FRANCHISE DISCLOSURE DOCUMENT

Playa Bowls Franchisor, LLC
A New Jersey limited liability company,
197 State Route 18, Suite 202N
East Brunswick, NJ 08816
Tel: (732) 257-8604
franchising@playabowls.com
www.playabowls.com

The franchise offered is for Playa Bowls®, a fast casual restaurant offering acai bowls, pitaya bowls, coconut bowls, chia pudding bowls, oatmeal bowls, smoothies, juices, and other healthy food options. We offer individual unit Playa Bowls restaurant franchises and area development franchises for the development of multiple Playa Bowls restaurants within a designated territory.

The total investment necessary to begin operation of a Playa Bowls restaurant under a Franchise Agreement is $186,175 to $462,558. This includes $35,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a Playa Bowls restaurant under a Multi-Unit Development Agreement is $221,175 to $620,058. This includes $70,000 to $192,500 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Gary Moss, CDO, Playa Bowls Franchisor, LLC at 197 State Route 18, Suite 202N, East Brunswick, New Jersey, 08816, and (732) 407-5979.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

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

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

Issuance Date: April 27, 2022

How to Use this Franchise Disclosure Document

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

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

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

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

NOTICE REQUIRED BY THE STATE OF MICHIGAN

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

The Michigan Franchise Law states in Sec. 445.1527, Sec. 27 that each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

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

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

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

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

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

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

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Antitrust & Franchise
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

Playa Bowls®
Franchise Disclosure Document

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

Playa Bowls Franchisor, LLC, the franchisor of the Playa Bowls franchise is referred to in this franchise disclosure document (the "Disclosure Document") as "we", "us" or "our" as the context requires. A franchisee is referred to in this Disclosure Document as "you", "your", or "franchisee" as the context requires. If you are a corporation, partnership or other legal entity, our Franchise Agreement will also apply to your individual owners, shareholders, members, officers, directors and other principals.

The Franchisor

We are a New Jersey limited liability company established on June 21, 2016. Our principle place of business is 197 State Route 18, Suite 202N, East Brunswick, New Jersey, 08816, and we do business under our corporate name and the Marks as described below. Our business is operating the Playa Bowls franchise system and granting franchises to third parties like you to develop and operate a Playa Bowls restaurant. We began offering franchises in July 2016. We have not offered franchises in any other line of business and we do not engage in any other business activity. Our registered agents for service of process are disclosed in Exhibit G of this Disclosure Document.

Our Parents, Predecessors and Affiliates

PB Group Holdings, LLC
Our parent company is PB Group Holdings, LLC ("Parent Company"). Our Parent Company is a Delaware limited liability company that was established on June 22, 2021. We became a wholly owned subsidiary of our Parent Company in July 2021.

Playa Bowls, LLC
Our affiliate Playa Bowls, LLC, is a New Jersey limited liability company that was established on July 11, 2014. This affiliate maintains a principle place of business at 197 State Route 18, Suite 202N, East Brunswick, NJ, 08816. This affiliate owns one of the Marks that it has licensed to us so that we may sub-license the mark to our franchisees. This affiliate provides operational support and other services on behalf of our company owned Playa Bowls restaurant locations and food trucks. This affiliate is the parent company of the corporate entities that own and operate our company owned Playa Bowls restaurants and food trucks. This affiliate is not an approved supplier of any product or service that you must purchase or lease. This affiliate has not in the past and does not now offer franchises in any lines of business.

Playa Bowls IP, LLC
Our affiliate Playa Bowls IP, LLC is a New Jersey limited liability company established on April 22, 2016. This affiliate maintains a principle place of business at 197 State Route 18, Suite 202N, East Brunswick, NJ, 08816. This affiliate owns some of the Marks, which it has licensed to us so that we may sub-license them to our franchisees. This affiliate has not in the past and does not now offer franchises in any lines of business.

Rabby, LLC
Rabby, LLC is a New Jersey limited liability company established on June 28, 2016. This affiliate maintains a principle place of business at 803 Ocean Avenue, Belmar, New Jersey, 07719. This affiliate has not in the past and does not now offer franchises in any lines of business.

Description of Franchise

We offer franchises for the right to establish and operate a fast casual restaurant offering acai bowls, pitaya bowls, coconut bowls, chia pudding bowls, oatmeal bowls, smoothies, juices, and other healthy food options (each a "Restaurant" or "Franchised Business"). The Restaurants operate under the trade name and mark "Playa Bowls" and the additional principal trademarks, logos, and indicia of origin identified in Item 13. These principal marks and all other marks which may be designated by us in the future in writing for use with the System (defined below) are referred to in this Disclosure Document as the "Marks" or "Proprietary Marks".

Playa Bowls Restaurants are operated under the Marks and the System in accordance with the terms of the Franchise Agreement. Playa Bowls Restaurants are typically located in shopping malls, strip centers, and other retail locations and will requires approximately 1,500 to 2,000 square feet for a Restaurant location. Each Restaurant will offer dine-in and take out services. A Restaurant may, subject to our conditions and requirements, also offer delivery and catering services within the Restaurant's Designated Territory.

The Restaurants are established and operated under a comprehensive and unique system (the "System"). The System includes distinctive signage, interior and exterior design, décor and color scheme; special recipes and menu items, including proprietary products and ingredients; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; inventory, management and financial control procedures (including point of sales and tracking systems); training and assistance; and advertising and promotional programs; all of which we may change, improve, and further develop, in our discretion. Certain aspects of the System are more fully described in this Disclosure Document and the Confidential Operations Manual (the "Manual"), which you should expect to evolve over time, that are provided to you as a franchisee.

Franchise Agreement

We offer the right to establish and operate a Restaurant under the terms of a single unit Franchise Agreement within a designated territory (the "Franchise Agreement"). Our current form of Franchise Agreement is Exhibit B to this Disclosure Document. You may be an individual, corporation, partnership or other form of legal entity. Under the Franchise Agreement, certain parties are characterized as Franchisee's Principals (referred to in this Disclosure Document as "your Principals"). The Franchise Agreement is signed by us, by you, and by your Principals. By signing the Franchise Agreement, your Principals agree to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning confidentiality and non-competition, and to personally guarantee your performance under the Franchise Agreement. Depending on the type of business activities in which you or your Principals may be involved, we may require you or your Principals to sign additional confidentiality and non-competition agreements.

You must designate a general manager who will be the main individual responsible for your business (the "General Manager"). Your General Manager does not have to own an equity interest in you or the franchise. The General Manager must sign covenants to maintain the confidentiality of information he/she learns while employed as your General Manager, and your General Manager must sign non-competition covenants.

Multi-Unit Development Agreement

In certain circumstances we may offer the right to enter into a Multi-Unit Development Agreement in the form attached as Exhibit C to this Disclosure Document (the "Multi-Unit Development Agreement") to develop multiple Restaurants within a described geographic area (the "Development Area"). We will determine the Development Area before you sign the Multi-Unit Development Agreement and it will be

included in the Multi-Unit Development Agreement. The total number of Restaurants that you will be required to develop and operate under a Multi-Unit Development Agreement will vary from 3 to 10 Restaurants as negotiated at the time of signing the Multi-Unit Development Agreement. Your Multi-Unit Development Agreement will include a development schedule containing a deadline by which you must have each Restaurant open and operating.

The Franchise Agreement for the first Restaurant developed under the Multi-Unit Development Agreement will be in the form attached as Exhibit B to this Disclosure Document, and we expect that you will sign the first Franchise Agreement at the same time you sign the Multi-Unit Development Agreement. For each additional Restaurant developed under the Multi-Unit Development Agreement, you must sign the form of Franchise Agreement that we are then offering to new franchisees, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document. The size of the Development Area will vary depending upon local market conditions and the number of Restaurants to be developed.

Market and Competition

The market for restaurants in general is well developed and intensely competitive. You will serve the general public and will compete with a variety of businesses, including locally owned to regional, national and chain restaurants, some of which may be franchise systems. We may establish other Restaurants in your area (if permitted under the Franchise Agreement) and/or sell or license others to sell products in your area. Also, we may sell products through the internet and other means of distribution to customers at any location, which may be located in the area of your Restaurant.

Industry Regulations

The restaurant industry is heavily regulated. A wide variety of Federal, state and local laws, rules and regulations have been enacted that may impact the operation of your Restaurant, and may include those which: (a) establish general standards, zoning, permitting restrictions and requirements and other specifications and requirements for the location, construction, design, maintenance and operation of the Restaurant's premises; (b) set standards pertaining to employee health and safety; (c) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants and laws and regulations relating to access by persons with disabilities; employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; available of and requirements for public accommodations and requirements for fire safety and general emergency preparedness; (d) establish requirements for food identification and labeling; and (e) regulate advertisements. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your Restaurant and you should consider both their effect and costs of compliance.

Many of the laws, rules and regulations that apply to business generally, such as the Americans With Disabilities Act, Federal Wage and Hour Laws and the Occupational Safety and Health Act, also apply to restaurants. The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce laws and regulations that govern food preparation and service and restaurant sanitary conditions. The federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

The Nutrition Labeling and Education Act (NLEA) sets regulations for food labeling, including nutritional label standards, nutrient content claims, and health claims. NLEA applies to virtually all foods in the food

supply, including food served and sold in restaurants. While NLEA specifies a number of exemptions for restaurants, there are many instances where a nutritional label is required. The Food and Drug Administration's *Nutritional Labeling Guide for Restaurants and Other Retail Establishments* provides answers to commonly asked questions regarding the application of NLEA.

You must identify, investigate, satisfy and comply with all laws, ordinances and/or regulations applicable to your Restaurant, including employment, workers' compensation, insurance, corporate, tax, public health and similar laws and regulations, because they vary from place to place, can change over time and may affect the operation of your Restaurant. You should independently research and review the legal requirements of the food services industry with your own attorney before you sign any binding documents or make any investments. Each of your managers and other employees we designate must be ServSafe (or similar) certified.

ITEM 2
BUSINESS EXPERIENCE

Robert Giuliani – Chief Executive Officer (CEO)
Mr. Giuliani is our CEO and he has served in this role since July 2021. Since our initial formation in June 2016 to July 2021, Mr. Giuliani was one of our Managing Members. Since June 2016 and continuing to present, Mr. Giuliani has been an owner of our affiliate, Rabby LLC and, since April 2016 and continuing to present, Mr. Giuliani has been an owner of our affiliate, Playa Bowls Pier Village LLC. Since July 2014 and continuing to present, Mr. Giuliani has been an owner of our affiliate, Playa Bowls, LLC.

Abby Taylor – Chief Marketing Officer (CMO)
Ms. Taylor is our CMO and she has served in this role since July 2021. Since our initial formation in June 2016 to July 2021, Ms. Taylor was one of our Managing Members. Since June 2016 and continuing to present, Ms. Taylor has been an owner of our affiliate, Rabby LLC and, since April 2016 and continuing to present, Ms. Taylor has been an owner of our affiliate, Playa Bowls Pier Village LLC. Since July 2014 and continuing to present, Ms. Taylor has been an owner of our affiliate, Playa Bowls, LLC.

Gary Moss – Chief Development Officer (CDO)
Mr. Moss is our CDO and he has served in this role since July 2021. From January 2017 to June 2021, Mr. Moss was our Vice President of Business Development and Operations.

Eric Miller, Chief Operations Officer (COO)
Mr. Miller is our COO and he has served in this role since January 2022. From April 2019 to December 2022, Mr. Miller was COO of Sun Holdings in Dallas, TX. From July 2011 to March 2019, Mr. Miller was Managing Partner at 5G Ventures in Dallas, TX .

Danielle Grieco – Business Development Manager
Ms. Grieco is our Business Development Manager and she has served in this role since 2022. From 2019 through 2021, Ms. Grieco was our Executive Assistant. From 2015 through 2018, Ms. Grieco was a Technical Recruiter at Insight Global in Morristown, NJ. In 2018 Ms. Grieco was a Research Assistant at University of California Berkeley in Berkeley, California. From 2018 to 2019 Ms. Grieco was a Research Assistant at Princeton University in Princeton, New Jersey.

Mark Hauser – Chairman
Mr. Hauser is the Chairman of our Parent Company and he has served in this role since June 2021. Since October 2019 and continuing to date, Mr. Hauser has been the Managing Partner of Tamarix Equity Partners in New York, New York. From December 2013 to September 2019, Mr. Hauser was Senior Managing Director with OFS Management in New York, New York.

Matthew Yoon - Vice Chairman

Mr. Yoon is the Vice Chairman of our Parent Company and he has served in this role since June 2021. Since June 2019 and continuing to date, Mr. Yoon has been the Managing Partner and Chief Executive Officer of Pacific General in New York, New York. From January 2016 to June 2019, Mr. Yoon was a Partner of Pi Capital International in New York, New York.

Gary Matthews - Director

Mr. Matthews is a Director of our Parent Company and he has served in this role since June 2021. Since September 2020 and continuing to date, Mr. Matthews is and continues to serve as a Managing Partner of Tamarix Equity Partners in New York, New York. Since October 2020 and continuing to date, Mr. Matthews is and continues to serve as Chairman of Seven Oaks Acquisition Corp. in New York, New York. From February 2019 to August 2020, Mr. Matthews was CEO and Director of IES Holdings in Houston, Texas. From September 2007 to February 2019, Mr. Matthews was Managing Director of Morgan Stanley Capital Partners in New York, New York.

Brendan Brier - Director

Mr. Brier is a Director of our Parent Company and he has served in this role since June 2021. Since October 2020 and continuing to date, Mr. Brier is and continues to serve as a Principal of Tamarix Equity Partners in New York, New York. From January 2020 to September 2020, Mr. Brier was Chief Strategy Officer of IES Holdings in Greenwich, CT. From July 2014 to December 2019, Mr. Brier was Senior Vice President of Corporate Strategy at AECOM in Los Angeles, California.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

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ITEM 5
INITIAL FEES

Franchise Agreement

When you sign a Franchise Agreement you will pay to us a non-refundable initial franchise fee in the amount of $35,000 (the "Initial Franchise Fee"). For individuals who were honorably discharged from any branch of the United States Military the Initial Franchise Fee for your first Restaurant is discounted by 15%. This discount must be requested at the time of your initial franchise application and requires documented military service.

The Initial Franchise Fee is fully earned by us upon payment and is used to defray our costs for providing initial training, pre-opening assistance and, our profit. The method we use to calculate the Initial Franchise Fee is uniform for all franchises that we offer through this Disclosure Document. During our fiscal year ended December 31, 2021, the initial franchise fees for 38 franchisees were discounted to an initial franchise fee between $25,000 and $30,000, and the initial franchise fee was waived for 2 current franchisees that opened a second location within their existing territory. No other franchise fees were discounted or waived in 2021.

Multi-Unit Development Agreement

If you sign a Multi-Unit Development Agreement, you must pay to us a fixed non-refundable development area fee (the "Development Area Fee") in an amount equal to 50% of the Initial Franchise Fee for each additional Restaurant, over and above your first Restaurant, authorized for development under the Multi-Unit Development Agreement. The minimum number of Restaurants that you may agree to develop is 3 and the maximum is 10.

The Development Area Fee is in addition to the Initial Franchise Fee of $35,000 that you will pay to us at the time of signing the Franchise Agreement for your first Restaurant. At the time of signing the Franchise Agreement for each additional Restaurant authorized by the Multi-Unit Development Agreement, you will pay to us 50% of the Initial Franchise Fee. The Development Area Fee is fully earned by us upon payment, represents consideration for a designated development area and, our profit. The method we use to calculate the Development Area Fee is uniform for all franchises that we offer through this Disclosure Document.

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ITEM 6
OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
Royalty Fee (Note 2)	6% of Gross Sales	Monthly on the 10th day of each month	Calculated based on Gross Sales for the previous calendar month. May be debited automatically from your bank account by ACH or other means designated by us.
Brand Development Fund (Note 3)	1% of Gross Sales	Monthly together with the Royalty Fee	May be debited automatically from your bank account by ACH or other means designated by us.
Local Marketing	1% of Gross Sales	Monthly	You must spend not less than 1% of your monthly on pre-approved marketing within your designated territory.
Cooperative Marketing (Note 4)	As authorized by us and as determined by the members, but not more than 1% of Gross Sales	As determined by the members	If we authorize the formation of a marketing cooperative, you must join the cooperative. Any money you contribute to a cooperative will count toward your local marketing requirement.
Initial Training for Additional, New or Replacement Employees	Our then current per person training fee, plus expenses. Our current per person training fee is $1,000.	Before Training	Our initial training program will be provided, at no additional charge, for up to 3 individuals comprised of you, your General Manager and 1 additional person. If you request that we offer initial training for any additional individuals or, if you request or we require that any new or replacement employees participate in our initial training program, you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals and wages.
Additional On-Site Training/Remedial Training	Our then current per diem rate per trainer, plus expenses. Our current per diem rate is $400 per trainer, per day	When billed	If you request that we provide additional training at your Restaurant, or if as the result of an inspection or quality assurance audit we believe that remedial training is necessary, you must pay our daily fee for each trainer we send to your Restaurant,

Type of Fee (Note 1)	Amount	Due Date	Remarks
			and you must reimburse each trainer's expenses, including travel, lodging and meals.
Late Fee	$50	On demand	Payable for any payment owed to us that is more than 5 days late and is in addition to interest on the overdue amount.
Interest	18% per annum or the highest interest rate allowed by applicable law, whichever is less	On demand	May be charged on all overdue amounts. Accrues from the original due date until payment is received in full.
Audit Fee	Cost of audit. Estimated to be between $1,000 and $5,000	When billed	Payable only if we find, after an audit, that you have understated Gross Sales by 2% or more or you have understated any amount you owe to us. You must also pay the understated amount plus late fees and interest.
Insufficient Funds Fee	$100 per occurrence, plus actual bank charges incurred	On demand, if incurred	Payable if there are insufficient funds in your account to pay fees due to us. If you incur 3 insufficient funds fees in any 12 month period, we have the right to terminate your Franchise Agreement.
On-Site Evaluation Fee	$250 per day, plus reimbursement of our representative's reasonable costs incurred	When billed	At our election, we may conduct 1 on-site evaluation of the location you propose for your Restaurant before we approve it for your Restaurant.
Inspection/Product and Supplier Evaluation	Reimbursement of our reasonable costs	On demand	Payable if you request that we evaluate a product or supplier that not previously approved or designated by us and that you request for approval. Also payable if we determine that your Restaurant is offering items that do not conform to our specifications.
Liquidated Damages	An amount equal to the average monthly royalty fees paid or owed by you during the 12 month period	15 days after termination	Payable to us in the event that your Franchise Agreement is terminated prior to the expiration of the original

Type of Fee (Note 1)	Amount	Due Date	Remarks
	preceding the termination date, multiplied by (a) 24, or (b) the number of months remaining in your Franchise Agreement had it not been terminated, whichever is lower.		term or, if applicable, the renewal term, of your Franchise Agreement.
Costs and Attorneys' Fees	Will vary under circumstances	On demand	If you default under your agreement, you must reimburse us for the expenses we incur, including attorneys' fees, in enforcing or terminating the agreement.
Indemnification	Will vary under circumstances	On demand	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Franchised Business or for costs associated with defending claims that you used the trademarks in an unauthorized manner.
Repair, Maintenance, and Remodeling/ Redecorating	Will vary under circumstances	As incurred	Payable to approved suppliers. You must regularly clean and maintain your Restaurant and its equipment. We may require you to remodel or redecorate your Restaurant to meet our then current image for all Playa Bowls Restaurants. We will not require you to remodel or redecorate your Restaurant more frequently than every 5 years.
Charges for "mystery shopper" quality control evaluation (Note 5)	As determined by us but not less than $400 per event or month	Monthly	The mystery shopper program is separate from our programs for customer surveys and customer satisfaction audits that may require you to accept coupons from participating customers for discounted or complimentary items.
ServSafe Certification	$150 per person or the then current market rate	As needed	Each of your managers and other employees we designate must be ServSafe or similarly certified. Payable to an approved supplier.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Insurance Premiums	Reimbursement of our costs, plus 20% administrative fee	On demand	If you do not maintain the required insurance coverages, we have the right, but not the obligation, to obtain insurance on your behalf.
Management Fee	10% of Gross Sales, plus expenses	If incurred	We may step in and manage your Restaurant in certain circumstances, such as death, disability or prolonged absence. We will charge a management fee if we manage your Restaurant, and you must reimburse our expenses.
Gift Card Program	$220, approximately, for initial inventory of 250 cards including shipping $19.95 per month for use of the app. $5 per month for monthly pooling fee	As incurred	Payable to approved supplier, Clover. You must participate in our gift card program. Gift cards will be available for sale and redemption at any Restaurant in the System.
Prohibited Product or Service Fee	$250 per day for each day the infraction continues	As incurred	If you offer any product or service that we have not approved
Online Ordering Program	$49.99 for up to 500 transactions each month, then $0.10 for each additional transaction that calendar month	Monthly	Payable to the current approved supplier, Tap Mango Inc. You must participate in this program.
Employee Scheduling and Timekeeping	$3 per month per active employee	Monthly	Payable to the current approved supplier
Payroll Service & Processing	$200 one-time set-up fee $157.95 base rate, plus $3.10 processing fee per employee over 4, less 49.99% discount and 30% off W-2 processing	Bi-weekly	Payable to approved payroll supplier. These fees are assessed each pay period.
Refresher Training or Franchisee Meeting	Our then current per person fee, plus expenses. Current fee is $400 per person	Before the refresher training session or	If we choose to hold a refresher training program or a meeting of our franchisees, we may charge a per person fee for each person attending

Type of Fee (Note 1)	Amount	Due Date	Remarks
		franchisee meeting	the training session or meeting. We may designate that attendance at the training session or meeting is mandatory for you, your General Manager and other personnel, and you must pay each of your attendee's expenses while attending the training session or meeting, including travel, lodging, meals and wages.
Loyalty Program	$190 per 8" Tablet with Stand$230 per 1,000 Keychain Tags	Monthly	Payable to our approved supplier, Tap Mango Inc. You must participate in this program and you must have at least 1 tablet available at the point of sale for customer registrations.
POS Integration for Third party Delivery	$100 POS Configuration Fee $150 Menu Mapping Fee Third party Online Order Service Fee ("TOOS") is $78.99 for an unlimited number of TOOS	As incurred (one-time fee) As incurred (one-time fee) Monthly	Payable to current approved supplier. You must participate in the third party delivery program and you must conduct the full integration through the POS system
Technology Fee (Note 6)	Up to $450 per month, currently $90 per month	Monthly as invoiced	May be debited automatically from your bank account by ACH or other means designated by us.
Relocation Fee	Reimbursement of our costs	Upon approval of a relocation request	If we approve your relocation request, you must reimburse us for our reasonable expenses related to your relocation request.
Transfer Fee	$10,000	Upon completion of the transfer	No fee charged for a one-time transfer from individual(s) to a corporate entity formed for convenience of ownership of the franchise.
Renewal Fee	$10,000	Upon renewal	Payable if we approve your renewal request.

