party commercially reasonable notice of any system change or upgrade that materially affects website performance under this Agreement.

EXHIBIT B TO PINGPOD FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

PINGPOD FRANCHISING, LLC

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

DECEMBER 31, 2023

(With Independent Auditors' Report Theron)

PINGPOD FRANCHISING, LLC
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B. CHARLES SELLARI, CPA*, MTAX
TOM KEYS, CPA*, CGMA

VICTORIA BOLSHAK, CPA**, LTD
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KELLY BEACH, EA
LISA BELL, EA
JACQUELINE CARTIER, EA
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Est. in 1932

Certified Public Accountants and Consultants
580 Village Boulevard, Suite 110
West Palm Beach, FL 33409
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MEMBERS
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FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
WILBUR F. DIVINE, III, CPA (1986-1994)
WILBUR F. DIVINE, IV, CPA (1925-1999)
JAMES A. BLALOCK, CPA (1914-1998)
G. MICHAEL MARTIN, CPA (1945-2014)
*REGULATED BY THE STATE OF FL
**REGULATED BY THE STATE OF FL AND THE STATE OF NY
***REGULATED BY THE STATE OF MI
****REGULATED BY THE STATE OF FL AND THE STATE OF NJ
*****REGULATED BY THE STATE OF NY
******REGULATED BY THE STATE OF FL AND THE STATE OF NC

INDEPENDENT AUDITOR'S REPORT

To the Member of
PingPod Franchising, LLC
2025 Hudson St
Fort Lee, New Jersey, 07024

Opinion

We have audited the accompanying financial statements of PingPod Franchising, LLC (a Delaware limited liability company), which comprise the balance sheet as of December 31, 2023, and the related statements of income, changes in members' equity, and cash flows for the period from inception (January 3, 2023) to December 31, 2023, 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 PingPod Franchising, LLC as of December 31, 2023, and the results of its operations and its cash flows from inception (January 3, 2023) to December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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 PingPod Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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, including omissions, 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 PingPod Franchising, LLC'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 PingPod Franchising, LLC'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.

Divine, Blalock, Martin & Sellari, LLC

West Palm Beach, FL
August 7, 2024

PINGPOD FRANCHISING, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2023

Assets	
Current Assets	
Cash and cash equivalents	$ 5,000
Total Current Assets	5,000
Total Assets	$ 5,000
Liabilities and Members' Equity	
Current Liabilities	
Accounts payable	$ -
Total Current Liabilities	-
Members' Equity:	
Members' equity	5,000
Total Members' Equity	5,000
Total Liabilities and Members' Equity	$ 5,000

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

PINGPOD FRANCHISING, LLC
STATEMENT OF INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2023

Revenue	
Initial franchise fees	$ -
Franchise royalty fees	-
Total Revenue	-
Operating Expenses:	
Bank fees	-
Consulting fees	-
Legal fees	-
Total Operating Expenses	-
Income From Operations	-
Net Income	$ -

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

PINGPOD FRANCHISING, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2023

Members' Equity @ January 13, 2023	$	-
Member Contributions		5,000
Net Income		-
Members' Equity @ December 31, 2023	$	5,000

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

PINGPOD FRANCHISING, LLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	$ -
Adjustments to reconcile Net Income to net Cash used by operating activities:	
Accounts payable	-
Total Adjustments	-
Net Cash Provided / (Used) by Operating Activities	-
CASH FLOWS FROM FINANCING ACTIVITIES	
Member contributions	5,000
Net Cash Provided / (Used) by Financing Activities	5,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,000
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 5,000

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

PINGPOD FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2023

NOTE 1 – BUSINESS ACTIVITY

PingPod Franchising, LLC was formed in the state of Delaware on January 3, 2023; the Company is in the business of offering franchises for the operation of a PingPod Macro-Operation. Unless otherwise indicated, the terms "we," "us," "our," and "Company" refer to PingPod Franchising, LLC. The Company is in its initial start-up phase and is currently in the process of acquiring franchisees to operate in various states.

Our Affiliates

PingPod, Inc., - a Delaware corporation that was formed in 2020 owns and operates seven (7) businesses, all of which are substantially similar to the franchise being offered. This affiliated entity does not and has not offered franchises in this or in any other lines of business.

PingPod IP, LLC. - a Delaware limited liability company that was formed on January 17, 2023 is the holder of PingPod's intellectual property. This affiliated entity does not and has not offered franchises in this or in any other lines of business.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts Receivable and Bad Debts

Customer accounts receivable are stated at the amount management expects to collect on balances. The Company uses the direct write-off method for bad debts; management closely monitors outstanding balances and writes off, as of period-end, any balances that are considered to be uncollectible. Accordingly, no allowance for doubtful accounts is required. Bad debts amounted to $0 for the period ended December 31, 2023.

Compensated Absences

The company does not have a policy on compensated absences at this time.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 5 to 40 years. At December 31, 2023, the Company did not own any fixed assets.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Long-Lived Assets

The Company reviews long-lived assets to be held and used by an entity for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. As there are no owned assets for the year ended December 31, 2023, no impairment of the carrying values of its long-lived assets existed at December 31, 2023. There can be no assurance, however, that demands for the Company's products or market conditions will not change which could result in impairment losses in the future.

Advertising

Advertising costs are expensed as incurred.

Income Taxes

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the period ended December 31, 2023.

The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

The Company accounts for uncertain tax positions in accordance with ASC 740-10, Accounting for Uncertainty in Income Taxes. ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required at December 31, 2023.

Concentrations of Credit Risk

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Revenue Recognition

The Company's revenue recognition policies are in compliance with accounting standards ASC Topic 606, Revenue from Contracts with Customers. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

In 2020, the Financial Accounting Standards Board (FAB) issued Accounting Standards Update (ASU), Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient. This new practical expedient will allow franchisors that are not public business- entities to account for pre-opening services provided to a franchise as a single performance obligation in the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company recognizes franchise royalties on a monthly basis, which are generally based upon a percentage of sales made by the Company's franchises, when they are earned and deemed collectible.

The following services are provided by the Company prior to the opening of a franchised location:

- Designate a territory.
- Copy of the Confidential Operations Manual.
- Site selection assistance.
- Access to prototype design plans, specifications, décor and layout for a Pod.
- Assistance in implementing an opening marketing initiative.
- Instruction and assistance prior to the opening.
- Initial training program.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Fair Value of Financial Assets and Liabilities

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued a new accounting standard on leases. The new standard, among other changes, will require lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases. The lease liability will be measured at the present value of the lease payments over the lease term. The right-of-use asset will be measured at the lease liability amount, adjusted for lease prepayments, lease incentives received and the lessee's initial direct costs (e.g., commissions). The new standard is effective for annual reporting periods beginning after December 15, 2022, including interim reporting periods within those annual reporting periods. The adoption will require a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest period presented. The Company is currently evaluating the impact of this new accounting standard on its financial position and results of operations. There are no leases in effect at the moment therefore, no further lease commitments to report. The Company does not believe that any other recently issued accounting pronouncements would have a material effect on the accompanying financial statements.

PINGPOD FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2023

NOTE 3 – INITIAL FRANCHISE FEE REVENUE

Deferred revenue represents initial franchise sales for which substantially all the services to be provided by the Company have not yet been performed. These revenues are fully recognized when Franchisees open their doors for business. The amounts deferred as of December 31, 2023, was $0.

NOTE 5 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through August 7, 2024, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

Balance Sheet by Month

As of June 30, 2024

	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024
ASSETS						
Current Assets						
Bank Accounts						
Bank of America Checking (0097)	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	89,990.00
Total Bank Accounts	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	89,990.00
Total Current Assets	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	89,990.00
TOTAL ASSETS	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$89,990.00
LIABILITIES AND EQUITY						
Liabilities						
Current Liabilities						
Other Current Liabilities						
Due to/from PingPod LLC	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	80,000.00
Due to/from Sharks Pod LLC						15,000.00
Total Other Current Liabilities	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	95,000.00
Total Current Liabilities	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	95,000.00
Total Liabilities	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	95,000.00
Equity						
Retained Earnings						
Net Income						-5,010.00
Total Equity	0.00	0.00	0.00	0.00	0.00	-5,010.00
TOTAL LIABILITIES AND EQUITY	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$89,990.00

These Financial Statements Have Been Prepared without an Audit. Prospective Franchisees or Sellers of Franchises Should be Advised that No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.