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Explanatory Notes to Item 6

Note 1: Type of Fee – All fees described in this Item 6 are non-refundable and are uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us. Except as specifically stated above, the amounts given may be due to changes in market conditions, our cost of providing services and future policy changes. At the present time we have no plans to increase the fees over which we have control, but as noted in the chart above and in these notes, we have the right to increase certain fees upon notice to you.

Note 2: Royalty Fees – For the purposes of determining the royalties to be paid under the Franchise Agreement, "Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Restaurant, whether for cash or credit and regardless of collection in the case of credit. If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the point-of-sale system and any cash shortage will not be considered in the determination. Gross Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments. As described in Item 11, the computer system is designed to enable us to have independent access to the information monitored by the system. This will permit us to electronically inspect and monitor your Restaurant's Gross Sales numbers contained or stored in the equipment and software. At the end of each month, we download Gross Sales and other information from your computer system. We will calculate your Royalty and Brand Development Fees based on the Gross Sales information and we will bill you. The Royalty Fee and Brand Development Fee may be withdrawn from your designated bank account by electronic funds transfer ("EFT") monthly on the 10th of the following month based on the Restaurant's Gross Sales for the preceding calendar month. If we are unable to download the Restaurant's Gross Sales, we may debit your account for 120% of the last Royalty Fee and Brand Development Fee that we debited. If the fees we debit are less than the fees you actually owe us, once we have been able to determine the true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the fees we debit are greater than the fees you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the following month. If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

Note 3: Brand Development Fund Fees – We have established and administer a Brand Development Fund on behalf of the System (the "Brand Development Fund Fee").

Note 4: Cooperative Marketing Fees – If 2 or more Restaurants are operating within a geographic area, region, or market designated by us (a "designated market"), we reserve the right to establish and require your participation in a local or regional advertising cooperative within the designated market. If a local or regional advertising cooperative is established within a designated market that includes your Restaurant(s), you will be required to participate in the cooperative and make on-going payments to the cooperative in such amounts and subject to such caps as established by the cooperative members. We anticipate that each Restaurant franchisee will have 1 vote for each Restaurant located within the cooperative market and that cooperative decisions shall be made based on approval of a simple majority vote with a quorum of not less than 25% of the designated cooperative members. Contributions to a local or regional cooperative that we designate will count toward satisfaction of your minimum local marketing requirements.

Note 5: Mystery Shopper –We may use an independent service to conduct a "mystery shopper" quality control and evaluation program. You must participate in this program, and we may require that you pay the then current charges imposed by the evaluation service as we direct, either directly to the evaluation service provider or to us as a reimbursement.

Note 6: Technology Fee - The continuing monthly technology fee is an administrative technology fee charged by us and used, at our discretion, to defray some of our costs related to technology platforms that may benefit your Restaurant (the "Technology Fee").

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. Franchise Agreement

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee (1)	$35,000	Lump Sum	When Franchise Agreement Signed	Us
Rent – 3 Months (2)	$7,500 to $25,000	As arranged	As arranged	Landlord
Lease Security Deposit (3)	$2,500 to $8,333	As arranged	As arranged	Landlord
Utility Security Deposit (3)	$0 to $1,500	As arranged	As arranged	Utility Companies
Design and Architect Fees (4)	$4,500 to $10,000	As arranged	As arranged	Designer or Architect
Leasehold Improvements (5)	$50,000 to $185,000	As arranged	As arranged	Contractor
Signage (6)	$2,000 to $12,000	As arranged	As arranged	Suppliers
Equipment, Furniture and Fixtures (7)	$50,000 to $90,000	As arranged	As arranged	Suppliers
Point of Sale & Computer Equipment (8)	$1,300 to $2,600	As arranged	As arranged	Suppliers
Business Licenses & Permits (9)	$2,000 to $4,000	As arranged	As arranged	Government Agencies
Professional Fees (10)	$1,000 to $3,000	As arranged	As arranged	Attorney, Accountant

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Insurance (11)	$1,875 to $2,625	As arranged	As arranged	Insurance Companies
Initial Inventory (12)	$10,000 to $30,000	As arranged	As arranged	Suppliers
Training Expenses (13)	$1,000 to $6,000	As arranged	As arranged	Airline, Hotel, Restaurant, etc.
Grand Opening Marketing (14)	$7,500	As arranged	As arranged	Suppliers
Additional Funds – 3 Months (15)	$10,000 to $40,000	As arranged	As arranged	As determined by you
Total Estimate (16)	$186,175 to $462,558			

Explanatory Notes to Item 7 for a Franchise Agreement

Note 1: Initial Franchise Fee – The Initial Franchise Fee is $35,000.

Note 2: Rent – You must develop and operate your Playa Bowls Restaurant from a retail location that we approve and that, generally, will include locations within free-standing buildings or end caps of a strip shopping center, shopping malls, or in a downtown setting. This estimate assumes that you will be leasing a Restaurant location comprised of an approximate 1,500 to 2,000 square foot facility. 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 that you pay common area maintenance charges for your pro rata share of real estate taxes, insurance, and your pro rata share of other charges related to common areas and otherwise related to your leased location. The actual amount you pay under the lease will vary depending on the size of the Restaurant, 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 Restaurant, 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.

Note 3: Lease Security Deposit / Utility Security Deposit – Our estimate assumes that you will need to provide 1 month of rent as a security deposit to your landlord. You may also be required by your utility companies including, gas, water and/or electric, to provide security deposits.

Note 4: Design and Architect Fees – You must obtain construction plans for the build-out of your Restaurant according to our specifications. We have the right to designate and/or approve of the designer and/or architect you use.

Note 5: Leasehold Improvements – The cost of leasehold improvements will vary depending on factors, that include: (a) the size and configuration of the premises; (b) pre-construction costs including, demolition of existing walls and removal of existing improvements and fixtures; and (c) 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 Restaurant. 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. The low end of our estimate assumes that you have leased space that previously operated as a restaurant and that you will convert to a Playa Bowls Restaurant. The high end of our estimate assumes that you have leased a "vanilla box" space and that more improvements are required. Our estimate does not include any tenant improvement allowance that you may negotiate.

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

Note 7: Equipment, Furniture and Fixtures – Required equipment include reach-in or walk-in refrigerator, reach-in or walk-in freezer, low-boy refrigerator/freezers, ice maker, prep tables, small wares, commercial grade blenders, commercial grade juicers, and custom-built knee wall keggerator. The furniture and fixtures required for your Restaurant includes tables, chairs, stools, menu board and décor items.

Note 8: Point of Sale & Computer Equipment – You must purchase the point-of-sale system that we designate. Additional information regarding the required point of sale and computer equipment is included in Item 11.

Note 9: Business Licenses and Permits – These are estimates of the costs for obtaining local business licenses which typically remain in effect for 1 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 recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement.

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

Note 11: Insurance – These figures are estimates of the cost of the annual premiums for the first 3 months of insurance you must obtain and maintain for your Restaurant, 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.

Note 12: Initial Inventory – These amounts represent your initial inventory of food and beverage supplies, paper products, and cleaning materials and supplies.

Note 13: Training Expenses – We provide, at no additional charge, initial training for up to 3 people comprised of you, your General Manager and 1 additional person. These estimates include only your out-of-pocket costs associated with attending our initial training program, including travel, lodging, meals and applicable wages. 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. The low end of our estimate assumes the trainees are within driving distance of our training facility.

Note 14: Grand Opening Marketing – You must conduct a grand opening marketing campaign and you must spend at least $7,500 on your campaign during your first 3 months of operation. We may designate a different time period for you to conduct the grand opening marketing. Your grand opening marketing campaign must include giveaways of food samples and other promotions, as we require, and must comply with our standards, specifications, and approval process before it is conducted.

Note 15: Additional Funds – This is an estimate of the minimum recommended levels of additional funds that may be required to cover operating expenses such as employee salaries, inventory, rent, and utilities only for the initial 3 month period following the opening of your Restaurant. This estimate does not include compensation to you or your owners and does not include interest, finance charges, or payments that may be incurred by you if you financed the development of your Restaurant. This is only an estimate for your initial 3 months of operations and more working capital and additional funds may be required depending on the sales and performance of your Restaurant. Before signing a Franchise Agreement, you should consult with your accountant and advisor to budget and determine the amount of additional funds that should be reserved and set aside by you to support and capitalize the long-term operations of your Restaurant.

Note 16: Total – In making these estimates, we have relied on the experiences of our affiliates and franchisees in developing and operating Restaurants. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. In general, none of the expenses identified in Item 7 are 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.

B. Multi-Unit Development Agreement

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Development Area Fee (1)	$35,000 to $157,500	Lump sum	When Franchise Agreement and Multi-Unit Development Agreement are signed	Us
Estimated Initial Investment to Open 1 Restaurant (2)	$186,175 to $462,558	Estimated Initial Investment is based on estimate contained in Chart A, above, of this Item 7, for a Franchise Agreement. See, Chart A		
Total Estimate (3)	$221,175 to $620,058			

Explanatory Notes to Item 7 for a Franchise Agreement and a Multi-Unit Development Agreement

Note 1: Development Area Fee and Franchise Fees – When you sign a Multi-Unit Development Agreement you will also sign a Franchise Agreement for your first Restaurant. At the time of signing your Multi-Unit Development Agreement, in addition to paying us the Franchise Fee for your first Restaurant, you will pay to us a Development Area Fee. The amount of the Development Area Fee is $17,500 for each additional Restaurant, over and above your first Restaurant, authorized for develop within the Development Area. The minimum number of Restaurants that you may be authorized to develop under a Multi-Unit Development Agreement is 3 and the maximum number is 10. In addition to the Development Area Fee and the Initial

Franchise Fee for your first Restaurant, at the time of signing the Franchise Agreement for each additional Restaurant authorized under your Multi-Unit Development Agreement, you will pay to us an Initial Franchise Fee in the amount of $17,500.

Note 2: Estimated Initial Investment – This is the estimated initial investment for the development of 1 Playa Bowls Restaurant under a Franchise Agreement as reflected in Table A of this Item 7.

Note 3: Total Estimate – This is the total estimated investment to enter into a single unit Playa Bowls Franchise Agreement and a Multi-Unit Development Agreement. This estimate is only for the development of 1 Playa Bowls Restaurant. Except for your first Restaurant, this estimate does not include the estimated initial investment that you will incur each and every time you develop a Restaurant as may be authorized under your Multi-Unit Development Agreement and pursuant to the terms of each respective Playa Bowls Franchise Agreement.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase or lease and install all fixtures, furnishings, equipment including, point of sales system, computer hardware and software, décor items, uniforms, signs and related items that we require, all of which must conform to the standards and specifications stated in our Confidential Operations Manual ("Manual") or otherwise in writing by us, unless you have first obtained our written consent to do otherwise and such written consent has not been withdrawn. You may not install or permit to be installed on the Restaurant premises any fixtures, furnishings, equipment, décor items, signs, games, vending machines or other items without our written consent or that do not comply with our specifications.

You must operate the Restaurant in strict conformity with the methods, standards and specifications that we prescribe in the Manual or otherwise in writing. You must maintain in sufficient supply and use and sell at all times only those food and beverage items, ingredients, products, materials, supplies and paper goods that meet our standards and specifications. All menu items must be prepared in accordance with the recipes and procedures specified in the Manual or other written materials. You must not deviate from these standards and specifications by the use or offer of non-conforming items, or differing amounts of any items, without obtaining our written consent first. We can, and expect to, modify our standards and specifications as we deem necessary. We will provide you notice in the Manual or otherwise in writing (such as via email) of any changes in our standards and/or specifications.

You must permit us or our agents, during normal business hours, to remove a reasonable number of samples of food or non-food items from your inventory or from the Restaurant free of charge for testing by us or by an independent laboratory to determine whether the samples meet our then current standards and specifications. In addition to any other remedies we may have, we may require you to reimburse our costs for the testing if we have not previously approved the supplier of the item or if the sample fails to conform to our specifications.

You must obtain all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment (including point of sale system and communication systems), and other products used or offered for sale at the Restaurant solely from suppliers who demonstrate, to our continuing reasonable satisfaction, the ability to meet our then current standards or in accordance with our standards and specifications. All suppliers, and specifically suppliers for food and beverage items, must be pre-approved by us according to the procedure detailed below. A complete list of our approved products and suppliers will be included in the Manual and is subject to change over time. We will provide you notice in the Manual or otherwise in writing (such as via email) of any changes to the lists of approved products and approved suppliers.

You will be required to purchase acai and coconut products for use in our recipes and menu items from our designated distributors who purchase exclusively from our designated supplier, Yummy Acai LLC. or as may be otherwise designated by us in writing. Our affiliate, Rabby LLC, has a revenue share arrangement with Yummy Acai LLC where Rabby LLC receives rebates on tub and case sales of acai and coconut. During the 2021 calendar year our affiliate Rabby LLC received $1,128,360 in revenue from our designated supplier as a result of franchisee purchases. Except as otherwise disclosed, currently, we and our affiliates are not approved or designated suppliers for any other product or service you must purchase or lease. None of our officers has an ownership interest in any approved or designated supplier.

If you wish to purchase, lease or use any products that we have not previously approved, or purchase or lease from a supplier we have not previously approved, you must submit a written request for approval or you must request the supplier to do so. You must reimburse our reasonable costs related to our testing and inspection. We must approve any product or supplier in writing before you make any purchases of that product or from that supplier. We can require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, either to us or to an independent laboratory, for testing. We have the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then current standards. Our supplier approval procedure does not obligate us to approve any particular supplier. We do not have a specific timeframe for providing notification to you, but we will use our best efforts to notify you in writing within 30 days after you have requested our approval whether the proposed product or supplier is, in fact, approved or disapproved. We are not required to make available to you or to any supplier our criteria for product or supplier approval. We are not obligated to approve any specific product or supplier. If we have previously approved a supplier, and their standards fall below our designated standards, we will revoke our approval. We will notify you in writing of us revoking our approval. We may revoke our prior approval of any product or supplier at any time, and after your receipt of written notice from us regarding our revocation you must stop using that product or stop purchasing from that supplier.

We and/or our affiliates may develop for use in the System certain products which are prepared from confidential proprietary recipes and other proprietary products which bear the Marks. Because of the importance of quality and uniformity of production and the significance of those products in the System, it is to your and our benefit that we closely control the production and distribution of those products. Therefore, you will use only our proprietary recipes and other proprietary products and will purchase those items solely from us or from a source designated by us all of your inventory of those products.

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of the System. As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives in which you must participate. When determining whether to grant new, additional or renewal franchises, we consider many factors, including your compliance with the requirements described in this Item 8, but your compliance with these requirements does not automatically give you the right to an additional or renewal franchise.

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 Restaurants in our System. 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 our franchisees. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers.

There is currently 1 purchasing arrangement with Pepsi where Pepsi is our only approved soft drink supplier. The agreement provides us with marketing support funds based on case sales of approved

products. We also receive new outlet support funds when new locations open, and rebates for volume purchases based on case sales. We and our affiliates will receive any and all of these rebates. We and our affiliates may collect and retain any or all of these rebates, without restriction, and will earn revenue as a result of these rebates. We may also choose to contribute these rebates to the Brand Development Fund, but if we do so it does not reduce or eliminate your requirement to pay the Brand Development Fee. During the fiscal year ending December 31, 2021, we earned, directly or through our affiliates, $1,174,904.48 in rebates from franchisee purchases including rebates related to Pepsi and Yumi Acai LLC. This represents 19.45% of our total revenue of $6,039,793.

We have the right to collect and retain any and all allowances, rebates, credits, incentives, or benefits (collectively, "Allowances") offered by manufacturers, suppliers, and distributors to you, to us, or to our affiliates based upon your purchases of products and services from manufacturers, suppliers, and distributors. We or our affiliates will have all of your right, title, and interest in and to any and all of these Allowances. We or our affiliates may collect and retain any or all of these Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor). We may also choose to contribute these Allowances to the Brand Development Fund, but if we do so it does not reduce or eliminate your requirement to pay the Brand Development Fee. For the fiscal year ended December 31, 2020, neither we nor our affiliates earned revenue from Allowances, except for the revenues associated with the Yummy Acai and Pepsi agreements as stated above.

If you provide catering or delivery services, we anticipate that your employees will use their personal vehicles to provide these services from your Restaurant. We have the right to require you to have temporary signage placed on each delivery vehicle. We expect that all delivery vehicles will be kept clean, in good working order and be properly insured. You must have each person providing those services to comply with all laws, regulations and rules of the road and to use due care and caution operating and maintaining the motor vehicles. Except as described in this paragraph, we do not have any standards or exercise control over any motor vehicle that you use.

All advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Restaurant) and other items we designate must bear the Marks in the form, color, location and manner we prescribe. In addition, all your advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements in the Manual or otherwise. You must obtain our approval before you use any advertising and promotional materials and plans if we have not prepared or approved them during the 12 months before their proposed use. Any advertising and promotional materials you submit to us for our review will become our property.

You must obtain our acceptance of the site for the Restaurant before you acquire the site. You must also obtain our acceptance of any contract of sale or lease for the Restaurant before you sign the contract or lease. You must provide us with a copy of the fully signed lease for the Restaurant premises. We require you and your landlord to sign a Collateral Assignment of Lease which permits us to assume your lease in certain circumstances, including the termination or expiration of your Franchise Agreement (Attachment 2 to the Franchise Agreement).

Your Restaurant must be constructed according to plans that we have approved. We will provide you with sample plans and/or our specifications for a Playa Bowls Restaurant, and we have the right to designate the architect/designer that you must use. We also have the right to approve the contractor you select. You must arrange for construction plans to be created that incorporate our requirements into the size and shape of the approved site for your Restaurant. You may not use the plans or begin building out your Restaurant until we have accepted the construction plans, and any changes to the construction plans must also be approved by us before the change may be implemented. Our review is not meant to assess compliance with any applicable laws, regulations or building codes. Our review is only to verify that the construction plans

accurately present our trade dress, the Marks and meet our specifications. We have the right to inspect your Restaurant while it is being constructed. You may not open your Restaurant for business without our approval. You must certify to us that your Restaurant has been constructed in compliance with the Americans with Disabilities Act.