Profit and Loss by Month

January - June, 2024

	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Total
INCOME							
Total Income							**0.00**
EXPENSES							
Bank Service Charges						10.00	10.00
Contractors						2,500.00	2,500.00
Legal & Professional Fees						2,500.00	2,500.00
Total Expenses	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**5,010.00**	**5,010.00**
NET OPERATING INCOME	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**-5,010.00**	**-5,010.00**
NET INCOME	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$ -5,010.00**	**$ -5,010.00**

These Financial Statements Have Been Prepared without an Audit. Prospective Franchisees or Sellers of Franchises Should be Advised that No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.

EXHIBIT C TO PINGPOD FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF CURRENT AND FORMER FRANCHISEES

List of Franchised Pods

None

List of Corporate or Affiliate-Owned Pods

PingPod, Inc. 40-42 Allen Street New York, New York	PingPod, Inc. 321 West 37th Street New York, New York	PingPod, Inc. 515 East 86th Street New York, New York
PingPod, Inc. 30-18 Steinway Astoria, New York	PingPod, Inc. 101 Broadway Brooklyn, New York	PingPod, Inc. 40 Watchung Avenue Chatham, New Jersey
PingPod, Inc. 325 Chestnut Street Philadelphia, Pennsylvania	PingPod, Inc. 2025 Hudson Street Fort Lee, New Jersey	PingPod, Inc. 620 Fulton Street Brooklyn, New York
PingPod, Inc. 31 River Drive S. Jersey City, New Jersey	PingPod, Inc. 1470 Lexington Ave. New York, New York	PingPod, Inc. 243 W 99th Street New York, New York
PingPod, Inc. 97 Broadway Brooklyn, New York	PingPod, Inc. 111 Canal St. Boston, Massachusetts	PingPod, Inc. 2209 N. Miami Ave. Miami, Florida
PingPod, Inc. 676 N. LaSalle Dr. Chicago, Illinois	PingPod, Inc. 238 Main St. Boston, Massachusetts	PinPod, Inc. 115 SW 8th Street Miami, Florida

Former Franchisees

None

EXHIBIT D TO PINGPOD FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT

CONFIDENTIAL OPERATIONS MANUAL
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PingPod Franchise Guide
2024

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DISCLAIMER	

EXHIBIT E TO PINGPOD FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

State Administrators	State Agents for Service of Process
California Department of Financial Protection and Innovation 2101 Arena Boulevard Sacramento, California 9584 (916) 445-7205 (Toll Free) (866) 275-2677	**California** Department of Financial Protection and Innovation 2101 Arena Boulevard Sacramento, California 9584
Hawaii Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**Hawaii** Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, Hawaii 96813
Illinois Illinois Franchise Development Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**Illinois** Illinois Franchise Development Illinois Attorney General 500 South Second Street Springfield, Illinois 62706
Indiana Indiana Chief Deputy Commissioner Secretary of State Franchise Section – Securities Division 301 W. Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**Indiana** Indiana Chief Deputy Commissioner Secretary of State Franchise Section – Securities Division 301 W. Washington Street, Room E-111 Indianapolis, Indiana 46204
Maryland Office of the Attorney General Securities Division 2000 Saint Paul Place Baltimore, Maryland 21202 (410) 576-7044	**Maryland** Office of the Attorney General Securities Division 2000 Saint Paul Place Baltimore, Maryland 21202
Michigan Michigan Franchise Administrator Consumer Protection Division Attention: Franchise Examiner 670 Law Building Lansing, Michigan 48913 (517) 373-7117	**Michigan** Not Applicable