Before you begin construction on the Restaurant, you must obtain the insurance coverage for the Restaurant that is required by the terms of your lease and applicable law, and that we specify in the Manual or otherwise in writing. Your insurance coverage must be maintained during the term of the Franchise Agreement and must be obtained from a responsible, duly licensed carrier or carriers acceptable to us. All insurance must be on an "occurrence" basis. You must obtain and provide us with evidence of insurance in at least the minimum amounts and with the coverages as follows:

(a) Commercial General Liability insurance on the latest version of ISO form CG 00 01 or its equivalent, with limits not less than $1,000,000 per occurrence and $2,000,000 in the general aggregate. There may be no products liability or completed operations exclusion. There may be no "Injury to Subcontractor Employee" (or its equivalent) exclusion. The Commercial General Liability policy must provide coverage to you for the hold harmless and indemnity clauses contained in the Franchise Agreement;

(b) Umbrella or Excess Liability Insurance with limits of $2,000,000 per occurrence and $2,000,000 general aggregate;

(c) Property Insurance for all of your property for its full Replacement Cost written on a Causes of Loss - Special Form or equivalent type policy. Property Insurance must be maintained with a deductible of no more than $5,000;

(d) Commercial Automobile Liability Insurance, covering any liabilities of yours and ours with respect to the ownership, maintenance, or use of any auto used in connection with the business, on a form equal to the latest version of ISO form CA 00 01 with a limit of a minimum of $1,000,000 Combined Single Limit;

(e) Workers' Compensation insurance as required by law;

(f) Employers' Liability insurance with limits not less than $1,000,000 each accident, $1,000,000 each employee by disease and $1,000,000 policy limit by disease;

(g) Employment Practices Liability Insurance, including third party coverage, with limits not less than $1,000,000 per claim and aggregate. We must be endorsed as a Co-Defendant;

(h) Data Breach Expense/Cyber Liability Insurance, including first and third party coverage with limits no less than $1,000,000, and regulatory expense coverage of no less than $250,000; and

(i) all other insurance required by law or that we may reasonably require.

A current and acceptable Certificate of Insurance must be initially provided at least 10 days before you begin construction of your Playa Bowls Franchised Business. A renewal Certificate of Insurance must be provided no later than 10 days before the expiration date of each policy. Each required policy of liability insurance must name Playa Bowls, LLC, Playa Bowls IP LLC and Playa Bowls Franchisor LLC as Additional Insureds by use of ISO endorsement CG 20 29 04 13 (Additional Insured- Grantor of Franchise). Each required property insurance policy must name Playa Bowls, LLC, Playa Bowls IP LLC and Playa Bowls Franchisor LLC as loss payee as its interests may appear. We have the right to request a complete

copy of your insurance policies for the purpose of verifying the required coverages. All contractors and vendors used by you must comply with these insurance requirements and it is your responsibility to monitor any such insurance. Your insurance policies must include a Waiver of Subrogation in favor of Playa Bowls. All policies must be written with insurance companies authorized to do business by the state where your Restaurant will operate. The insurance carriers you choose must be rated at least A minus (policy holders rating) and VII (financial rating) by A.M. Best Company. If you or any of your vendors or contractors utilize a surplus lines insurance company (non-admitted carrier), we must be provided with a complete copy of the policies, in addition to the Certificate of Insurance. All policies must be endorsed to require at least 30 days advance notice of cancellation, non-renewal, or reduction in coverage (or 10 days advance notice in the case of non-payment of premium) and sent by certified mail to us. You must also purchase any insurance required by the terms of your lease or that we may require in the future.

All insurance policies, except for worker's compensation, must name us, our affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds. Also, all insurance policies required by us must expressly provide that no less than 30 days' prior written notice must be given to us in the event of a material alteration to or cancellation of the policies. You must provide us with a certificate of insurance showing that you have obtained the required policies before construction of your Restaurant begins and upon each policy's renewal. We have the right to require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We have the right to change our insurance requirements during the term of your Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes. If you do not obtain any insurance as required, we have the right (but not the obligation) to purchase insurance for you and you must reimburse our costs related to this purchase plus pay to us a 20% administrative fee.

We estimate that your purchases from us or approved suppliers, or that must conform to our specifications, will represent approximately 57% to 67% of your total purchases in establishing your Restaurant, and approximately 70% of your total purchases in the continuing operation of your Restaurant.

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ITEM 9
FRANCHISEE'S OBLIGATIONS

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

In the table below, the following abbreviations have these meanings: FA means the Franchise Agreement and MUDA means the Multi-Unit Development Agreement.

Obligation	Article or Article in Agreement	Disclosure Document Item
a. Site selection and acquisition/ lease	FA – Article 2 MUDA – Article 3	Items 8 and 11
b. Pre-opening purchases/leases	FA – Articles 6, 7 and 8	Items 6, 7, 8, and 11
c. Site development and other pre-opening requirements	FA – Article 2	Items 8 and 11
d. Initial and ongoing training	FA – Article 6	Items 6, 7, and 11
e. Opening	FA – Articles 2 and 6	Item 11
f. Fees	FA – Articles 3, 4, 6, 7, 8, 10, 11, 14 and 18 MUDA – Articles 2 and 3	Items 5, 6, 7, and 11
g. Compliance with standards and policies/ operating manual	FA – Articles 2, 3, 6, 8, 9, 10, 11 and 12	Items 6, 11, and 14
h. Trademarks and proprietary information	FA – Articles 9 and 10 and Attachment 4 MUDA – Article 7	Items 13 and 14
i. Restrictions on products/services offered	FA – Article 7 MUDA – Article 7	Items 8 and 16
j. Warranty and customer service requirements	FA – Article 7	Not applicable
k. Territorial development and sales quotas	MUDA – Article 3	Item 12
l. Ongoing product/service purchases	FA – Article 7	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	FA – Articles 2, 7 and 14	Items 6 and 11
n. Insurance	FA – Article 12	Items 6, 7, and 8
o. Advertising	FA – Article 8	Items 6, 8, and 11
p. Indemnification	FA – Article 15 MUDA – Article 14	Item 6
q. Owner's participation/ management/staffing	FA – Articles 6, 14, 15 and 16 MUDA – Article 7	Items 1, 11, and 15
r. Records and reports	FA – Articles 4, 7 and 11	Item 6

Obligation	Article or Article in Agreement	Disclosure Document Item
s. Inspections and audits	FA – Articles 2, 7 and 11 MUDA – Article 12	Items 6, 8, and 11
t. Transfer	FA – Article 14 MUDA – Article 11	Items 6 and 17
u. Renewal	FA – Article 3 MUDA – Article 5	Items 6 and 17
v. Post-termination obligations	FA – Article 18 MUDA – Article 10	Items 6 and 17
w. Non-competition covenants	FA – Article 10 and Attachment 4 MUDA – Article 12	Item 17
x. Dispute resolution	FA – Article 19 MUDA – Article 19	Items 6 and 17
y. Liquidated damages	FA –Article 18	Item 6

ITEM 10
FINANCING

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

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

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

Pre-Opening Obligations

Multi-Unit Development Agreement
Under the Multi-Unit Development Agreement, we will grant to you rights to a Development Area within which you will establish and operate an agreed-upon number of Restaurants under separate Franchise Agreements. (Multi-Unit Development Agreement, Article 1.1.)

Franchise Agreement:
Under the Franchise Agreement, before the opening of your Restaurant we will provide the following assistance and services:

1. The site selection assistance we deem advisable. (Franchise Agreement, Article 5.1.) We will also describe your designated territory when we have accepted a proposed location.

2. On-site evaluation of the proposed site for your Restaurant, if we determine an on-site evaluation is necessary. (Franchise Agreement, Article 5.2.) If we conduct an on-site evaluation, we may charge you our then current per diem fee for each day of the evaluation, and we may charge you to reimburse our representative's expenses while conducting the evaluation, including travel, lodging and meals.

3. Standard specifications and layouts for building and furnishing the Restaurant, which you will use to have site plans and build-out plans prepared, at your expense. (Franchise Agreement, Article 5.3.) We have the right to require you to use the architect/designer we designate and to inspect your Restaurant during its construction.

4. On loan, our Manual, which we may revise during the term of your Franchise Agreement. (Franchise Agreement, Articles 5.4 and 10.1.) We may provide all or a portion of the Manual to you electronically, such as via a password-protected website.

5. A list of approved products and suppliers, which we may revise during the term of your Franchise Agreement and which may include us and/or our affiliates. (Franchise Agreement, Articles 5.8 and 7.4.)

6. An initial training program at our headquarters for up to 3 people (you, your General Manager and 1 additional person), the cost of which is included in the initial franchise fee. (Franchise Agreement, Articles 5.9 and 6.4.)

7. If you request it, or if we deem it is necessary, we will provide one of our representatives to provide up to 7 days of pre-opening and opening assistance and training around the opening of your Restaurant. You must pay our then current per diem fee for each day our representative spends at your Restaurant, and you must reimburse the out-of-pocket expenses our representative incurs, including travel, lodging and meals. (Franchise Agreement, Article 6.5.) If you are opening your second or later Restaurant, we have the right to reduce the duration of our representative's visit or to not provide opening assistance.

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Continuing Obligations

Multi-Unit Development Agreement: Under the Multi-Unit Development Agreement:

1. We will review the information regarding potential sites that you provide to us to determine whether the sites meet our standards and criteria for a Playa Bowls Restaurant and, if the site meets our criteria, accept the site for a Restaurant. (Multi-Unit Development Agreement, Article 8.1.)

2. We will provide you with standard specifications and layouts for building and furnishing the Restaurant. (Multi-Unit Development Agreement, Article 8.2.)

3. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications. (Multi-Unit Development Agreement, Article 8.3.)

4. We will provide other resources and assistance as may be developed and offered to our Multi-Unit Developers. (Multi-Unit Development Agreement, Article 8.4.)

Franchise Agreement: During the operation of your Restaurant we will provide the following assistance and services:

1. As we reasonably determine necessary, visits to and evaluations of the Restaurant and the products and services provided to make sure that our high standards of quality, appearance and service of the System are maintained. (Franchise Agreement, Articles 5.5 and 7.5.6.)

2. Advice and written materials (such as through email, newsletters, and updates to the Manual) concerning techniques of managing and operating the Restaurant, including new developments and improvements in equipment, food products, packaging and preparation. (Franchise Agreement, Article 5.6.)

3. Training programs and seminars and other related activities regarding the operation of the Restaurant as we may conduct for you or Restaurant personnel generally, which may be mandatory for you, your General Manager and other Restaurant personnel. (Franchise Agreement, Article 6.4.)

4. At your request or if we determine it is necessary, additional on-site training or assistance at your Restaurant. You must pay our per diem fee for each trainer providing the training and you must reimburse the trainer's expenses. (Franchise Agreement, Article 6.4.)

5. Administration of the Brand Development Fund. (Franchise Agreement, Article 8.3.)

6. Indemnification against and reimbursement for all damages for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts) if you and your Principals have fully complied with the terms of the Franchise Agreement. (Franchise Agreement, Article 9.4.)

7. Designate the maximum prices you may charge, as permitted by applicable law. (Franchise Agreement, Article 7.13.) Our designation of the maximum pricing is not a guarantee that you will achieve a specific level of sales or profitability.

8. At our option, hold a meeting of our franchisees to discuss new menu offerings or new standards of operation, to provide training, and other matters pertaining to the franchise. (Franchise Agreement, Article 6.5.)

Site Selection

You must assume all costs, liabilities, expenses and responsibility for locating, obtaining and developing a site for the Restaurant and for constructing and equipping the Restaurant at the accepted site. You will select the site for the Restaurant subject to our acceptance. We will provide guidance and advice regarding the selection of a site for your Restaurant. Before you lease or purchase the site for the Restaurant, we must provide our acceptance of the site. If we deem it necessary, we will conduct 1 on-site evaluation, but before we conduct the evaluation you must submit to us in the form we specify a description of the site together with other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site. We have the right to approve deviations from our site selection standards based on the individual factors and components of a particular site.

You must have located and submitted to us, for our review, all information we require regarding the site you propose for your Restaurant no later than 180 days after you have signed the Franchise Agreement. We will have 30 days after we receive all required information and materials from you to accept or decline the proposed site as the location for your Playa Bowls Restaurant. If we do not provide our specific acceptance of a proposed site, the site is deemed not accepted. We do not warrant or guarantee that your Restaurant will be successful at any site that we accept. Our acceptance only means that the site meets our minimum requirements for a Restaurant, subject to any deviation from our standards as we may permit.

We will provide you with the site selection counseling and assistance we think is advisable. Our criteria for site selection include: location of the site and its setting (on-campus setting, free-standing building, shopping center, shopping mall, downtown location, etc.); availability of parking; visibility from main roads; availability, size and placement of signage; co-tenants in the shopping center or immediate area; accessibility to the site; condition of the premises and how much build-out or construction it will need; proximity to competitive businesses; and availability of utilities. We will use these and other factors in determining the suitability of your proposed site for a Playa Bowls Restaurant. We generally do not own the premises and lease it to you. Once the location for your Restaurant has been determined, your Restaurant may not be relocated without our prior written consent. You must provide us with a copy of the signed lease for your Restaurant location.

If you are not able to locate a suitable site for your Restaurant within 180 days after you sign the Franchise Agreement, we may terminate your Franchise Agreement.

Opening

We estimate that the time from the Franchise Agreement is signed to the opening of the Restaurant will be approximately 3 to 6 months. Your total timeframe may be shorter or longer depending on the time necessary to obtain an accepted site, to obtain financing, to obtain the permits and licenses for the construction and operation of the Restaurant, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Restaurant, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Restaurant, including purchasing inventory and supplies.

We do not provide assistance with conforming the Restaurant to local ordinances and building codes, obtaining the permits and licenses for the construction and operation of the Restaurant, completing construction or remodeling, and hiring and training your employees. We do not provide assistance with equipment, signs, fixtures, opening inventory or supplies except by providing a list of approved suppliers and through our written specifications. We do not deliver or install these items.

You must open the Restaurant and begin business within 9 months after you sign the Franchise Agreement. If you are not able to open your Restaurant within this period, we have the right to terminate your Franchise

Agreement or, in our discretion, we may extend the period of time for you to open. You may not open your Restaurant for business until we have approved you to do so.

If you are a Multi-Unit Developer, you must sign your first Franchise Agreement at the same time you sign the Multi-Unit Development Agreement. The typical length of time between the signing of the Franchise Agreement and the opening of your first Restaurant is the same as for an individual franchisee. Each additional Restaurant you develop must be opened according to the terms of your minimum performance schedule.

Grand Opening Marketing

You must conduct a marketing campaign announcing the grand opening of your Restaurant, and you must spend at least $7,500 for this campaign. Your grand opening marketing campaign must be conducted in the initial 90 days of operation. We may designate a different time period for you to conduct the grand opening marketing. Your grand opening marketing campaign must include giveaways of food samples and other promotions, as we require, and we must approve of your grand opening marketing campaign before it is conducted.

Brand Development Fund

We have established a Brand Development Fund ("Fund") to promote the System, Playa Bowls Restaurants and the products and services offered by Playa Bowls Restaurants. (Franchise Agreement, Article 8.3.) You must pay a non-refundable Brand Development Fee to the Fund in an amount equal to 1% of Gross Sales. As of December 31, 2021, we have collected $521,827 towards the Brand Development Fund. $2,398 was rolled over into 2021. Of the $469,512 spent, we have spent 59% towards advertising and promotion, 31% towards administrative reimbursements, 4% towards computer and internet, and 5% towards website and graphic design. $52,315 was rolled over into 2022.

The Fund is used for national and regional advertising, marketing, publicity and promotional activity relating to the System. We determine, in our fully unrestricted discretion, the manner in which the Fund is spent. Some portion of the Fund may be used for creative concept production, marketing surveys, test marketing and related purposes. We are not required to segregate the Brand Development Fund from our general operating funds and we are not a fiduciary or trustee of the Brand Development Fund. The Brand Development Fund will not be used to directly promote your Restaurant or the marketing area in which your Restaurant will be located. As stated in Item 8, we may contribute Allowances we receive from approved suppliers to the Fund. If we choose to do this, it does not reduce or eliminate your requirement to pay the Brand Development Fee.

We have the right to direct all advertising activities with sole discretion over creative concepts, materials and media used, as well as their placement and allocation. We also have the right to determine, in our sole discretion, the composition of all geographic and market areas for the implementation of these advertising and promotional activities. The Fund may be used to meet any and all costs of maintaining, administering, directing and preparing national and/or regional advertising materials, programs and public relations activities (including, without limitation, the cost of preparing and conducting television, radio, magazine, billboard, newspaper, direct mail and other media programs and activities, for conducting marketing surveys, test marketing, employing advertising agencies to assist therewith, and providing promotional brochures, coupons and other marketing materials to all franchisees of the System). The Fund is intended to maximize general public recognition in all media of the Proprietary Marks and patronage of Playa Bowls Restaurants and we have no obligation to ensure that expenditures of the Fund in or affecting any geographic area are proportionate or equivalent to payments of the Brand Development Fee by franchisees operating in that geographic area, or that any Restaurant will benefit directly or in proportion to the Brand Development Fees paid for the development of advertising and marketing materials or the placement of advertising. We will not use the Brand Development Fund to directly market the sale of Restaurant

franchises, but may do so indirectly by requiring and including information as to the availability of Restaurant franchises for sale and contact information for franchise inquiries on and within advertising, marketing and brand development materials, including the System website, developed with the Brand Development Funds.

We have the right to reimburse ourselves out of the Fund for the total costs (including indirect costs such as salaries for our employees who devote time and effort to Fund related activities and overhead expenses) of developing, producing and distributing any advertising materials and collecting the Brand Development Fee (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any Brand Development Fee). We also have the right to use a portion of the Fund to subsidize the cost of presenting refresher training and/or a franchisee meeting.

Restaurants owned by us or our affiliates may contribute to the Fund but they are not obligated to do so. Funds from the Brand Development Fees paid will be accounted for separately from our other funds. These funds will not be used to defray any of our general operating expenses, except as described in the paragraph above. Any sums paid to the Fund that are not spent in the year they are collected will carry over to the following year. We will prepare, and furnish to you upon written request, an annual statement of funds collected and costs incurred. The statement will be available after April 30 each year. We are not required to have any Fund statement audited, but if we choose to have the Fund audited it will be at the Fund's expense.

Although the Fund is intended to be perpetual, we may terminate the Fund at any time. The Fund will not be terminated until all monies in the Fund have been spent for advertising or promotional purposes or returned to contributors on a pro rata basis. If we terminate the Fund, we have the right to reinstate it at any time and you must again contribute to the Fund. Any reinstated Fund will be maintained as described above.

Local Marketing

You must conduct local marketing in your designated territory and you must spend at least 1% of Gross Sales each month on local marketing for your Restaurant. Within 30 days of our request, you must provide us with proof of your local marketing expenditures, including verification copies of the advertisements.

We must approve all marketing materials before you use them. You must not advertise or use our Marks in any fashion on the internet, world wide web or via other means of advertising through telecommunication, including social media, without our express written consent.

Any marketing that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 12-month period must be submitted to us for our review not later than 15 days before you intend to use it. Unless we provide our specific disapproval of the proposed materials, the materials are deemed approved. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials.

We have the right to require you to include certain language in your local marketing, such as "Franchises Available" and our website address and phone number.

Cooperative Marketing

We possess the exclusive right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that we designate. We will exclusively determine the geographic and other boundaries constituting each respective cooperative and factors that we will consider include media markets including print, television and digital. If we establish a cooperative within a market that includes your Restaurant you must contribute to the cooperative in such amounts and frequency as determined by the cooperative. Members of the cooperative will be responsible for administering the

cooperative, including determining the amount of contributions, marketing expenditures and allocations. However, we may require that cooperative decisions be made based on approval of a simple majority of franchisee members based on 1 vote per Restaurant located and a quorum of not less than 25% of the designated franchisee cooperative members. If a cooperative exceeds 9 franchisee members we may require that the cooperative establish formal governing documents. Each cooperative must prepare annual unaudited financial statements that must be provided to each cooperative member for review. We reserve the right to form, change, dissolve, or merge any advertising cooperative. If we elect to form a local or regional cooperative or if a cooperative already exists as to the area of your Restaurant, you will be required to participate in the cooperative in accordance with the provisions of our operations manual which we may supplement and modify from time to time.

Website / Intranet

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

Any websites or other modes of electronic commerce that we establish or maintain, including but not limited to any mobile applications ("apps") that we may introduce, may – in addition to advertising and promoting the products, programs or services available at Playa Bowls Restaurants – also be devoted in part to offering Playa Bowls franchises for sale and be used by us to exploit the electronic commerce rights which we alone have.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Restaurant; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Playa Bowls" name or any names confusingly similar to the Proprietary Marks.

You are not permitted to promote your Restaurant or use any of the Proprietary Marks in any manner on any digital media, social media, or networking websites, such as Facebook, Foursquare, Instagram, TikTok, LinkedIn or Twitter, without our prior written consent. We will control all digital media initiatives. You must comply with our System standards regarding the use of digital media in your Restaurant's operation, including prohibitions on you and the Restaurant's employees posting or blogging comments about the Restaurant or the System, other than on digital media established or authorized by us and subject to our standards and specifications. The term "digital media" includes traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, refences, identifies, reviews, promotes and/or relates, in any way, to Playa Bowls Restaurants, your Restaurant, the Proprietary Marks, the System and/or us. We may, at our election and subject to our specifications and requirements, provide access to branded digital media pages/handles/assets. We have the right to conduct collective/national campaigns via local digital media on your behalf. At our election, we alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any digital media, including any and all material you may furnish to us.

Advisory Council

We may, in our discretion, form an advisory council to work with us to improve the System, the products offered by Playa Bowls Restaurants, advertising conducted by the Fund, and any other matters that we deem appropriate. If an advisory council is formed, it will act solely in an advisory capacity, and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council. We may develop by-laws for any advisory council.

If formed, an advisory council will be comprised of our representatives and franchisee representatives. Franchisee representatives may be selected by us or may be elected by other franchisees in the System. If you participate on an advisory council, you will pay any expenses you incur related to your participation, such as travel and living expenses to attend council meetings.

Training

No later than 30 days before the date the Restaurant begins operation, up to 3 trainees (including you, your General Manager and 1 additional person) must have completed, to our satisfaction, our mandatory initial training program. We will conduct this training at our corporate headquarters, at one of our affiliates' Restaurants, or at another location we designate. Our initial training program lasts for approximately 1 week. Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the System, replacement general managers and other personnel needing training, the number of new Restaurants being opened and the timing of the scheduled openings of Restaurants.

The cost of providing instructors and training materials for up to 3 trainees is included in the initial franchise fee. You may also have additional personnel trained by us for the Restaurant, at your expense. We will determine whether your trainees have satisfactorily completed initial training. If you and/or the General Manager do not satisfactorily complete the initial training program or if we determine that these persons cannot satisfactorily complete the training program, you must designate a replacement to satisfactorily complete the training before you will be permitted to open your Restaurant. If the replacement General Manager cannot complete the initial training program to our satisfaction, we have the right to terminate your Franchise Agreement. You will incur our then current per person training fee (currently $1,000) for each additional trainee (after the first 3) you send to our initial training program, and for any replacement General Manager. You must also pay all expenses that are incurred for you, your managers and other personnel during participation in the initial training program, including travel, lodging, meals and applicable wages.

Any manager subsequently designated by you must also receive and complete the initial training program to our satisfaction, even if this requires sending that manager to our headquarters training program, at your expense. You will incur our then current per person training fee (currently $1,000) for each replacement or successor manager or employee you send to our initial training program if we have not approved you to provide the training. You must also pay for all expenses your replacement managers and other personnel incur for any training program, including costs of travel, lodging, meals and applicable wages. We may approve you to train replacement managers under our training program before permitting you to train your entire staff for a third or later Restaurant opening. You may not train any personnel until we have approved you as a trainer.

If you request it, or if we deem it is necessary, we will provide one of our representatives to provide up to 7 days of pre-opening and opening assistance and training around the opening of your Restaurant. You must pay our then current per diem fee (currently $400) for each day our representative spends at your Restaurant, and you must reimburse the out-of-pocket expenses our representative incurs, including travel, lodging and meals. If you are opening your second (or later) Restaurant, we have the right to reduce the duration of our representative's visit or to not provide opening assistance.

If, during the term of your Franchise Agreement, you request that we provide additional training or assistance on-site at your Restaurant or if we determine that additional training or assistance is necessary, you must pay our then current per diem fee (currently $400) for each trainer we provide, and you must reimburse the trainer's expenses, such as costs of travel, lodging, and meals.

The instructional materials used in the initial training include our Manual, marketing and promotion materials, materials related to the operation of the point-of-sale system, videos, scripts, PowerPoint presentations, and any other materials that we believe will be beneficial to our franchisees in the training process. The training schedule and activities of the initial training program are described below:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Basic Operations and Overall Philosophy	1	0	Belmar, New Jersey
Point of Sale Back Office	1	0	Belmar, New Jersey
Point of Sale Front Office	1	1	Belmar, New Jersey
Ordering Strategy	0.5	0	Belmar, New Jersey
Receiving an Order	0.5	0	Belmar, New Jersey
Nutrition Overview & Nutrition	1.5	0	Belmar, New Jersey
Catering	1	0	Belmar, New Jersey
Products Overview	2	0	Brick, New Jersey
Marketing	1	0	Belmar, New Jersey
Accounting	1	0	Belmar, New Jersey
History	0.5	0	Belmar, New Jersey
Store Racking and Set-up	1	1	Brick, New Jersey
Scheduling System Overview	0.75	0	Belmar, New Jersey
Initial Product Placement and Inventory	1	1	Belmar, New Jersey
Storage Room Set-up and Inventory Management	1	1	Brick, New Jersey
Store Opening Timeline/Construction Status	0.5	0	Belmar, New Jersey
Customer Service	1	1	Belmar, New Jersey
Work Culture	0.5	0	Belmar, New Jersey
Receiving and Stocking Inventory	1	1	Belmar, New Jersey
Opening and Closing Duties	2	1	Belmar, New Jersey
Personnel Management & HR	1.5	0	Belmar, New Jersey

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Social Media Strategy	0.5	0	Belmar, New Jersey
POS Back Office - Inventory Management	0.5	1	Belmar, New Jersey
Branding	1	0	Belmar, New Jersey
Creating Products	0	10	Brick, New Jersey
Subtotal Hours	23.25	18	
Total Hours	**41.25**		

Our training is coordinated by our Operations Team and instructors in the field. We may also rely on the expertise of certain of our employees or our affiliates' employees to provide training on specific areas. Each of our instructors has at least 5 years of experience relevant to the subjects they are teaching and at least 5 years of experience with us and/or our affiliates. The entire training program is subject to change due to updates in materials, methods, manuals and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the individual needs and/or experience of those persons being trained. We may choose to hold refresher training courses, and we may designate that attendance at refresher training is mandatory for you, your General Manager and/or other Restaurant personnel. You must pay our then current per person fee (currently $400) for each trainee from your Restaurant, and you will pay for all of the expenses incurred by your trainees, including travel, lodging, meals and wages. We may also choose to hold an annual meeting of our franchisees to provide additional training, introduce new products or changes to the System, or for other reasons. If we choose to hold a meeting, we may designate that attendance at an annual meeting is mandatory for you, your General Manager and/or other Restaurant personnel. You must pay our then current per person fee (currently $400) for each attendee from your Restaurant, and you will pay for all of the expenses incurred by your attendees at the meeting including travel, lodging, meals and wages. We will designate the location of any franchisee meeting, such as a resort hotel, but we will not designate an unreasonably expensive site.

In addition to our initial training program, you, your managers and any other personnel we designate must be ServSafe certified or other similar certifications. The cost of these certifications is not included in the initial franchise fee and we do not provide certification. You may need to receive periodic additional training and/or certification.

Confidential Operations Manual

The Table of Contents for our Manual is attached to this Disclosure Document as Exhibit E. Our Manual contains approximately 140 pages.

Computer and Point of Sale Systems

You must purchase and use certain point of sale systems, computer hardware and software that meet our specifications and that are capable of electronically interfacing with our computer applications. The estimated cost of these applications and systems is between $1,300 and $2,600 for a 1 or 2 station configuration. We currently require you to use the Clover POS system and we recommend you use ADP for payroll and Dolce Software for scheduling and timekeeping. The estimated costs for ADP's payroll services are $157.95 base rate, plus $3.10 processing fee per employee over 4 less 49.99% discount for each bi-weekly pay period and a 30% discount off annual W-2 processing. There is a $200 one-time set-up fee, but our franchisees who use ADP may receive a waiver of this fee plus 2 free Zip Recruiter posts. The

estimated monthly cost for the Dolce Software employee scheduling and payroll timekeeping is $3 per active employee. The point of sale and computer systems will provide order processing, business reports, credit card processing, inventory control and other functions.

The computer system is designed to enable us to have independent access to the information monitored by the system, and there is no contractual limitation on our access or use of the information we obtain. You must install and maintain equipment and a high-speed internet connection in accordance with our specifications to permit us to access the computer system (or other computer hardware and software) either electronically or at the Restaurant premises. This will permit us to electronically inspect and monitor information concerning your Restaurant's Gross Sales and any other information that may be contained or stored in the equipment and software. You must make sure that we have access at all times and in the manner, we specify, at your cost. We may download Gross Sales and other information from your computer system, and there are no contractual limitations on our access to your computer system or the information we retrieve from your computer system.

The approved supplier for the point-of-sale system, if we designate one, will be included in the Manual. We do not require that you purchase a maintenance contract for your point of sale or computer system, but you may find it advisable to do so. Because we do not require you to have a maintenance contract, we cannot estimate the cost of a maintenance contract. You must obtain any upgrades and/or updates to the software used with the point-of-sale system, at your expense. In addition, we may require you to update and/or upgrade all or a portion of your point of sale and/or computer system during the term of your Franchise Agreement, at your expense. The Franchise Agreement does not limit our ability to require you to update and/or upgrade your point of sale and/or computer system or the cost of any update and/or upgrade. It will be a material default under the Franchise Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement. Neither we nor any affiliate of ours is responsible for providing you with any upgrades, updates or maintenance for your point of sale or computer system.

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ITEM 12
TERRITORY

Your Location

Under the Franchise Agreement, we will grant to you the right to develop and operate 1 Playa Bowls Restaurant at a specific Restaurant location. If the location is not known at the time you sign a Franchise Agreement, then your Restaurant location must be selected and designated by you but is subject to our review and approval.

If we enter into and sign a Multi-Unit Development Agreement with you, we will grant to you the right to develop a mutually-agreed upon number of Playa Bowls Restaurants within a specified Development Area and subject to a minimum performance schedule (the "Minimum Performance Schedule"). The first Restaurant that you develop under your Multi-Unit Development Agreement will be subject to and governed by the Franchise Agreement. Based on your Minimum Performance Schedule obligations, you must sign our then current Franchise Agreement for all other Restaurants authorized by your Multi-Unit Development Agreement.

Grant of Territory

Under the Franchise Agreement, once you identify a site that we approve for your Restaurant we will designate an area around your site as your designated territory (the "Designated Territory"). There is no minimum size for a designated territory, the scope and size of your Designated Territory will, generally, be a distance of 2-miles from the Restaurant location in all directions travelable by road, but may be smaller based on population density, demographics, and geographical boundaries. If your Restaurant is located within a non-traditional location or a captive market type facility, such as a shopping mall, stadium, amusement park, airport, university, or a similar facility with a captive market, your Designated Territory may be limited to the physical boundaries of the non-traditional location or captive facility. Depending on the demographics and geography we may designate your Designated Territory where your Restaurant is located at the center of the Designated Territory or where your Restaurant is located elsewhere within the Designated Territory. We may identify your Designated Territory by zip code, boundary streets, highways, county lines, designated market area, and/or other recognizable demarcations.

Under the Multi-Unit Development Agreement, we will grant to you a Development Area. The size of your Development Area will vary significantly from other franchisees, will be negotiated at the time of signing your Multi-Unit Development Agreement, will depend on your agreed upon Minimum Performance Schedule, and other factors, including our System development plans, and the nature of the market and demographics in which your Development Area is located.

Relocation

Your right to relocate your Restaurant is not guaranteed and approval of a request by you to relocate your Restaurant is completely at our discretion. We evaluate relocation requests on a case-by-case basis and consider factors such as operational history, the location of other Restaurants, our expansion plans, the designated territory, demographics and other factors that, at the time of a relocation request, are relevant to us. If you sign a Multi-Unit Development Agreement, you will not be granted the right to relocate your Development Area.

Establishment of Additional Restaurants

You do not have the right to establish additional Restaurants unless you sign a Multi-Unit Development Agreement. If we enter into and sign a Multi-Unit Development Agreement, based on your Minimum Performance Schedule, you will have the right to develop a mutually-agreed upon number of additional Restaurants within a specified Development Area. Your right to develop additional Restaurants under a Multi-Unit Development Agreement will be subject to your timely compliance with the agreed upon

development schedule, your compliance with the terms of your Multi-Unit Development Agreement, and your compliance with all other agreements with us and our affiliates, including all Franchise Agreements. Our approval of future Restaurant locations and their respective designated territories will be based on our then current site and territory criteria. Our designation of a particular Development Area is not an assurance or warranty that there are a sufficient number of suitable sites for Restaurants in the Development Area for you to meet your Minimum Performance Schedule.

Options and Rights of First Refusal to Acquire Additional Franchises

You are not granted any options, rights of first refusal, or similar rights to acquire additional franchises.

Territory Rights

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, during the term of the Franchise Agreement, provided that you are not in default of your obligations to us or our affiliates and except as to our Reserved Rights set forth below, we will not establish or open and we will not grant another franchisee the right to establish or open a Playa Bowls Restaurant at a Restaurant location within your Designated Territory.

We and our affiliates reserve to ourselves the exclusive right on any and all terms and conditions that we deem advisable and, without any compensation or consideration to you, to engage in the following activities (our "Reserved Rights"): (1) operate and grant to others the right to develop and operate Restaurants using the System and Proprietary Marks at locations outside your Designated Territory and, if applicable, Development Area, as we deem appropriate and irrespective of the proximity to your Designated Territory and, if applicable, Development Area; (2) operate, and grant to others the right to develop and operate, Restaurants using the System and Proprietary Marks at or within captive market locations (each a "Non-Traditional Site") including, but not limited to, indoor malls, airports, transportation stations, factories, government facilities, military bases, hospitals, amusement parks, stadiums and sports facilities, recreational parks or facilities, schools, colleges and other academic facilities, seasonal and cafeteria facilities, shopping malls, convention centers, vehicle rest stops and travel centers, theaters, hotels, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, and similar venues, sites, and locations, both within and outside your Designated Territory and, if applicable, your Development Area; (3) granting national, regional or local licenses to third parties to sell products under the Proprietary Marks in foodservice facilities primarily identified by the third party's trademark, both within and outside your Designated Territory and, if applicable, your Development Area; (4) merchandising and distributing products identified by the Proprietary Marks through any method or channel of distribution other than through the operation of a restaurant, including distribution of products, including proprietary products, through supermarkets, grocery stores, club stores and similar stores both within and outside your Designated Territory and, if applicable, your Development Area; (5) selling and distributing products identified by the Proprietary Marks to restaurants, other than Restaurants identified by the Proprietary Marks, regardless of whether the restaurants are licensed to use the Proprietary Marks in connection with their retail sales or not and regardless of whether or not the restaurants are located within or outside your Designated Territory or, if applicable, your Development Area; (6) selling products and services through other channels of distribution, including the internet, wholesale, mail order and catalog both within and outside your Designated Territory and, if applicable, your Development Area; (7) developing and/or owning restaurants and other franchise systems, within and outside your Designated Area and, if applicable, your Development Area, for the same or similar products and services, including restaurants that are the same as or similar to a Playa Bowls Restaurant using trade names and trademarks other than the Proprietary Marks; (8) acquiring, being acquired by, merging with, directly developing, or otherwise affiliating with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as, or similar to, a Playa Bowls Restaurant, and after such acquisition, merger, development, or affiliation to develop, own, and operate, franchise or license others to

develop, own, and operate and, to continue to develop, own, and operate, such businesses of any kind, even if such businesses compete with and/or offer and sell products and services that are the same as or similar to a Playa Bowls Restaurant, provided that such business does not use the Licensed Marks, within your Designated Territory and, if applicable, within your Development Area; and (f) use the Proprietary Marks and System and to license others to use the Proprietary Marks and System to engage in all other activities not expressly prohibited by the Franchise Agreement and, if applicable, the Multi-Unit Development Agreement.

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

There are no restrictions on us from soliciting or accepting orders from customers inside your territory. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks or using trademarks different from the ones you will use under the Franchise Agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your territory.

We and our affiliates may sell products under the Marks within and outside your Designated Territory through any method of distribution other than a Playa Bowls Restaurant, including sales through channels of distribution such as the internet, catalog sales, grocery stores, club stores, specialty food stores, telemarketing or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution channels to make sales outside or inside your Designated Territory and you will not receive any compensation for our sales through alternative distribution channels.

We or our affiliates will fulfill all orders placed through the retail portion of our Website and you will not be entitled to any portion of the profits received from this, even if the customer's order is generated from or delivered to an address in your Designated Territory.

Soliciting by You Outside Your Territory

You are required to target and direct the marketing of your Restaurant to customers located within your territory. You may only offer and sell Approved Products and Services from your Restaurant location located within your Designated Territory and, only to (a) retail customers for consumption on the premises of your Restaurant location, (b) personal carryout from your Restaurant location, (c) delivery, if authorized by us, to customers located within your Designated Territory, and (d) catering, if authorized by us, to customers physically located within your Designated Territory.

You may not engage in any promotional activities or sell products or services, whether directly or indirectly, through or on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system, through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere, or by other communications. While you may, subject to our System standards and approval process, place advertisements in printed media, digital media, and on television and radio that are targeted to customers and prospective customers located within your Designated Territory, you will not be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the media viewed or received by prospective customers outside of your Designated Territory. You may not directly solicit customers outside of your Designated Territory.

Competition by Us Under Different Trademarks

We do not have plans to operate or franchise a business under trademarks different from the Proprietary Marks that sells or will sell goods or services similar to those that will be offered by you through the Franchised Business but we have the right to do so in the future, without first obtaining your consent.

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ITEM 13
TRADEMARKS

Under the terms of the Franchise Agreement, you will be granted a license to use certain trademarks, trade names, service marks, symbols, emblems, logos, and indicia of origin designated by us. Our affiliates, Playa Bowls, LLC and Playa Bowls IP LLC, own the Licensed Marks and have granted to us a license with an initial 20 year term and with automatic renewal thereafter to use the Licensed Marks and to license our franchisees to use the Licensed Marks. We reserve the right to supplement and modify the marks that you may or may not use in connection with the operations of your Restaurant. You may only use the Licensed Marks as authorized by us in writing and under the terms of your Franchise Agreement. You may not use the Licensed Marks in the name of any corporate entity that you establish.

Principal Trademarks Registered with the United States Patent and Trademark Office

The principal trademarks identified in the schedule below are a part of the Licensed Marks, our System, are registered with the United States Patent and Trademark Office (the "USPTO") and, unless otherwise designated by us, will be used by you in the operations of the Franchised Business. As to these marks all required affidavits have been filed with the USPTO.

Mark	USPTO Registration Number	Registration Type	Registration Date
PLAYA BOWLS	5511222	1A	July 10, 2018
#GoBowlsDeep	5145844	1A	February 21, 2017
Welcome to Pineappleland	5579740	1A	October 9, 2018
New Jersey's Original Acai Shop	5923152	1A	November 26, 2019
PLAYA CLUB	5976059	1A	February 4, 2020
Playa Coconut	6452475	1A	August 17, 2021
Playanola	6551133	1A	November 9, 2021

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, no pending infringement, opposition or cancellation proceedings and no pending litigation involving any of the Marks that may significantly affect the ownership or use of any Mark listed above. Our affiliates, Playa Bowls, LLC and Playa Bowls IP LLC have licensed the Marks to us so that we may sub-license them to our franchisees in a perpetual, non-cancellable trademark license agreement dated July 25, 2017. Other than one of the parties ceasing to exist, there are no circumstances under which this trademark license agreement may be terminated or modified. If the trademark license agreement is terminated, you will still be able to use the Marks and the System until the end of the term of the Franchise Agreement. Other than this trademark license, we know of no superior prior rights or infringing use that could materially affect your use of the Marks, and we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise. Both Playa Bowls, LLC and Playa Bowls IP LLC intend to file all affidavits and other documents required to maintain their interest in and to the Marks.