Minnesota
Minnesota Franchising Examiner
Minnesota Department of Corporations
133 East Seventh Street
St. Paul, Minnesota 55101
(612)295-6328

Minnesota
Minnesota Franchising Examiner
Minnesota Department of Corporations
133 East Seventh Street
St. Paul, Minnesota 55101

New York
NYS Department of Law
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8222

New York
Secretary of State
99 Washington Avenue
Albany, New York 12231

North Dakota
North Dakota Securities Department
600 East Boulevard State Capitol
Fifth Floor, Dep't 414
Bismarck, North Dakota 58505
(701) 328-4712

North Dakota
North Dakota Securities Department
600 East Boulevard State Capitol
Fifth Floor, Dep't 414
Bismarck, North Dakota 58505

Rhode Island
Rhode Island Securities Examiner
Division of Securities
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9500

Rhode Island
Rhode Island
Department of Business Regulation
Division of Securities
1511 Pontiac Avenue
Cranston, Rhode Island 02920

South Dakota
South Dakota Franchise Administrator
Division of Securities
Department of Labor & Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605)773-4013

South Dakota
Director, Division of Securities
124 S. Euclid, Suite 104
Pierre, South Dakota 57501

Virginia
Virginia Chief Examiner
State Corporation Commissioner
Division of Securities and Retail Franchising
1220 Bank Street
Richmond, Virginia 23219
(804)786-7751

Virginia
Clerk of the State Corporation Commissioner
P.O. Box 1197
Richmond, Virginia 23219

Washington
Washington Securities Administrator
Securities Division
P.O Box 9033
Olympia, Washington 98507
(360)902-8760

Washington
Director of Licensing
Securities Division
150 Israel Road
Turnwater, Washington 95801

Wisconsin
Wisconsin Commissioner of Securities
Registration Division
P.O. Box 1768
Madison, Wisconsin 53101
(608)266-8559

Wisconsin
Wisconsin Commissioner of Securities
Office of the Commissioner of Securities
101 East Wilson Street
Madison, Wisconsin 53702

EXHIBIT F TO PINGPOD FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE DISCLOSURE QUESTIONNAIRE

FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, PingPod Franchising LLC ("we" or "us"), and you are preparing to enter into a Franchise Agreement for the operation of PingPod Business (as defined in this Franchise Disclosure Document). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement and pay your Initial Franchise Fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer in the table provided below.

1.	Yes ___	No ___	Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to it?
2.	Yes ___	No ___	Have you received and personally reviewed the Franchise Disclosure Document we provided
3.	Yes ___	No ___	Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4.	Yes ___	No ___	Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
5.	Yes ___	No ___	Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor or have you had the opportunity for such review and chosen not to engage such professionals?
6.	Yes ___	No ___	Have you discussed the benefits and risks of developing and operating a PingPod Business with an existing PingPod franchisee?
7.	Yes ___	No ___	Do you understand the risks of developing and operating a PingPod Business?
8.	Yes ___	No ___	Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs and other relevant factors?

9. Yes ___ No ___ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be litigated, mediated, and/or arbitrated in New Jersey, if not resolved informally or by mediation?

10. Yes ___ No ___ Do you understand that you must satisfactorily complete the initial training course before we will allow your Store to open or consent to a transfer?

11. Yes ___ No ___ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a PingPod Business, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

12. Yes ___ No ___ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

13. Yes ___ No ___ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a PingPod Business will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

14. Yes ___ No ___ Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning the franchise for the PingPod Business, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?

15. Yes ___ No ___ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE

REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

EXPLANATION OF ANY NEGATIVE RESPONSE
(REFER TO QUESTION NUMBER)

Questionnaire Number	Explanation of Negative Response

_____
Signature of Franchise Applicant

_____
Name (please print)

Date: _____

_____
Signature of Franchise Applicant

_____
Name (please print)

Date: _____

EXHIBIT G TO PINGPOD FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the franchise disclosure document.