You are required to provide us with written notice of any claims that you may become aware of respecting the Licensed Marks including your use of the Licensed Marks and any claim associated with a third party's use of a trademark that is identical or confusingly similar to the Licensed Marks. You and your Principals are not permitted to communicate with any person other than us, or any designated affiliate, our counsel and your counsel involving any infringement, challenge or claim. We maintain the exclusive discretion to take any and all actions or, to refrain from any action, that we believe to be appropriate in response to any trademark infringement, challenge or claim. As between us, we possess the sole right to exclusively control any and all litigation, legal proceedings, administrative proceedings and/or settlements involving any actual or alleged infringement, challenge or claim relating to the Licensed Marks. You must sign all documents,

instruments and agreements and undertake the actions that we, with the advice of our legal counsel, determine to be necessary or advisable for the protection or maintenance of our interests in the Licensed Marks in any legal proceeding, administrative proceeding or as may be otherwise determined by us. As to the foregoing, we will reimburse you for the reasonable out-of-pocket administrative expenses that you incur and pay in complying with our written instructions.

We will indemnify you against and reimburse you for all damages for which you are held liable for your use of any of the Marks, provided that the conduct of you and your Principals in the proceeding and use of the Marks is in full compliance with the terms of the Franchise Agreement.

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

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

The license to use the Marks granted in the Franchise Agreement is non-exclusive to you. We have and retain certain rights in the Marks including the following:

1. To grant other licenses for the use of the Marks in addition to those licenses already granted or to be granted to franchisees;

2. To develop and establish other systems using the Marks or other names or marks, and to grant licenses or franchises in those systems without providing any rights to you; and

3. To engage, directly or indirectly, at wholesale, retail or otherwise, in (a) the production, distribution, license and sale of products and services and (b) the use of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics we may develop for that purpose.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not have an ownership interest in any pending or registered patents or copyrights that are material to the franchise.

Confidential Operations Manual

You must operate the Restaurant in accordance with the standards and procedures specified in the Manual. One copy of the Manual will be loaned to you by us for the term of the Franchise Agreement. We may, instead of providing you with a hard copy of the Manual, make our Manual available electronically via a password protected intranet. You must treat the Manual and any other manuals we create or approve for use in your operation of the Restaurant, and the information contained in them, as confidential. You must also use all reasonable efforts to maintain this information as secret and confidential and you must not duplicate, copy, record or otherwise reproduce these materials, in whole or in part, or make them available to any unauthorized person. The Manual remains our sole property and must be kept in a secure place on the Restaurant premises. We may revise the contents of the Manual and you must comply with each new or changed standard. You must also ensure that the Manual is kept current at all times. If there is a dispute

regarding the contents of the Manual, the terms of the master copy maintained by us at our home office will be controlling.

Confidential Information

We claim proprietary rights in certain of our recipes which are included in the Manual and which are our trade secrets. Any and all information, knowledge, know-how and techniques related to the System that we communicate to you, including the Manual, plans and specifications, marketing information and strategies and site evaluation, selection assistance and techniques, recipes, and the terms of your agreement with us, are considered confidential. You and each of your Principals are prohibited, during and after the term of your Agreement, from communicating, or using for the benefit of any other person or entity, and, after the term of your Agreement, from using for your or their own benefit, any confidential information, knowledge or know-how concerning the methods of operation of the Restaurant that may be communicated to you or any of your Principals or that you may learn about. You and each of your Principals may divulge this confidential information only to your employees who must have access to it to operate the Restaurant. Neither you nor your Principals are permitted at any time, without first obtaining our written consent, to copy, record or otherwise reproduce the materials or information nor make them available to any unauthorized person. You must have your General Manager and any of your personnel who have received or will have access to confidential information sign similar confidentiality covenants.

If you, your Principals, General Manager or employees develop any new concept, process or improvement in the operation or promotion of the Restaurant, you must promptly notify us and give us all necessary information, free of charge. You, your Principals, General Manager and employees must acknowledge that any of these concepts, processes or improvements will become our property and we may give the information to other franchisees.

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

When you sign your Franchise Agreement, you must designate and retain at all times an individual to serve as the General Manager. We require you to hire an individual who is not one of your Principals to be the General Manager. We do not require that your General Manager have an ownership interest in you. The General Manager must satisfy our educational and business criteria as provided to you in the Manual or other written instructions, must be individually acceptable to us, and must be approved by us to act as a General Manager. At all times the Restaurant must be under the management of a General Manager who is responsible for the supervision and management of the Restaurant. The General Manager must devote full time and best efforts to this activity. The General Manager also must satisfy the applicable training requirements in the Franchise Agreement. If the General Manager cannot serve in the position or does not meet the requirements, he or she must be replaced within 30 days after the General Manager stops serving or no longer meets the requirements.

We expect that you will be actively involved in the daily operation of your Restaurant unless we permit you to not be actively involved. If you are not actively involved in the daily operation of your Restaurant, then we will communicate with and rely on the decisions made by your General Manager, but you must still make sure that your Restaurant is being operated according to the terms of your Franchise Agreement and the Manual. You must also retain other personnel as are needed to operate and manage the Restaurant.

Your General Manager and all other personnel who will have access to our proprietary and confidential information and training must sign our Confidentiality Non-Disclosure and Non-Competition Agreement which is attached to our Franchise Agreement as Attachment 4. We will be a third party beneficiary to each of these agreements with the independent right to enforce each agreement's terms. We have the right, in

our discretion, to decrease the period of time or geographic scope of the non-competition covenants contained in the attachments or eliminate the non-competition covenants altogether for any party that must sign an agreement as described in this paragraph. If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Spousal Guaranty which is attached to our Franchise Agreement as Attachment 7.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale all menu items, food products, merchandise, and other products and services we require, in the manner and style we require, including dine-in and carry-out, as expressly authorized by us in writing. You must sell and offer for sale only the menu items, products and services that we have expressly approved in writing. You must not deviate from our standards and specifications without first obtaining our written consent. You must discontinue selling and offering for sale any menu items, products or services that we may disapprove in writing at any time. We have the right to change the types of menu items, products and services offered by you at the Restaurant at any time, and there are no limits on our right to make those changes.

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

We have the right to vary the menu items offered at certain Playa Bowls Restaurants based on regional or local tastes or ingredients. If we allow a Playa Bowls Restaurant to modify its menu to accommodate regional or local tastes or ingredients, we are not required to grant to you a similar variance or modification.

You must keep the Restaurant very clean and maintain it in good repair and condition. You must make any additions, alterations, repairs and replacements, including repainting or replacement of obsolete signs, furnishings, equipment, and décor as we may reasonably direct. You must not make any changes to the premises without obtaining our written consent before you make the changes. You must obtain and pay for any new or additional equipment, including point of sale, computer hardware and software, fixtures, supplies and other products and materials that you must have to offer and sell new menu items from the Restaurant.

We have the right to determine the maximum prices for the goods, products and services offered from your Restaurant, as permitted by applicable law. You must comply with the prices required by us, but we make no guarantees or warranties that offering the products or merchandise at the required price will enhance your sales or profits. You are not permitted to offer customer discounts for cash payments, and you are not permitted to issue surcharges to customers for payments made by credit card, unless we provide our prior written permission.

We do not impose any other restrictions in the Franchise Agreement or otherwise, as to the goods or services that you may offer or sell or as to the customers to whom you may offer or sell, except as described in Item 12. You may not directly solicit customers outside of your Designated Territory.

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ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The Franchise Relationship Under a Single Unit Franchise Agreement

THE FRANCHISE RELATIONSHIP

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

Provision	Article in Franchise Agreement	Summary
a. Length of the franchise term	Article 3.1	10 years
b. Renewal or extension of the term	Article 3.2	One renewal term of 10 years
c. Requirements for franchisee to renew or extend	Article 3.2	You must provide us with notice that you wish to renew, be in compliance with the terms of your Franchise Agreement, be current in all payments required by the Franchise Agreement, remodel and/or refurbish your Restaurant if we require, sign renewal Franchise Agreement, sign general release, pay renewal fee. You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your territory will remain the same, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees
d. Termination by franchisee	Not applicable	You may terminate the Franchise Agreement on any grounds available by law
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Article 17.1.1	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination
g. "Cause" defined – curable defaults	Articles 17.1.3 and 17.2	We may terminate you for cause if you fail to cure certain defaults, including: if you or any of your affiliates fail to pay any monies owed to us, or our affiliates or vendors, and do not cure within 5 days after notice (or longer period required); fail to obtain signed copies of the confidentiality and non-competition covenants contained in the Franchise Agreement within 5 days after a request; fail to obtain and maintain required insurance within 7 days after notice; suspension of required license or permit; use the Marks in an unauthorized manner and fail to cure within 24 hours after notice; fail to maintain

Provision	Article in Franchise Agreement	Summary
		quality standards; fail to operate the Restaurant during the hours and days specified by us; fail to cure any other default that is susceptible of cure within 30 days after notice
h. "Cause" defined – non-curable defaults	Articles 17.1.2 and 17.1.3	We may terminate you for cause if you fail to cure certain defaults, including: if you become insolvent, make a general assignment for benefit of creditors, file a petition or have a petition initiated against you under federal bankruptcy laws, have outstanding judgments against you for over 30 days, sell unauthorized products or services, fail to find an accepted location within time required, fail to remodel when required, fail to open Restaurant when required, fail to comply with any term and condition of any sublease or related agreement and have not cured the default within the given cure period, abandon or lose right to the Restaurant premises, are convicted of a felony or other crime that may have an adverse effect on the System or Marks, transfer any interest without our consent, required license permit is revoked, repeated defaults, or maintain false books or records. In addition, a default under one agreement with us may result in a termination of all of your other agreements with us. This is known as a cross-default provision.
i. Franchisee's obligations on termination/non-renewal	Article 18	Obligations include: You must stop operating the Restaurant and using the Marks and System and completely de-identify the business, pay all amounts due to us or our affiliates, return the Manual and all other proprietary materials, comply with confidentiality requirements, pay liquidated damages (if applicable), and at our option, sell or assign to us your rights in the Restaurant premises and the equipment and fixtures used in the business us; maintain employment practices liability insurance for a period of time not less than the applicable statute of limitations in the jurisdiction in which the Franchised Business is located; appoint us as your true and lawful attorney-in-fact and agent for your obligations under the terms
j. Assignment of contract by franchisor	Article 14.1	We have the right to transfer or assign the Franchise Agreement to any person or entity without restriction. However, no assignment will be granted except to an assignee who, in our

Provision	Article in Franchise Agreement	Summary
		good faith judgment, is willing and able to assume our obligations
k. "Transfer" by franchisee – defined	Article 14.2.1	Includes sale, assignment, conveyance, pledge, mortgage or other encumbrance of any interest in the Franchise Agreement, the Restaurant or you (if you are not a natural person)
l. Franchisor approval of transfer by franchisee	Article 14.2.2	You must obtain our consent before transferring any interest. We will not unreasonably withhold our consent
m. Conditions for franchisor approval of transfer	Article 14.2.2	Conditions include: You must pay all amounts due us or our affiliates, not otherwise be in default, sign a general release, and pay a transfer fee. Transferee must meet our criteria, complete training to our satisfaction and sign current Franchise Agreement
n. Franchisor's right of first refusal to acquire franchisee's business	Article 14.4	Within 30 days after notice, we have the option to purchase the transferred interest on the same terms and conditions
o. Franchisor's option to purchase franchisee's business	Article 18.12	Upon termination or expiration of the Franchise Agreement, we have the right to purchase certain assets of the Restaurant
p. Death or disability of franchisee	Article 14.5	Upon your death or permanent disability (if you are a natural person) or upon the death or permanent disability of any Principal, distributee must be approved by us, or franchise must be transferred to someone approved by us within 12 months after death or within 6 months after notice of permanent disability
q. Non-competition covenants during the term of the franchise	Article 10.3.1	You are prohibited from operating or having an interest in a similar business without our prior written consent
r. Non-competition covenants after the franchise is terminated or expires	Article 10.3.2	You and your Principals are prohibited for 2 years from expiration or termination of the franchise from operating or having an interest in a similar business within 25 miles of any Restaurant in the System
s. Modification of the agreement	Articles 10.1.5 and 19.2	The Franchise Agreement may not be modified unless mutually agreed to in writing. You must comply with Manual as amended
t. Integration/merger clause	Article 19.2	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable federal and/or state law). Any representations or promises outside of the

Provision	Article in Franchise Agreement	Summary
		disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Article 19.7	Arbitration within the county where we maintain our headquarters (currently Monmouth County, New Jersey), subject to applicable state and federal law
v. Choice of forum	Article 19.8	The county and state where we maintain our headquarters (currently Monmouth County, New Jersey), subject to applicable state and federal law
w. Choice of law	Article 19.8	The state where we maintain our headquarters (currently New Jersey), subject to applicable state and federal law

The Franchise Relationship Under a Multi-Unit Development Agreement

THE FRANCHISE RELATIONSHIP

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

Provision	Article in Multi-Unit Development Agreement	Summary
a. Length of the franchise term	6	Length of the Minimum Performance Schedule
b. Renewal or extension of the term	5	After all Restaurants have been developed, we will negotiate in good faith another Multi-Unit Development Agreement
c. Requirements for multi-unit developer to renew or extend	Not applicable	Not applicable
d. Termination by multi-unit developer	Not applicable	The Agreement does not provide for this, but you may seek to terminate on any grounds available to you at law.
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	9	We can terminate if you commit any one of several listed violations
g. "Cause" defined – curable defaults	9	If you use the Marks or System without our consent; participating in a competing business; failure to pay money to us when due; you begin developing a Restaurant before all of your pre-

Provision	Article in Multi-Unit Development Agreement	Summary
		development obligations are met; failure to obtain our consent when required; you open any Restaurant before a Franchise Agreement for that Restaurant has been signed
h. "Cause" defined – non-curable defaults	9	Failure to meet your Minimum Performance Schedule; failure to comply with applicable laws; if all of your Restaurants stop operating; unauthorized transfer; you make a material misrepresentation to us; conviction by you or your Principals of an indictable offense; bankruptcy or insolvency; if a Franchise Agreement with us is terminated according to its terms (this is a cross-default provision)
i. Multi-unit developer's obligations on termination/ non-renewal	10	You must stop selecting sites for Restaurants, and you may not open any more Restaurants
j. Assignment of contract by franchisor	11	No restriction on our right to assign. However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Multi-Unit Development Agreement
k. "Transfer" by multi-unit developer – defined	11	Includes transfer of any interest in the Multi-Unit Development Agreement
l. Franchisor approval of transfer by multi-unit developer	11	We have the right to approve all transfers, our consent not to be unreasonably withheld
m. Conditions for franchisor approval of transfer	11	Conditions for transfer include not being in default, at least 25% of all Restaurants required to be developed are open or under construction, all debts are paid, the buyer meets our current criteria for new Multi-Unit Developers, execution of a general release, payment of transfer fee, buyer personally guarantees all obligations
n. Franchisor's right of first refusal to acquire multi-unit developer's business	11	We have the right to match the offer
o. Franchisor's option to purchase multi-unit developer's business	Not applicable	Not applicable
p. Death or disability of multi-unit developer	11	Upon your death or permanent disability (if you are a natural person) or upon the death or permanent disability of any Principal, distributee must be approved by us, or development rights must be transferred to someone approved by us

Provision	Article in Multi-Unit Development Agreement	Summary
		within 12 months after death or within 6 months after notice of permanent disability
q. Non-competition covenants during the term of the franchise	12	You are prohibited from operating or having an interest in a similar business without our prior written consent, except for Restaurants operated under Franchise Agreements with us
r. Non-competition covenants after the franchise is terminated or expires	12	No competing business for 2 years and within 25 miles of any Restaurant in the System
s. Modification of the agreement	18	Multi-Unit Development Agreement may not be modified unless mutually agreed to in writing
t. Integration/merger clause	18	Only the terms of the Multi-Unit Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and Multi-Unit Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	19	Arbitration within the county where we maintain our headquarters (currently Monmouth County, New Jersey), subject to applicable state and federal law
v. Choice of forum	19	The county and state where we maintain our headquarters (currently Monmouth County, New Jersey), subject to applicable state and federal law
w. Choice of law	19	The state where we maintain our headquarters (currently New Jersey), subject to applicable state and federal law

ITEM 18
PUBLIC FIGURES

We currently do not use any public figure to promote our franchise, but we have the right to do so in the future.

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ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets if there is a reasonable basis for the information and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) 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.

DEFINITIONS

(a) Calendar Year – means the 12 month period commencing on January 1 and ending on December 31 for each respective year.

(b) Company Owned Outlet – means a Playa Bowls Restaurant owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document. A Company Owned Outlet also includes any Outlet that is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document, or that is managed by us our affiliate or any person identified in Item 2.

(c) Franchise Outlet – means a Playa Bowls Restaurant operated under a Franchise Agreement that is not a Company Owned Outlet.

(d) Gross Sales – means the total revenue derived by each Playa Bowls Restaurant less sales tax, discounts, allowances and returns.

(e) Order – Refers to each distinct sales transaction resulting in the reporting of Gross Sales.

(f) Outlet – means a Playa Bowls Restaurant that is either a Company Owned Outlet or a Franchise Outlet, as the context requires.

(g) Reporting Company Owned Outlet – means a Company Owned Outlet that was open for business for the full 2021 Calendar Year. Company Owned Outlets that operate as a food truck are not included as Reporting Company Owned Outlets. Company Owned Outlets that first opened for business after January 1, 2021, are not included as Reporting Company Owned Outlets.

(h) Reporting Franchise Outlet – means a Franchised Outlet that was open for business for the full 2021 Calendar Year.

(i) Seasonal Outlet – means an Outlet that operates from a restaurant location or designated market that is seasonal in nature and based on the location or market operates on a seasonal basis and is not open for ordinary and regular business hours throughout the entire Calendar Year.

(j) Traditional Outlet – means an Outlet that is not a Seasonal Outlet.

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BASES AND ASSUMPTIONS

The financial information was prepared on a basis consistent with generally accepted accounting principles during the respective calendar year periods. Data for our Company Owned Outlets is based on information reported to us by our affiliates. Data for the Franchise Outlets are based on financial information reported to us by our franchisees. The information in this analysis has not been audited, is based on historical financial data and is not a forecast or projection of future financial performance.

COMPANY OWNED OUTLETS

During the 2021 Calendar Year we had a total of 24 Company Owned Outlets that qualify as Reporting Company Owned Outlets. Twenty (20) of our 24 Reporting Company Owned Outlets are located in the State of New Jersey where the Playa Bowls brand maintains significant consumer recognition. Twenty-one (21) of our 24 Reporting Company Owned Outlets are Traditional Outlets and 3 are Seasonal Outlets.

Table 1

Reporting Company Owned Outlets – Traditional Outlets **Calendar Year 2021**				
Outlet Location	Date First Opened	Gross Sales	Number of Orders	Average Order Amount
88 Ocean Avenue, Long Branch, NJ	May 2016	$1,191,652.83	75,363	$15.81
68 Bridge Avenue, Bay Head, NJ	October 2016	$648,913.83	40,850	$15.89
803 Ocean Avenue, Belmar, NJ	June 2014	$1,066,774.25	71,029	$15.02
645 Mantoloking Road, Brick, NJ	May 2017	$1,150,498.01	63,732	$18.05
329 Millburn Avenue, Millburn, NJ	June 2017	$931,017.65	55,935	$16.64
945 International Drive, Wilmington, NC	July 2019	$909,379.21	60,079	$15.14
28 South Park Street, Montclair, NJ	November 2017	$1,532,431.54	95,572	$16.03
328 Rowan Boulevard, Glassboro, NJ	January 2018	$1,268,826.71	78,764	$16.11
135 West Main Street, Somerville	July 2018	$1,072,235.41	66,123	$16.22
14 West Front Street, Red Bank, NJ	February 2020	$791,168.55	48,306	$16.38
2688 Woodbridge Avenue, Edison	August 2018	$971,263.10	58,192	$16.69
53 Bleeker Street, Newark, NJ	September 2017	$1,946,993.25	110,294	$17.65
224 Route 37 East, Toms River, NJ	December 2017	$1,565,837.59	91,128	$17.18
2005 NJ-35, Oakhurst, NJ	December 2017	$1,153,872.68	76,796	$15.03
587 Route 18 So., East Brunswick, NJ	September 2017	$1,273,479.06	78,393	$16.24
75 Reaville Avenue, Flemington, NJ	April 2019	$587,148.62	36,886	$15.92
21 Belle Mead Griggstown Road, Belle Mead, NJ	June 2019	$509,654.85	31,754	$16.05
10 Hulfish Street, Princeton, NJ	August 2019	$1,018,522.17	66,438	$15.33
895 East Palmetto Park Road, Boca Raton, FL	February 2020	$1,163,237.93	70,366	$16.53
123 Northeast 20th Avenue, Ste 9, Deerfield Beach, FL	February 2020	$650,293.72	37,884	$17.17
1615 North Federal Highway, Fort Lauderdale, FL	February 2020	$1,030,101.61	59,883	$17.20

Table 2

Reporting Company Owned Outlets – Seasonal Outlets **Calendar Year 2021**				
Outlet Location	Date First Opened	Gross Sales	Number of Orders	Average Order Amount
191 Beach Front, Manasquan, NJ	October 2016	$360,639.32	26,475	$13.62
1607 Ocean Avenue, Belmar, NJ	June 2018	$738,408.06	45,983	$16.06
214 West End Avenue, Toms River, NJ	May 2017	$119,038.18	7,938	$15.00

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Table 3

Reporting Company Owned Outlets – Traditional Outlets **Calendar Year 2021 Gross Sales**			
Average[1]	Median[2]	High	Low
$1,068,253	$1,066,774	$1,946,993	$509,655

[1] Average - There were 10 Outlets above the Average and 11 below the Average.
[2] Median – There were 11 Outlets above the Median and 10 below the Median.