"The franchisor, any person or franchise broker in Item 2 of the FDD is (or not) subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq*., suspending or expelling such persons from membership in such association or exchange.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

a. California Business and Professions Code 20000 through 20043 provide rights to the franchisee concerning transfer, termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

b. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).

c. The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

d. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

e. The franchise agreement requires binding arbitration. The arbitration will occur in Costa Mesa, California with the costs being borne equally by the parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

f. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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

h. To act as an agent or broker, a person must pass a written examination and obtain a license from the Insurance Commissioner. Insurance Code §§ 1621 to 1758.1. The commissioner may deny a license to an applicant who is the subject of a federal indictment alleging fraudulent insurance practices in another state. § 1668.

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON, AND WISCONSIN AT RISK IF YOUR FRANCHISE FAILS.

Item 6, "Other Fees" shall be supplemented by the addition of the following at the end of the Item:

> With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

Sections 11.11 and 11.15 do not apply to any claims under the California Franchise Investment Law.

In Section 11.18 of the Franchise Agreement, the following provision does not apply:

> YOU ACKNOWLEDGE THAT NO REPRESENTATIONS, PROMISES INDUCEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND WERE MADE BY US OR ON OUR BEHALF WHICH HAVE LED YOU TO ENTER INTO THIS AGREEMENT. YOU UNDERSTAND THAT WHETHER YOU SUCCEED AS A FRANCHISEE IS DEPENDENT UPON YOUR EFFORTS, BUSINESS JUDGMENTS, THE PERFORMANCE OF YOUR EMPLOYEES, MARKET CONDITIONS AND VARIABLE FACTORS BEYOND OUR CONTROL OR INFLUENCE. YOU FURTHER UNDERSTAND THAT SOME FRANCHISEES ARE MORE OR LESS SUCCESSFUL THAN OTHER FRANCHISEES AND THAT WE HAVE MADE NO REPRESENTATION THAT YOU WILL DO AS WELL AS ANY OTHER FRANCHISEE

In Section 11.22 of the Franchise Agreement, the following provision does not apply:

> and recognize that it involves business risks which make the success of the venture largely dependent upon Your business abilities and efforts

Section 11.23 of the Franchise Agreement is deleted.

No disclaimer, questionnaire, clause, or statement signed by a franchisee or prospective franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or

information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ILLINOIS

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.

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.

The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition. This requires us to defer payment of the initial franchise fee and other initial payments owed by Franchisee to PingPod under until PingPod has completed its pre-opening obligations under the Agreement, and Franchisee has commenced operations. Therefore, and notwithstanding Section 6.1, Section 6.2, or any other provision of the Agreement, all initial fees will be deferred until after PingPod's initial obligations to Franchisee are complete, and Franchisee has commenced operations.

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.

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS

Illinois law shall apply to and govern the Franchise Agreement(s).

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.

Notwithstanding Section 6.1, Section 6.2, or any other provision of the Agreement, all initial fees will be deferred until after PingPod's initial obligations to Franchisee are complete, and Franchisee has commenced operations.

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.

FRANCHISOR:

PINGPOD FRANCHISING LLC
doing business as PingPod

By: _____
Name: David Silberman
Title: Chief Financial Officer
Date: _____

Delivery Addresses for Notices:

PingPod Franchising LLC
2025 Hudson Street
Fort Lee, New Jersey 07024

Evan M. Goldman, Esquire
The Franchise Firm LLP
225 Wilmington West Chester Pike, Suite 200

FRANCHISEE:

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

Delivery Address for Notices:

Chadds Ford, Pennsylvania 19317

ADDENDUM TO PINGPOD FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR 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.

AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NEW YORK

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and the regulations promulgated thereunder (N.Y. Comp. Code R. $ Regs. tit 13, §§ 200.1 through 201.16), the parties to the attached PingPod Franchising LLC Franchise Agreement (the "Agreement") agree as follows:

1. Under Section 4.6.2 of the Agreement, under the heading "Renewal," the subsection 4.6.2(e) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> 4.6.2(e) You shall execute a general release, in a form satisfactory to Us, with respect to any and all claims, known or unknown, that You might have against Us or our subsidiaries, or affiliates, or their respective officers, directors, agents, or employees, provided, however, that all rights enjoyed by You and any causes of action arising in Your favor from the provisions of New York General Business Law Sections 680-695, and the regulations issued thereunder, shall remain in force, it being the intent of this provision that the non-waiver provisions of New York General Business Law Sections 687.4 and 687.5 be satisfied.

2. Under Section 9.3 of the Agreement, under the heading "Conditions of Transfer," the subsection 9.3(c) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> (c) That the transferor shall have executed a general release, in a form prescribed by PingPod, of any and all claims against PingPod and its affiliates, and their respective officers, directors, agents, shareholders, and employees, provided, however, that all rights enjoyed by Franchisee/transferor, and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695, and the regulations issued thereunder, shall remain in force, it being the intent of this provision that the non-waiver provisions of New York General Business Law Sections 687.4 and 687.5 be satisfied.

5. There are circumstances in which an offering be made by PingPod Franchising LLC, would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed in New York if Franchisee is domiciled in New York or the PingPod Business will be opening in New York. PingPod Franchising LLC is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

IN WITNESS WHEREOF, the parties hereto have duly executed this New York Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

PINGPOD FRANCHISING LLC
doing business as PingPod

By: _____
Name: David Silberman
Title: Chief Financial Officer
Date: _____

Delivery Addresses for Notices:

PingPod Franchising LLC
2025 Hudson Street
Fort Lee, New Jersey 07024

Evan M. Goldman, Esquire
The Franchise Firm LLP
225 Wilmington West Chester Pike, Suite 200
Chadds Ford, Pennsylvania 19317

FRANCHISEE:

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

Delivery Address for Notices:

EXHIBIT H TO PINGPOD FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

The following states require the filing or registration of this Franchise Disclosure Document, or to be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Washington and Wisconsin.

This Disclosure Document is either registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	N/A
Hawaii	N/A
Illinois	N/A
Indiana	N/A
Maryland	N/A
Michigan	N/A
Minnesota	N/A
New York	N/A
North Dakota	N/A
Rhode Island	N/A
South Dakota	N/A
Washington	N/A
Wisconsin	N/A

In all other states that do not require registration, the effective date of this Disclosure Document is the issuance date of August 7, 2024.

EXHIBIT I TO PINGPOD FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT

RECEIPT

RECEIPT
(RETURN ONE COPY TO US)

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

If PingPod Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If PingPod Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit E.

The franchisor is PingPod Franchising LLC, located at 2025 Hudson Street, Fort Lee, New Jersey 07024. Its telephone number is 201-638-2254.

Issuance Date: August 7, 2024

The name, principal address and telephone number of the franchise seller for this offering is David Silberman, 2025 Hudson Street, Fort Lee, New Jersey 07024, 201-638-2254.

PingPod Franchising LLC authorizes the agents listed in Exhibit E to accept service of process for it.

I have received a disclosure document, dated August 7, 2024, that included the following Exhibits:

A	PingPod Franchise Agreement (with exhibits)
B	Financial Statements
C	List of Current and Former Franchisees
D	Confidential Operations Manual Table of Contents
E	List of State Administrators/Agents for Service of Process
F	Franchise Disclosure Questionnaire
G	State Addenda and Agreement Riders
H	State Effective Dates
I	Receipt

Date: _____
(Do Not Leave Blank)

_____
Signature of Prospective Franchisee

_____
Print Name

You may return the signed receipt either by signing, dating and mailing it to PingPod Franchising LLC at 2025 Hudson Street, Fort Lee, New Jersey 07024, or by emailing a copy of the signed and dated receipt to PingPod Franchising LLC at david@pingpod.com.

RECEIPT

(KEEP ONE COPY FOR YOURSELF)

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

If PingPod Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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I	Receipt

Date: _____
(Do Not Leave Blank)

_____
Signature of Prospective Franchisee

_____
Print Name