Table 4

Reporting Company Owned Outlets – Seasonal Outlets **Calendar Year 2021 Gross Sales**			
Average[1]	Median[2]	High	Low
$406,028	$360,639	$738,408	$119,038

[1] Average - There was 1 Outlets above the Average and 2 below the Average.
[2] Median – There were 2 Outlets above the Median and 1 below the Median.

FRANCHISE OUTLETS

During the 2021 Calendar Year we had a total of 73 Franchise Outlets that qualify as Reporting Franchise Outlets. Of these 73 Reporting Franchise Outlets, 61 qualify as Traditional Outlets, and 12 qualify as Seasonal Outlets.

Table 5

Reporting Franchise Outlets – Traditional Outlets **Calendar Year 2021 Gross Sales**			
Average[1]	Median[2]	High	Low
$1,095,112	$1,050,891	$1,977,312	$71,087

[1] Average - There were 28 Outlets above the Average and 33 below the Average.
[2] Median – There were 31 Outlets above the Median and 30 below the Median.

Table 6

Reporting Franchise Outlets – Seasonal Outlets **Calendar Year 2021 Gross Sales**			
Average[1]	Median[2]	High	Low
$471,353	$437,345	$643,442	$345,325

[1] Average - There were 5 Outlets above the Average and 7 below the Average.
[2] Median – There were 6 Outlets above the Median and 6 below the Median.

DISCLAIMER

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

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or

projections of your future income, you should report it to the franchisor's management by Gary Moss, Chief Development Officer, Playa Bowls Franchisor, LLC at 197 State Route 18, Suite 202N, East Brunswick, New Jersey, 08816 and (732) 257-8604, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2019, 2020, 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	41	58	+17
	2020	58	73	+15
	2021	73	104	+31
Company Owned	2019	18	26	+8
	2020	26	29	+4
	2021	29	30	+1
Total Outlets	2019	59	81	+22
	2020	81	102	+21
	2021	102	134	+32

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

State	Year	Number of Transfers
Florida	2019	0
	2020	0
	2021	1
New Jersey	2019	3
	2020	0
	2021	1
Total	2019	3
	2020	0
	2021	2

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

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
AZ	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
CO	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
CT	2019	1	1	0	0	0	0	2
	2020	2	1	0	0	0	0	3
	2021	3	1	0	0	0	0	4
DE	2019	1	2	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
FL	2019	2	1	0	0	0	0	3
	2020	3	0	0	0	3	0	0
	2021	0	3	1	0	0	0	2
GA	2019	0	2	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	1	0	0	0	0	3
LA	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	0
MD	2019	0	2	0	0	0	0	2
	2020	2	1	0	0	0	0	3
	2021	3	5	0	0	0	0	8
MA	2019	0	2	0	0	0	0	2
	2020	2	1	0	0	0	0	3
	2021	3	1	0	0	0	0	4
NH	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
NJ	2019	29	1	1	0	0	0	29

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2020	29	9	1	0	2	0	36
	2021	36	6	0	0	0	0	42
NY	2019	2	3	0	0	0	0	5
	2020	5	2	0	0	0	0	7
	2021	7	5	0	0	0	0	12
OH	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
PA	2019	5	2	0	0	0	0	7
	2020	7	4	0	0	0	0	11
	2021	11	2	0	0	0	0	13
SC	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
TX	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
VA	2019	0	1	0	0	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Total	2019	41	17	1	0	0	0	58
	2020	58	15	0	0	5	0	73
	2021	73	31	1	0	0	0	104

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

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Florida	2019	0	0	0	0	0	0
	2020	0	0	3	0	0	3
	2021	3	0	0	0	0	3
	2019	15	3	0	0	0	18

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
New Jersey	2020	18	0	2	0	0	20
	2021	20	1	0	0	0	21
New York	2019	2	0	0	0	2	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
North Carolina	2019	0	1	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Puerto Rico	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Total	2019	18	18	0	0	2	26
	2020	26	4	5	0	0	29
	2021	29	1	0	0	0	30

Table No. 5
Projected Openings as of December 31, 2021

States	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	3	3	0
Colorado	3	3	0
Connecticut	1	2	0
Delaware	1	1	0
Florida	10	10	1
Georgia	3	4	1
Illinois	0	3	0
Louisiana	0	1	0
Maryland	4	4	0
Massachusetts	2	2	0
Michigan	3	5	0
New Hampshire	5	5	0
New Jersey	7	3	0
New York	11	11	0
North Carolina	0	0	0
Ohio	1	1	0
Pennsylvania	1	1	0
South Carolina	2	2	0

States	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Texas	0	3	0
Virginia	1	1	0
Total	58	65	2

A list of the names of all franchisees and multi-unit developers and the addresses and telephones numbers of their franchises will be provided in Exhibit D to this disclosure document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or multi-unit developer who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit D to this disclosure document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last 3 fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Playa Bowls System.

There are no trademark-specific organizations formed by our franchisees that are associated with the Playa Bowls System.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit A are our audited financial statements for the fiscal years ended December 31, 2021, December 31, 2020, and December 31, 2019. Our fiscal year ends on December 31.

ITEM 22
CONTRACTS

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

1.	Franchise Agreement	Exhibit B
2.	Multi-Unit Development Agreement	Exhibit C
3.	Form of General Release	Exhibit H

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return 1 signed copy to us and retain the other for your records.

[THE DISCLOSURE DOCUMENT ENDS HERE]

Exhibit A to the
Playa Bowls Franchise Disclosure Document

FINANCIAL STATEMENTS

Tel: 513-592-2400
Fax: 513-592-2473
www.bdo.com

221 E. 4th Street, Suite 2600
Cincinnati, OH 45202

Playa Bowls Franchisor, LLC
Belmar, New Jersey

BDO USA LLP consents to the use in the Franchise Disclosure Document issued by Playa Bowls Franchisor LLC ("Franchisor") on April 27, 2022, as it may be amended, of our report dated April 15, 2022, relating to the financial statements of Franchisor for the years ended December 31, 2021 and 2020.

BDO USA, LLP

April 27, 2022

Playa Bowls Franchisor, LLC

Financial Statements
For the Years Ended December 31, 2021 and 2020

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

BDO

Playa Bowls Franchisor, LLC

Financial Statements

For the Years Ended December 31, 2021 and 2020

Playa Bowls Franchisor, LLC

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BDO

Tel: 513-592-2400
Fax: 513-592-2473
www.bdo.com

221 E. 4th Street, Suite 2600
Cincinnati, OH 45202

Independent Auditor's Report

To the Members
Playa Bowls Franchisor, LLC
Belmar, New Jersey

Opinion

We have audited the financial statements of Playa Bowls Franchisor, LLC (the Company), which comprise the balance sheets as of December 31, 2021 and 2020 and the related statements of income and changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the 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

BDO

with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

BDO USA, LLP

April 15, 2022

Financial Statements

Playa Bowls Franchisor, LLC
Balance Sheets

	December 31, 2021	December 31, 2020
Assets		
Current Assets		
Cash and cash equivalents	$ 2,259,713	$ 1,913,614
Franchisee receivables	770,323	292,173
Related party receivables	272	14,772
Prepaid expenses	5,320	187
Total Current Assets	3,035,628	2,220,746
Property and Equipment, net	2,570	3,085
Total Assets	$ 3,038,198	$ 2,223,831
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	$ 18,212	$ 8,295
Accrued expenses	131,402	9,660
Gift Card Liability	14,000	-
Deferred revenue, current portion	1,339,395	590,425
Total Current Liabilities	1,503,009	608,380
Long-Term Liabilities		
Deferred revenue, net of current portion	232,871	196,100
Total Liabilities	1,735,880	804,480
Members' Equity	1,302,318	1,419,351
Total Liabilities and Members' Equity	$ 3,038,198	$ 2,223,831

See accompanying notes to financial statements.

Playa Bowls Franchisor, LLC
Statements of Income

For the year ended	December 31, 2021	December 31, 2020
Revenues		
Royalties, net	$ 4,621,308	$ 2,917,442
Initial franchise fees	882,203	442,025
Brand development fees	521,827	277,808
Other	14,455	18,625
Total Revenues	6,039,793	3,655,900
Selling, General and Administrative Expenses	1,872,115	1,251,110
Total Operating Expense	1,872,115	1,251,110
Profit From Operations	4,167,678	2,404,790
Net Profit	$ 4,167,678	$ 2,404,790

See accompanying notes to financial statements.

Playa Bowls Franchisor, LLC
Statements of Members' Equity

Balance, December 31, 2019	$	649,712
Distributions		(1,505,351)
Cumulative effect adjustment of adopting ASC 606		(129,800)
Net Income		2,404,790
Balance, December 31, 2020		1,419,351
Distributions		(4,284,711)
Net Income		4,167,678
Balance, December 31, 2021	$	1,302,318

See accompanying notes to financial statements.

Playa Bowls Franchisor, LLC
Statements of Cash Flows

For the Year Ended	December 31, 2021	December 31, 2020
Cash Flows From Operating Activities		
Net income	$ 4,167,678	$ 2,404,790
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	515	685
Bad debt expense	-	14,997
Changes in operating assets and liabilities:		
Franchisee receivables	(478,150)	(30,970)
Related party receivables	14,500	(17,604)
Prepaid expenses	(5,133)	(187)
Accounts payable	9,917	(17,986)
Gift card liability	14,000	-
Accrued expenses	121,742	(3,640)
Deferred revenue	785,741	546,975
Net Cash Provided by Operating Activities	4,630,810	2,897,060
Cash Flows From Financing Activities		
Distribution to members	(4,284,711)	(1,505,351)
Net Cash Used in Financing Activities	(4,284,711)	(1,505,351)
Net Increase in Cash	346,099	1,391,709
Cash, beginning of year	1,913,614	521,905
Cash, end of year	$ 2,259,713	$ 1,913,614
Supplemental disclosure of Non-Cash Investing and Financing Transactions		
Cumulative effect adjustment to retained earnings of adopting ASC 606 (See Note 1)	$ -	$ 129,800

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

Nature of Operations

Playa Bowls Franchisor, LLC (the Company) was formed as a New Jersey limited liability company on June 21, 2016. The Company operates as a franchisor of Playa Bowls, LLC (PB LLC), an affiliated company, which specializes in offering acai bowls and other healthy food options via a quick service style restaurant.

A schedule of PB LLC owned locations in operation as of December 31, 2021 is as follows:

Locations in operation at beginning of year:	29
Locations opened	1
Franchisee owned locations acquired by PB LLC	0
Locations in operation at end of year:	30

A schedule of franchisee owned locations in operation as of December 31, 2021 is as follows:

Restaurants in operation at beginning of year:	73
Restaurants opened	31
Franchisee owned locations sold to PB LLC	0
Restaurants in operation at end of year:	104

Subsequent to year end, one franchised location closed.

Basis of Presentation

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP).

Reporting Period

The Company's fiscal year is the calendar year ending December 31. The beginning of the reporting period is January 1.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash deposits and highly liquid investments with original maturities of 90 or fewer days. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents. The Company places its temporary cash investments with financial institutions. At times throughout the year the Company may, in the ordinary course of business, maintain cash balances in excess of federally insured limits. Management does not believe the Company is exposed to any unusual risks on such deposits.

Franchisee Receivables

The Company's franchisee receivables represent amounts due from franchisees related to initial franchise fees, royalty fees, and brand development fees. The Company reports receivables at net realizable value. The Company maintains an allowance for doubtful accounts for estimated losses that may arise if any of its franchisees are unable to make required payments under franchise and other agreements. In assessing the collectability of receivables, management specifically analyzes past payment trends, the age of franchise balances, historical bad debt experience, customer creditworthiness, changes in payment terms and other nonfinancial information. If the financial condition of any of its franchisees were to deteriorate, whether due to franchisee specific or general economic issues, the Company may be required to increase its allowance for doubtful accounts. Franchisee receivables are written off when all collection attempts have failed. During the year ended December 31, 2021 and 2020, the Company did not write-off receivables. As of December 31, 2021 and 2020, the Company considered the receivables to be fully collectible; therefore, no allowance for doubtful accounts was recorded.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. As of December 31, 2021 and 2020, property and equipment consisted of furniture and equipment of $4,798 and accumulated depreciation of $2,228 and $1,713, respectively. Depreciation expense was $515 and $685 for the year ended December 31, 2021 and 2020, respectively, and is included in selling, general and administrative expenses on the accompanying statements of income.

Revenue Recognition

Royalty Fees

The sales-based royalty fee is considered variable consideration related primarily to the use of the license and trademarks and will be recognized as revenue in the same period as sales are earned by the franchisees. Sales-based fees qualify under the royalty constraint exception, and do not require an estimate of future transaction price. The Company is utilizing the practical expedient which allows the Company to not disclose the transaction price allocated to the unsatisfied performance obligations for sales-based royalties. Accounting for these fees were not impacted by the adoption of Accounting Standards Update (ASU) 2014-09, *Revenues from Contracts with Customers* (Topic 606).

Brand Development Fee Revenue

The sales-based brand development fees, which are based upon a percentage of adjusted gross revenue collected by the franchisees, are recognized as income when such revenues are earned by those franchisees. Sales-based fees qualify under the royalty constraint exception, and do not require an estimate of future transaction price. The Company is utilizing the practical expedient which allows the Company to not disclose the transaction price allocated to the unsatisfied performance obligations for sales-based royalties. The Company presents advertising contributions received from franchisees as brand development fee revenue in the same period in which the franchisee's sales occur. Accounting for these fees were not impacted by the adoption of Topic 606.

Under the franchise agreements and other agreements, the contributions received must be spent on advertising, marketing, creative efforts, media support, or other related purposes specified in the agreements and generally result in no profit or loss recognized. The Company has control of the brand development fund. The expenditures are primarily accounts paid to third parties, but may also include personnel expenses and allocated costs, as defined by the franchise agreements. See related expenditures under *Advertising Expenses* in Note 1. There was $52,315 collected in excess of expended for the year ended December 31, 2021, which is included as a component of accrued expenses on the accompany balance sheets. There were no amounts collected in excess of expended for the year ended December 31, 2020.

Initial Franchise Fees

The Company generates revenues from franchising through area development agreements and individual franchise agreements. In consideration for the payment of an initial franchise fee, continuing royalties, and other amounts specified in the franchise agreement, the Company grants new franchisees the use of the Playa Bowls' trademarks and system and training, and restaurant operation assistance.

In accordance with Topic 606, the Company satisfies the performance obligation related to the franchise agreement and area development agreements over the term of the related agreement, which is typically 10 years. Payment for the franchise agreement consists of three components, a fixed-fee related to the franchise/development agreement, a sales-based royalty fee and a sales-based advertising fee. Payment for the area development agreements consists of a fixed fee. The fixed fees, as determined by the signed area development and/or franchise agreement, is nonrefundable and due at the time the area development agreement or franchise agreement is entered into, and/or when the franchise agreement is signed.

The Company has elected to early adopt ASU 2021-02, *Franchisors-Revenue from Contracts with Customers* (Subtopic 952-606) (ASU 2021-02) using the modified retrospective method of adoption, as required by the standard. This practical expedient simplifies the identification of performance obligations for private company franchisors for certain pre-opening services. These pre-opening services include:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related architectural and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping

- Bookkeeping, information technology, and advisory services, including advising the franchisee about income, real estate, and other taxes or about regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

Consideration for these services are provided by the franchise fee, however, the standalone selling price of these services are reduced from the franchise fee and recognized at a point in time when the services have been fully rendered to the franchisee, which approximates the store opening. Remaining consideration is recognized on a straight-line basis over the life of the remaining franchise fee, which is typically ten years.

Deferred Revenue and Deferred Expenses

The Company's contract liabilities consist of fees from franchisees upon execution of their respective area development and/or franchise agreements which is referred to as deferred revenue. The amounts received are recorded as deferred revenue until the Company satisfies requirements under the franchise and area development agreements or upon cancellation of the area development agreement or franchise agreement by the Company due to a default as outlined in the agreement, or by permanent store closure. Pre-opening expenses are recognized at a point in time when the services have fully rendered to the franchisee, which approximates the store opening. Remaining revenue from franchise agreements and area development agreements are recognized on a straight-line basis over the term of the agreement as the underlying performance obligation is satisfied. Incremental direct costs, such as commissions, are deferred and recognized over the life of the related term of the agreement.

Summary of significant changes to the deferred revenue balance during 2021 and 2020 are shown below.

Balance, January 1, 2021	$	786,525
Receipt of new area development and franchise agreement fees		1,667,944
Revenue recognition from area development agreements and initial franchise fees		(882,203)
Balance, December 31, 2021	$	1,572,266

Balance, January 1, 2020	$	109,750
ASC 606 adjustment		129,800
Receipt of new area development and franchise agreement fees		989,000
Revenue recognition from area development agreements and initial franchise fees		(442,025)
Balance, December 31, 2020	$	786,525

The following table illustrates the estimated revenue to be recognized in the future related to performance obligations that are unsatisfied as of December 31, 2021:

2022	$ 1,339,395
2023	33,649
2024	33,649
2025	33,649
2026	33,649
Thereafter	98,275
Total	$ 1,572,266

There are $26,700 and $0 of deferred expenses as of December 21, 2021 and 2020.

Advertising Expenses

Advertising expenses are expensed when incurred. Advertising expenses are comprised of costs incurred by the Company to benefit franchise operations. The Company may also incur additional advertising expenses should the Company spend more than is available within the production fund that will not be collected from franchised stores in the future.

Advertising expense for the years ended December 31, 2021 and December 31, 2020 were $272,725 and $279,199, respectively, and are included on a gross basis as a component of operating expenses in the accompanying statements of income.

Income Taxes

The Company, with the consent of its member, has elected to be formed as a limited liability company. The Company is considered a disregarded entity for federal and state tax purposes. In lieu of paying taxes at the Company level, its members are taxed on the Company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

The Company accounts for uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than 50% likely of being realized upon settlement.

2. Related Party

Franchise Agreements with Related Parties

As of December 31, 2021, ten franchise locations are owned by family members of the Company's members. The Company received royalties and brand development revenue totaling $562,327 and $440,454 from related party franchise locations for the years ended December 31, 2021 and 2020, respectively. Related party royalty revenue is included with royalties on the accompanying statements of income, and related party brand development revenue is included with brand development revenue on the accompany statements of income. Receivables from these locations

were $44,197 and $31,206 as of December 31,2021 and 2020, respectively, and are included as a component of franchise receivables on the accompany balance sheets.

Expenses

The Company utilizes certain employees and services and office space of PB LLC, an affiliated company, for which the Company is charged its allocable share of the costs incurred by PB LLC. Were the Company to hire a third party to provide these services, the Company could incur operating expenses substantially in excess of the amounts reflected on the Company's statements of income. Total amount incurred for the years ended December 31, 2021 and 2020 were $831,999 and $786,641, respectively, and is included in selling, general and administrative expenses on the accompanying statements of income. Certain other expenditures are paid by the Company on behalf of PB LLC. As of December 31, 2021 and 2020, the Company is owed $272 and $14,772, respectively, from PB LLC. No transactions with other entities observed.

3. Member's Equity

Ownership rights in the Company consist of membership interests. During the years ended December 31, 2021 and December 31, 2020, the Company distributed $4,284,711 and $1,505,351, respectively, to its member.

4. Commitments and Contingencies

The Company may at times be subject to lawsuits and other charges from customers and employees, which are typical within the industry. In the opinion of management, there were no open matters that will have a material effect upon the financial position of the Company.

5. Subsequent Events

The Company had no events and transactions that occurred between December 31, 2021 and April 15, 2022, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements, except as disclosed in Note 1 and below.

During the first quarter of 2022, the Company entered into a letter of intent to acquire one franchised location.

PLAYA BOWLS FRANCHISOR, LLC
(a Partnership)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017

PLAYA BOWLS FRANCHISOR, LLC
(a Partnership)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017

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LONG, COLGARY & CO., LLC
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
1135 CLIFTON AVENUE, SUITE 101
CLIFTON, NEW JERSEY 07013

TELEPHONE (973) 472-1817
FAX (973) 472-0117

INDEPENDENT AUDITORS' REPORT

To the Members and Management
Playa Bowls Franchisor, LLC
Belmar, New Jersey

We have audited the accompanying financial statements of Playa Bowls Franchisor, LLC (a Partnership), which comprise the balance sheets as of December 31, 2019, 2018, and 2017 and the related statements of income and members' capital and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Playa Bowls Franchisor, LLC as of December 31, 2019, 2018, and 2017, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Long, Colgary & Co., LLC

Long, Colgary & Co., LLC

Clifton, New Jersey
March 23, 2020, except for Note 9 to the financial
statements, which is as of September 16, 2020

PLAYA BOWLS FRANCHISOR, LLC
(a Partnership)

BALANCE SHEETS

DECEMBER 31, 2019, 2018, AND 2017

	2019	2018	2017
ASSETS			
CURRENT ASSETS			
Cash	$ 521,905	$ 248,957	$ 1,913
Accounts receivable			
Initial franchise fees	77,500	186,552	37,500
Royalties and brand development fees	182,719	133,295	21,282
Other receivables	19,752	10,000	-
Total Current Assets	801,876	578,804	60,695
TOTAL ASSETS	$ 801,876	$ 578,804	$ 60,695
LIABILITIES AND MEMBERS' CAPITAL			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	$ 42,414	$ 19,658	$ 10,350
Unearned revenues	109,750	165,000	95,000
Total Current Liabilities	152,164	184,658	105,350
MEMBERS' CAPITAL (DEFICIT)	649,712	394,146	(44,655)
TOTAL LIABILITIES AND MEMBERS' CAPITAL	$ 801,876	$ 578,804	$ 60,695

See independent auditors' report and accompanying notes to financial statements

PLAYA BOWLS FRANCHISOR, LLC
(a Partnership)

STATEMENTS OF INCOME AND MEMBERS' CAPITAL

FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017

	2019	2018	2017
REVENUES			
Initial franchise fees	$ 580,000	$ 775,000	$ 190,000
Royalties	2,358,169	1,513,232	143,375
Brand development fees	190,558	-	-
Transfer fees	15,000	-	-
Other	1,500	-	2,250
Total Revenues	3,145,227	2,288,232	335,625
OPERATING EXPENSES			
Advertising	164,997	60,367	200
Auto expense	9,363	22,881	-
Bad debt expense	133,945	-	-
Commissions	85,634	121,178	22,875
Computer and internet	20,655	-	-
Donations	5,000	-	-
Employee benefits	14,163	11,878	-
Food purchases and supplies	22,528	-	-
Insurance	810	10,831	-
Business licenses and permits	4,227	-	-
Meals and entertainment	20,538	24,746	-
Office	6,171	-	-
Other	3,055	4,326	1,511
Outside services	8,691	6,740	-
Payroll service fees	1,236	4,300	-
Payroll taxes	38,485	29,168	-
Professional fees	73,495	46,305	21,574
Rent	29,580	4,950	-
Salaries and wages	426,268	274,288	104,538
Travel	32,711	26,226	1,200
Utilities	3,272	-	-
Total Operating Expenses	1,104,824	648,184	151,898
NET INCOME	2,040,403	1,640,048	183,727
MEMBERS' CAPITAL (DEFICIT) - BEGINNING	394,146	(44,655)	5,350
MEMBER DISTRIBUTIONS	(1,784,837)	(1,201,247)	(233,732)
MEMBERS' CAPITAL (DEFICIT) - ENDING	$ 649,712	$ 394,146	($ 44,655)

See independent auditors' report and accompanying notes to financial statements

PLAYA BOWLS FRANCHISOR, LLC
(a Partnership)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017

	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 2,040,403	$ 1,640,048	$ 183,727
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH FROM OPERATING ACTIVITIES:			
Decrease (Increase) in:			
Accounts receivable			
Initial franchise fees	109,052	(149,052)	(37,500)
Royalties	(49,424)	(112,013)	(21,282)
Other	(9,752)	(10,000)	-
Increase (Decrease) in:			
Accounts payable and accrued expenses	22,756	9,308	10,350
Unearned revenues	(55,250)	70,000	95,000
Total Adjustments to Net Income	17,382	(191,757)	46,568
NET CASH PROVIDED BY OPERATING ACTIVITIES:	2,057,785	1,448,291	230,295
CASH FLOWS FROM FINANCING ACTIVITIES:			
Member distributions	(1,784,837)	(1,201,247)	(233,732)
NET CASH (USED IN) FINANCING ACTIVITIES:	(1,784,837)	(1,201,247)	(233,732)
NET INCREASE (DECREASE) IN CASH	272,948	247,044	(3,437)
CASH - BEGINNING	248,957	1,913	5,350
CASH - ENDING	$ 521,905	$ 248,957	$ 1,913
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest	$ -	$ -	$ -
Income Taxes	$ -	$ -	$ -

See independent auditors' report and accompanying notes to financial statements

PLAYA BOWLS FRANCHISOR, LLC
(a Partnership)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017

Note 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Playa Bowls Franchisor, LLC ("the Company") is a Limited Liability Company formed in the state of New Jersey with an effective date of June 21, 2016. The Company's primary purpose is to operate as a franchisor company for Playa Bowls, LLC ("PB LLC"), an affiliated company which specializes in offering acai bowls and other healthy food options via a quick service style restaurant.

PB LLC has been in operations since 2014, and as of December 31, 2019, owns twelve (12) Playa Bowls restaurant businesses and three (3) food trucks in New Jersey, North Carolina, and Puerto Rico whose primary customer demographic is sixteen to thirty-six year olds. PB LLC also partially owns eight (8) joint ventures in the State of New Jersey. As of December 31, 2019, there were twenty-three (23) PB LLC businesses in operations.

The Company's activities are subject to certain risks and uncertainties, including consumer trends.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, except where otherwise noted. Revenues are recognized when earned and expenditures are recognized when incurred.

Estimates

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

Income Taxes

The Company is a Limited Liability Company under the Internal Revenue Code and the laws of the State of New Jersey. In lieu of Partnership income taxes, the members of a Limited Liability Company are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Company files tax returns with the Internal Revenue Service and states of New Jersey, New York, Pennsylvania, Delaware, Florida, Connecticut, North Carolina, South Carolina, Georgia, Maryland, Massachusetts, Virginia, and Louisiana. No filed tax returns are closed under statutes of limitation.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an initial maturity of 90 days or less.

Accounts Receivable

The Company considers accounts receivable to be fully collectible until conclusively proven otherwise. Accordingly, at December 31, 2019, 2018, and 2017, no allowance for doubtful accounts has been established.

Recognition of Revenues

Revenues from the sale of franchise rights for individual franchise businesses are recognized when substantially all of the initial services required by the Company under the terms of its franchise agreement have been performed and the franchise location opens. Revenues from continuing royalties are recognized on a monthly basis from franchise location sales. Revenues from brand development fees are also recognized on a monthly basis from franchise location sales. Transfer fee revenues are recognized when transfers occur. Other revenues, which represent incidental items that are not part of the Company's normal operations, are recognized when they occur.

Initial franchises are currently sold for between $5,000 and $35,000 with a term of ten (10) years. Renewals for an additional term of ten (10) years can be purchased for $10,000, unless otherwise agreed upon between the Company and franchisee. Qualified franchisees who desire to develop multiple Playa Bowl franchised businesses within a designated area can enter into an Area Development Agreement for a fee of $25,000. At December 31, 2019, 2018, and 2017, there were no area development agreements with any franchisees. Additional training fees and meeting fees are due at the time the franchisee registers for a training program or meeting.

Franchisees are also required to pay monthly royalty fees, which range from 2% to 8% of gross revenues. Effective January 1, 2019, the Company established a brand development fund, in which franchise locations may also be charged a brand development fee of 1% of gross revenues for advertising and promotion costs incurred by the Company. In May 2019, the Company agreed to forgo the royalty and brand development payments on the commission fee that third-party delivery partners collect on orders placed through their marketplace.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Costs

Advertising costs are expensed as incurred.

Reclassifications

Certain accounts receivable items for the year ended December 31, 2018, have been reclassified to conform with the 2019 presentation in the balance sheet and cash flow statements. Such reclassifications had no effect on the previously reported 2018 total assets of $578,804 and net cash provided by operating activities of $1,448,291.

Note 3 - OTHER RECEIVABLES

Other receivables at December 31, 2019, 2018, and 2017 consist of the following:

	2019	2018	2017
Construction reimbursements	$ 18,000	$ 10,000	$ -
Miscellaneous	1,752	-	-
	$ 19,752	$ -	$ -

Construction reimbursement receivables at December 31, 2019 and 2018, which are from two (2) and one (1) franchise locations, respectively, are deemed to be fully collectible.

Note 4 - UNEARNED REVENUE

Unearned revenue of $109,750, $165,000, and $95,000 at December 31, 2019, 2018, and 2017, respectively, represents initial franchise fees for locations which did not open by year end. In accordance with accounting principles generally accepted in the United States of America, the Company recognizes initial franchise fee revenue when all material performance obligations and services relating to the sale have been substantially performed or satisfied by the franchisor. The Company did not meet the criteria for revenue recognition as it continued to provide supporting services and other performance obligations for these locations, including training, until such store locations opened.

Note 5 - FRANCHISE ACTIVITY

Franchise outlet activity is summarized for the years ended December 31, 2019, 2018, and 2017:

	2019	2018	2017
Franchises - beginning of year	41	8	-
Franchises opened during the year	16	29	8
PB LLC owned locations converted to franchises	2	-	-
Joint ventures converted to franchises	-	4	-
Franchises cancelled during the year	(1)	-	-
Franchises - end of year	58	41	8

Six (6) of the new franchises opened in 2019 are owned by family members of the Company's two owners.

During 2019, three (3) franchise locations were transferred to new owners. Such locations remained franchises of the Company.

During 2019, the Company also sold four (4) additional franchise locations which did not open by year end and are not included in the above franchise activity. Such franchises account for the unearned revenue as described in Note 4.

Subsequent to December 31, 2019, the Company opened three (3) new franchise locations and signed franchise agreements with ten (10) other franchisees. One (1) of the signed franchise agreements was with a family member of one of the Company's owners. Additionally, PB LLC entered into management and acquisition agreements with four (4) franchise locations. One (1) franchise location will be purchased by PB LLC and three (3) other franchise locations will be converted to joint ventures with PB LLC as a partial owner. As of the date of the financial statements, these four (4) franchise locations are operating under management agreements as the related sales have not yet closed.

The Company's sold franchise locations are in the states of New Jersey, New York, Connecticut, Delaware, Pennsylvania, Florida, Massachusetts, North Carolina, South Carolina, Louisiana, Georgia, Maryland, and Virginia.

Note 6 - RELATED PARTY TRANSACTIONS

Distributions

For the years ended December 31, 2019, 2018, and 2017, the Company's members received distributions of $1,784,837, $1,201,247, and $233,732, respectively.

Franchise Locations

As of December 31, 2019, six (6) franchise locations are owned by family members of the Company's two owners.

Subsequent to year end, the Company signed a franchise agreement with a family member of one of its owners to open another franchise location.

Expenses

During the year ended December 31, 2019, 2018, and 2017, the Company reimbursed its affiliate, PB LLC, approximately $570,000, $459,000, and $105,000, respectively, for salaries and other expenses paid on its behalf. Such salaries and other expenses were determined by significant estimates made by management including the time spent to sell franchise locations and assist franchisees in opening their stores, and allocations based upon the number of franchise locations to total locations owned by the Company and PB LLC. It's reasonably possible that the estimates and allocations used could change within the next year, which may be material to the Company's financial statements. The balance owed to PB LLC at December 31, 2019, is approximately $1,000 and is included in accounts payable and accrued expenses on the balance sheet.

Note 7 - CONCENTRATION OF CREDIT RISK

The Company maintained cash balances in a checking account at a financial institution during the years ended December 31, 2019, 2018, and 2017, respectively. The balance is insured by the Federal Deposit Insurance Corporation (FDIC insured) up to a total of $250,000. At times during the years ended December 31, 2019 and 2018, cash balances in this institution did exceed Federally insured limits; however, the Company did not experience any losses on such amounts.

Note 8 - COMMITMENTS

Office Lease

Beginning November 1, 2018, PB LLC entered into a one year lease agreement for office space through October 31, 2019, which then converted to a month-to-month lease with annual rent increases of five (5%) percent unless altered by the landlord. Total rent of $55,200 is to be paid in installments of $27,600 upon the execution of the lease agreement and by May 1, 2019. The Company's portion of the rent expense, which is one-half, is $2,475 per month. Total rent expense for the years ended December 31, 2019 and 2018 is $29,580 and $4,950, respectively.

Note 9 - NEW ACCOUNTING GUIDANCE IMPLEMENTATION

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). The guidance in this Update affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. The guidance in this Update supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance throughout the Industry Topics of the Codification. Additionally, this Update supersedes some cost guidance included in Subtopic 605-35, Revenue Recognition Construction-Type and Production-Type Contracts. The core principle of this Update is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This Update requires entities to make new judgments and estimates and provide expanded disclosures about revenue. This Update is effective for fiscal years beginning after December 15, 2018.

In June of 2020 the FASB extended by one (1) year the effective date of the revenue recognition standards for private companies. The Company has elected to defer and has not yet implemented ASC 606, as it continues to evaluate the impact of the adoption of the new standard on its financial statements.

The financial statements have been revised to change the above language regarding the adoption of FASB Topic 606 on revenue recognition.

Note 10 - SUBSEQUENT EVENTS

In preparing the financial statements, the Company's management has evaluated events and transactions for potential recognition or disclosure through March 23, 2020, the date the financial statements were available to be issued.

Franchise Activity

As disclosed in Note 5, the Company has sold and opened additional franchise locations in 2020.

Additionally, in 2020 PB LLC entered into management and acquisition agreements with four (4) franchise locations. One (1) franchise location will be purchased by PB LLC and three (3) other franchise locations will be converted to joint ventures with PB LLC as a partial owner. These four (4) franchise locations are currently operating under management agreements as the related sales have not yet closed. Receivables from these four (4) locations of $133,945, which were for initial franchise fees and monthly royalties, were written-off as bad debt expense during the year ended December 31, 2019.

Note 10 - SUBSEQUENT EVENTS (Continued)

COVID-19

Subsequent to year end, the global outbreak of the coronavirus reached the United States and was officially declared a pandemic in March 2020. Federal, state, and local governments throughout the country have taken various actions to try to stop the spread of the virus, including limiting crowd gatherings, closing non-essential businesses, and imposing curfews. Certain businesses, by their nature, will be financially impacted by the result of these measures. The Company's revenues in 2020 from initial franchise sales, royalties, and brand development fees are likely to be affected, the results of which can not be determined at this time.

Exhibit B to the
Playa Bowls Franchise Disclosure Document

FRANCHISE AGREEMENT

PLAYA BOWLS FRANCHISOR LLC

FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

Playa Bowls Franchise Agreement

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ATTACHMENTS

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2 - Collateral Assignment of Lease
3 - Data Sheet and Statement of Ownership Interests in Franchisee/Entity
4 - Confidentiality and Non-Competition Agreement
5 - Electronic Funds Transfer Authorization
6 - Internet Advertising, Digital Media and Telephone Account Agreement
7 - Franchisee Acknowledgment Statement
8 - Americans with Disabilities Act Certification
9 - Spousal Guaranty

FRANCHISE AGREEMENT

THIS AGREEMENT, entered into on _____ (the "Effective Date"), by and between the franchisor Playa Bowls Franchisor LLC, a New Jersey limited liability company, with its principal address at 197 State Route 18, Suite 202N, East Brunswick, New Jersey, 08816 (herein referred to as "we", "us" or "our"), and _____, a(n) _____ _____, whose principal address is _____, and _____ _____'s principal(s) _____, an individual, residing at _____, and _____, an individual, residing at _____ ("Principal(s)") who shall be collectively referred to in this Agreement as "you" or "your" or "Franchisee".

W I T N E S E T H:

WHEREAS, as the result of the expenditure of time, skill, effort and money, we and our affiliate have developed and own a unique and distinctive system (hereinafter "System") relating to the establishment and operation of a restaurant operating under the name "Playa Bowls" offering acai bowls, pitaya bowls, coconut bowls, chia pudding bowls, oatmeal bowls, smoothies, juices, and other healthy food options for dine-in and take-out ("Restaurant" or "Franchised Business"). You may, subject to our specifications and requirements, also offer delivery and catering services within your Designated Territory;

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark "Playa Bowls" and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as "Marks" or "Proprietary Marks");

WHEREAS, we and our affiliate continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance and service;

WHEREAS, you understand and acknowledge the importance of our high standards of quality, cleanliness, appearance and service and the necessity of operating the business franchised hereunder in conformity with our standards and specifications; and

WHEREAS, you desire to use the System in connection with the operation of a Restaurant at the location accepted by us as herein provided, as well as to receive the training and other assistance provided by us in connection therewith.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

ARTICLE 1
GRANT

1.1 Grant of Franchise

In reliance on the representations and warranties of you and your Principals hereunder, we hereby grant to you, upon the terms and conditions in this Agreement, the right and license, and you hereby accept the right and obligation, to operate a Playa Bowls Restaurant under the Marks and the System in accordance with this Agreement. You and the Principals have represented to us that you have entered into this Agreement with the intention to comply fully with the obligations to construct a Restaurant hereunder and not for the purpose of reselling the rights to develop the Restaurant hereunder. You and the Principals understand and acknowledge that we have granted such rights in reliance on the business skill, financial capacity, personal character of, and expectations of performance hereunder by, you and the Principals and that this Agreement and the rights and obligations hereunder may not be transferred until after the Restaurant is open for business to the public in accordance with Article 2.6, and then only in accordance with Article 14 hereof.

1.2 Accepted Location

The specific street address of the Restaurant location accepted by us shall be set forth in Attachment 1 ("Location" or "Accepted Location") when such Location is determined. This Agreement does not grant to you the right or license to operate the Restaurant or to offer or sell any products or services described under this Agreement at or from any location other than the Accepted Location.

1.3 Relocation

If you are unable to continue the operation of the Restaurant at the Accepted Location because of the occurrence of a force majeure event (as described in Article 17.1.3(e)), then you may request our approval to relocate the Restaurant to another location in the Designated Territory, as that term is defined below, which approval shall not be unreasonably withheld. Any other relocation outside the Designated Territory or a relocation of the Restaurant not caused by force majeure shall also be subject to our prior approval. If we elect to grant you the right to relocate the Restaurant, then you shall comply with the site selection and construction procedures set forth in Article 2. Upon our approval of your relocation request, you shall reimburse our costs and expenses related to your relocation request.

1.4 Designated Territory

Upon the execution of this Agreement or when the Accepted Location is determined, whichever occurs later, you may be assigned a territory (the "Designated Territory") that will also be described in Attachment 1. You understand and acknowledge that if your Accepted Location is a Non-Traditional Site (as described in Article 1.5 below), you will not receive a Designated Territory.

Except as provided in this Agreement, and subject to your and your Principals' material compliance with this Agreement, any other agreement among you or any of your affiliates (defined for the purposes hereof as any entity that is controlled by, controlling or under common control with such other entity) and us, we shall not establish or authorize any other person or entity, other than you, to establish a Restaurant in the Designated Territory during the term of this Agreement and any extensions hereof. You acknowledge

and understand that the rights granted hereunder pertain only to the establishment of a Restaurant. You acknowledge and agree that our affiliates currently operate, or may in the future operate, restaurants under different marks and with operating systems that are the same as or similar to the System, and that any such restaurants might compete with your Restaurant. You further agree and acknowledge that the license granted hereby is only for the operation of 1 Restaurant and only at a location accepted by us.

1.5 Our Reserved Rights

1.5.1 Nothing in this Agreement will prohibit us from: (a) operating and/or franchising others to operate restaurants identified in whole or in part by the Proprietary Marks and/or utilizing the System anywhere outside the Designated Territory as we deem appropriate and irrespective of the proximity to your Designated Territory; (b) operating and/or franchising others to operate restaurants identified in whole or in part by the Proprietary Marks and/or utilizing the System in the Designated Territory that are located in gas stations or convenience stores; transportation facilities, including airports, train stations, subways and rail and bus stations; military bases and government offices; sports facilities, including stadiums and arenas; amusement parks, zoos and convention centers; car and truck rest stops and travel centers; educational facilities; recreational theme parks; hospitals; business or industrial foodservice venues; venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider; Indian reservations; casinos; or any similar captive market locations within and outside your Designated Territory ("Non-Traditional Site"); (c) granting national, regional or local licenses to third parties to sell products under the Proprietary Marks in foodservice facilities primarily identified by the third party's trademark within and outside your Designated Territory; (d) merchandising and distributing products identified by the Proprietary Marks in the Designated Territory through any method or channel of distribution other than through the operation of a restaurant, including distribution of Proprietary Products through supermarkets, grocery stores, club stores and ethnic food stores; (e) selling and distributing products identified by the Proprietary Marks in the Designated Territory to restaurants other than Restaurants identified by the Proprietary Marks, provided those restaurants are not licensed to use the Proprietary Marks in connection with their retail sales; (f) selling products and services, within and outside your Designated Territory, through other channels of distribution, including the internet, wholesale, mail order and catalogue; (g) developing and/or owning other franchise systems for the same or similar products and services using trade names and trademarks other than the Proprietary Marks; and (h) purchasing, being purchased by, merging or combining with, businesses that we deem to offer direct competition to Playa Bowls Restaurants.

1.5.2 You understand and acknowledge that if any Non-Traditional Site (as described above) is located within the physical boundaries of your Designated Territory, then the premises of this Non-Traditional Site will not be included in your Designated Territory and you will have no rights to this Non-Traditional Site.

1.5.3 This Article 1.5 does not prohibit us or our affiliates from: (a) operating and franchising others to operate, during the Initial Term, Playa Bowls Restaurants at any location outside of the Designated Territory; (b) operating and franchising others to operate, after this Agreement terminates or expires, Playa Bowls Restaurants at any location, including locations inside the Designated Territory; and (c) operating and franchising others to operate at any location, during or after the Initial Term, any type of restaurant other than a Playa Bowls Restaurant.

1.5.4 The restrictions contained in Article 1.4 do not apply to Playa Bowls Restaurants in operation, under lease or construction or other commitment to open in the Designated Territory as of the Effective Date.

1.5.5 Except as expressly limited by this Article 1.5, we and our affiliates have the right to conduct any business activities, under any name, in any geographic area and at any location, regardless of the proximity to the Restaurant or the economic effect on your Restaurant or activities under this Agreement.

1.6 Forms of Agreement

You acknowledge that, over time, we have entered, and will continue to enter, into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that we and other franchisees may have different rights and obligations does not affect our or your duties to comply with the terms of this Agreement.

ARTICLE 2
SITE SELECTION, PLANS AND CONSTRUCTION

2.1 Your Responsibility to Locate a Site

You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for the Restaurant within the Designated Territory, and for constructing and equipping the Restaurant at such site. You shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to a site for the Restaurant unless the site is accepted by us as set forth below. You acknowledge that the location, selection, procurement and development of a site for the Restaurant is your responsibility; that in discharging such responsibility you shall consult with real estate and other professionals of your choosing, unless we designate a supplier for these services; and that our approval of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by us that the Restaurant operated at that site will be profitable or otherwise successful.

2.2 Site Selection

2.2.1 If you do not already have possession of a location that we have accepted upon your execution of this Agreement, then within 180 days of the date this Agreement is executed you shall locate a site for the Restaurant that satisfies the site selection guidance and advice provided to you by us pursuant to Article 5.1 and submit to us in the form specified by us a description of the site together with such other information and materials as we may reasonably require, including, but not limited to, a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We shall have 30 days after receipt of this information and materials to accept or decline, in our sole discretion, the proposed site as the location for the Restaurant. We may, if we determine it is necessary, conduct 1 on-site evaluation of the proposed location for the Restaurant. If we conduct an on-site evaluation, you must pay our then current per diem fee for each day of the evaluation, and you must reimburse our representative's expenses while conducting the evaluation, including travel, lodging and meals. No site may be used for the location of the Restaurant unless it is first accepted in writing by us. You acknowledge and agree that our acceptance of a location for the Restaurant is not a warranty or guaranty, express or implied, that you will achieve any particular level of success at the location or that your Restaurant will be profitable. Our acceptance of a location for the Restaurant only signifies that the location meets our then current minimum criteria for a Playa Bowls Restaurant. We reserve the right to approve deviations from our site selection standards based on the individual factors and components of a particular site, but any such approvals shall be granted in our sole discretion. If you are unable to locate a site for your Restaurant within 180 days after this Agreement is executed, we may terminate this Agreement.

2.2.2 If you elect to purchase the premises for the Restaurant, you shall submit a copy of the proposed contract of sale to us for our written approval prior to its execution and shall furnish to us a copy of the executed contract of sale within 10 days after execution. If you will occupy the premises of the Restaurant under a lease or sublease, you shall submit a copy of the lease or sublease to us for written acceptance prior to its execution and shall furnish to us a copy of the executed lease or sublease within 10 days after execution. No lease or sublease for the Restaurant premises shall be accepted by us unless a Collateral Assignment of Lease, prepared by us and executed by us, you and the lessor or sublessor, in substantially the form attached as Attachment 2, is attached to the lease and incorporated therein. We shall have 10 days after receipt of the lease, sublease or the proposed contract of sale to either accept or decline such documentation prior to its execution. If we do not provide our specific approval of the lease, sublease or contract of sale within this 10 day period, then it shall be deemed not accepted.

2.2.3 After we have accepted the location for your Restaurant and that Accepted Location is acquired by you pursuant to this Agreement, the Accepted Location and your Designated Territory shall be described in Attachment 1.

2.3 Zoning Clearances, Permits and Licenses

You shall be 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 as a result of any restrictive covenants relating to the Accepted Location. Prior to beginning the construction of the Restaurant, you shall (i) obtain all permits, licenses and certifications required for the lawful construction or remodeling and operation of the Restaurant, and (ii) certify in writing to us that the insurance coverage specified in Article 12 is in full force and effect (or provide us with a certificate of insurance evidencing coverage) and that all required approvals, clearances, permits and certifications have been obtained. Upon written request, you shall provide to us additional copies of your insurance policies or certificates of insurance and copies of all such approvals, clearances, permits and certifications.

2.4 Design of Restaurant

You must obtain any architectural, engineering and design services required for the construction of the Restaurant at your own expense from an architectural design firm approved or designated by us. You shall adapt the prototypical architectural and design plans and specifications for construction of the Restaurant provided to you by us in accordance with Article 5.3 as necessary for the construction of the Restaurant and shall submit such adapted plans to us for our review. Such plans must comply with applicable laws (including the Americans with Disabilities Act), ordinances and building codes for the city and state in which the Restaurant will be located. If we determine, in our reasonable discretion, that any such plans are not consistent with the best interests of the System, we may prohibit the implementation of such plans, and in this event will notify you of any objection(s) within 10 days of receiving such plans. If we fail to notify you of an objection to the plans within this time period, you may use such plans. If we object to any such plans, we shall provide you with a reasonably detailed list of changes necessary to make the plans acceptable. We shall, upon a re-submission of the plans with such changes, notify you within 10 days of receiving the resubmitted plans whether the plans are acceptable. If we fail to notify you in writing of any objection within such time period, you may use the resubmitted plans. You acknowledge that our review of such plans relates only to compliance with the System and that acceptance by us of such plans does not constitute a representation, warranty, or guarantee, express or implied, by us that such plans are accurate or free of error concerning their design or structural application, or that such plans comply with any laws, ordinances or building codes applicable to the Accepted Location.

2.5 Build-Out of Restaurant

You shall commence and diligently pursue construction or remodeling (as applicable) of the Restaurant. Commencement of construction shall be defined as the time at which any site work is initiated by you or on your behalf at the location accepted for the Restaurant. Site work includes, without limitation, paving of parking areas, installing outdoor lighting and sidewalks, extending utilities, demising of interior walls and demolishing of any existing premises. During the time of construction or remodeling, you shall provide us with such periodic reports regarding the progress of the construction or remodeling as may be reasonably requested by us. In addition, we may make such on-site inspections as we may deem reasonably necessary to evaluate such progress. You shall notify us of the scheduled date for completion of construction or remodeling no later than 30 days prior to such date. Within a reasonable time after the date of completion of construction or remodeling, we may, at our option, conduct an inspection of the completed Restaurant. You acknowledge and agree that you will not open the Restaurant for business without our written authorization and that authorization to open shall be conditioned upon your strict compliance with this Agreement and your certification to us, in the form attached hereto as Attachment 8, that the Restaurant has been constructed in compliance with the Americans with Disabilities Act.

2.6 Opening Date; Time is of the Essence

You acknowledge that time is of the essence. Subject to your compliance with the conditions stated below, you shall open the Restaurant and commence business not later than 9 months after the Effective Date. The date the Restaurant actually opens for business to the public is herein called the "Opening Date". Prior to opening, you shall complete all exterior and interior preparations for the Restaurant, including installation of equipment, fixtures, furnishings and signs, pursuant to the plans and specifications reasonably approved by us, and shall comply with all of your other pre-opening obligations, including, but not limited to, those obligations described in Articles 6.2 through 6.6, to our reasonable satisfaction. If you fail to reasonably comply with any of such obligations, except for delay caused by a force majeure event as described in Article 17.1.3(e), we shall have the right to prohibit you from commencing business. Prior to opening the Franchised Business, and before any renovation to the Franchised Business, you shall execute an Americans with Disabilities Act Certification in the form attached to this Agreement as Attachment 8 that certifies in writing to us that the Franchised Business and any proposed renovations comply with the Americans with Disabilities Act. If you are unable to open your Restaurant within the timeframe required herein, we may terminate this Agreement.

ARTICLE 3
TERM AND RENEWAL

3.1 Term

Unless sooner terminated as provided under the terms of this Agreement, the term of this Agreement shall be a period of 10 consecutive years, commencing on the Effective Date ("Initial Term").

3.2 Renewal

If you satisfy each of the requirements set forth below, you may renew this Agreement for 1 additional term of 10 years.

3.2.1 You shall have been, throughout the initial term of this Agreement (and any previous and then current renewal term, as the case may be), in substantial compliance, and at the expiration of such Initial Term (and any previous and then current renewal term, as the case may be) are in full

compliance, with this Agreement, your lease or sublease and all other agreements between you and us or companies or persons associated or affiliated with us.

3.2.2 You shall, within 6 months before the expiration of the Initial Term or then current renewal term, as the case may be, but not later than 3 months before the expiration of the Initial Term or then current renewal term, as the case may be, provide written notice to us that you wish to renew this Agreement, and we, in turn, shall provide you with any documents that you are required to execute for the renewal term, which documents may include, but are not limited to, a general release, our then current Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of Playa Bowls franchises (all of which will contain terms and fees substantially the same as those included in Franchise Agreements being executed at the time of renewal, and which will not obligate you to pay a further initial franchise fee) (the "Renewal Franchise Documents").

3.2.3 You shall execute the Renewal Franchise Documents and all other documents and instruments that we require in order to renew this Agreement. You shall return the executed Renewal Franchise Documents to us, together with payment of a renewal fee equal to $10,000, by no later than the expiration date of the Initial Term. If we do not receive the executed documents and renewal fee by such expiration date, then this Agreement shall expire, you shall have no further rights under this Agreement, and you shall comply with the provisions of Article 18 and any other provisions that survive termination or expiration of this Agreement.

3.2.4 After we have received from you all executed Renewal Franchise Documents and the renewal fee, we shall inspect your Restaurant to determine the extent of any required updating, remodeling, redecorating or other refurbishment for the Restaurant in order to bring the Restaurant up to our then current image and standards for new Playa Bowls Restaurants. We will provide notice to you of the modifications you shall be required to make, and you shall have 6 months from the date of such notice to effectuate such modifications. If you fail or refuse to make the required modifications, we shall have the right to terminate the Renewal Franchise Documents.

3.3 Refusal to Renew Franchise Agreement

We can refuse to renew your franchise if your lease, sublease or other document by which you have the right to occupy the Accepted Location is not extended before your renewal term is to take effect to cover the period of the renewal or if you do not have a written commitment from your landlord to renew the lease or sublease for a period at least equal to the renewal term. We may also refuse to renew your franchise under other circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure of any defaults incurred during the initial term of this Agreement, if applicable.

3.4 Renewal Under Law

Even though we decline the renewal of your franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the applicable law, rule, regulation, statute, ordinance or order, your renewal term will be subject to the conditions of the Franchise Agreement we are using for new franchisees at the time the renewal period begins. If we are not then offering new franchises, your renewal period will be subject to the terms in the then current Franchise Agreement that we indicate. If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement.

3.5 Your Election Not to Renew

For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the Franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us any of the Renewal Franchise Documents required by us for a renewal franchise, together with payment of our then current renewal fee, or if you provide written notice to us within the final 60 days of the Initial Term or then current renewal term, as the case may be, indicating that you do not wish to renew this Agreement.

ARTICLE 4
FEES

4.1 Initial Franchise Fee

You shall pay to us an initial franchise fee of $35,000 which shall be paid upon the execution of this Agreement. The amount of the initial franchise fee when so paid shall be deemed fully earned in consideration of the administrative and other expenses incurred by us in granting the franchise hereunder and for our lost or deferred opportunity to grant such franchise to any other party and shall be fully non-refundable.

4.2 Royalty Fees

4.2.1 During the term of this Agreement, you shall pay to us, in partial consideration for the rights herein granted, a continuing monthly royalty fee in an amount equal to 6% of your monthly Gross Sales ("Royalty Fee"). Such Royalty Fee shall be due and payable on the 10th of each month based on the Gross Sales for the preceding calendar month, provided that such day is a business day. If the date on which such payments would otherwise be due is not a business day, then payment shall be due on the next business day.

4.2.2 Each Royalty Fee shall be calculated by us based on the Gross Sales for the preceding calendar month and any other reports required hereunder. You shall provide us with independent access to your computer system, point of sale system and software as detailed in Article 7.5.8 herein which shall provide us with the ability to electronically inspect and download the data collected and maintained therein.

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

4.3 Brand Development Fee

4.3.1 In addition to the Royalty Fee described in Article 4.2 above, you agree to pay to us a brand development fee in an amount equal to 1% of the Restaurant's Gross Sales. Such amount shall be contributed to a Brand Development Fund maintained by us, as described in Article 8.3 below. If the Brand Development Fund has not yet been established when this Agreement is executed by you and us, then you shall begin paying the brand development fee upon 30 days' advance notice from us that the Brand Development Fund has been established. The brand development fee is payable to us at the same time and in the same manner as the Royalty Fee.

4.3.2 We may periodically receive allowances, rebates or other payments from approved suppliers based on purchases from such suppliers by our franchisees, and we may elect to contribute such

allowances, rebates or other payments to the Brand Development Fund. You understand and acknowledge, however, that any such contribution of these amounts by us to the Brand Development Fund does not in any manner diminish or eliminate your obligation to pay the brand development fee.

4.4 Payments to Us

By executing this Agreement, you agree that we shall have the right to withdraw funds from your designated bank account by electronic funds transfer ("EFT") in the amount of the Royalty Fee, brand development fee, and any other payments due to us and/or our affiliates. If we are unable to download the required Gross Sales data from your computer system, point of sale system and software, we may debit your account for 120% of the last Royalty Fee and brand development fee that we debited. If the Royalty Fee and brand development fee we debit are less than the Royalty Fee and brand development fee you actually owe to us, once we have been able to determine the Restaurant's true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the Royalty Fee and brand development fee we debit are greater than the Royalty Fee and brand development fee you actually owe, we will credit the excess against the amount we otherwise would debit from your account during the following month. You shall, upon execution of this Agreement or at any time thereafter at our request, execute such documents or forms as we or your bank determine are necessary for us to process EFTs from your designated bank account for the payments due hereunder. If payments are not received when due, interest may be charged by us in accordance with Article 4.6 below. Upon written notice to you, you may be required to pay such fees directly to us in lieu of EFT, at our sole discretion.

4.5 Late Fee

If any amount you owe to us is not paid within 5 days of the due date then, in addition to applicable interest on the overdue amount as described in Article 4.6 below, you agree to pay to us a late fee of $50 each time such payment is not made to us within 5 days of its due date.

4.6 Interest on Overdue Amounts

You shall not be entitled to withhold payments due us under this Agreement on grounds of alleged non-performance by us hereunder. Any payment or report not actually received by us on or before its due date shall be deemed overdue. Time is of the essence with respect to all payments to be made by you to us. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of (i) 18% per annum; or (ii) the maximum rate allowed by applicable law. Notwithstanding anything to the contrary contained herein, no provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If any excess of interest is provided for herein or shall be adjudicated to be so provided in this Agreement, the provisions of this paragraph shall govern and prevail, and neither you nor your Principals shall be obligated to pay the excess amount of such interest. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment and reduction of any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder then such excess shall be repaid to the party that paid such interest.

4.7 Definition of Gross Sales

"Gross Sales" shall mean the total selling price of all services and products and all income of every other kind and nature related to the Restaurant, whether for cash or credit and regardless of collection in the case of credit. If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the point of sale system and any cash shortage will not be considered in the determination. Gross

Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments.

4.8 Insufficient Funds Fees

If there are not sufficient funds in your account to permit us to debit the account for the payments you owe us, you will pay to us an insufficient funds fee equal to $100 and you shall reimburse us for the total amount of any bank charges incurred. This fee is in addition to late fees and interest on any overdue amount, as described in Articles 4.5 and 4.6 above, and any fees charged by your bank. If you incur 3 insufficient funds fees within any 12 month period, we may terminate this Agreement without providing you the opportunity to cure the default.

4.9 Technology Fee

Throughout the Term of this Agreement, you shall pay to us a continuing monthly non-refundable technology fee (the "Technology Fee"). The Technology Fee is a general administrative fee designated and determined by us to defray technology related costs that we may incur. The Technology Fee is not connected to any particular service and is administrative in nature. At all times we possess the right to implement and require that you pay to us a monthly Technology Fee in an amount determined by us but not exceeding $450 per month.

4.9 Payment of Additional Fees

You shall pay such other fees or amounts described in this Agreement.

ARTICLE 5
OUR OBLIGATIONS

We agree to provide the services described below with regard to the Restaurant:

5.1 Site Selection Guidelines

We will provide you with the site selection counseling and such site selection assistance as we may deem advisable.

5.2 On-Site Evaluation

We will, if we deem it necessary, conduct 1 on-site evaluation of a site that you propose to us for your Restaurant, provided that we have received all required information and materials concerning such site prepared pursuant to Article 2. If we conduct an on-site evaluation, you must pay our then current per diem fee for each day of the evaluation, and you must reimburse our representative's expenses while conducting the evaluation, including travel, lodging and meals.

5.3 Design Plans

We will provide, on loan, 1 set of prototypical architectural and design plans and specifications for a Restaurant. You shall, at your expense, have such architectural and design plans and specifications adapted for construction of the Restaurant in accordance with Article 2 using an architect or design that we have approved or designated.

5.4 Confidential Operations Manual

We will provide, on loan, 1 set of Confidential Operations Manuals and such other manuals and written materials as we shall have developed for use in the Franchised Business (as the same may be revised by us from time to time, the "Manuals"), as more fully described in Article 10.1. The Manuals may, in our discretion, be provided electronically or via an intranet website for all Playa Bowls Restaurants in the System.

5.5 Visits and Evaluations

We will visit the Restaurant and evaluate the products sold and services rendered therein from time to time as reasonably determined by us, as more fully described in Article 7.5.6.

5.6 Management and Operations Advice

We will provide advice and written materials concerning techniques of managing and operating the Restaurant from time to time developed by us, including new developments and improvements in Restaurant equipment, food products and the packaging and preparation thereof, and menu items. Notwithstanding the foregoing, you understand and acknowledge that we reserve the right, in our sole discretion, to grant to certain Playa Bowls Restaurants variances from our standard menu to accommodate regional or local tastes or ingredients. Nothing in this Agreement requires us to grant to you a similar variance.

5.7 Products for Resale

From time to time and at our reasonable discretion, at a reasonable cost, we shall make available for resale to your customers certain merchandise identifying the System, such as logoed merchandise and memorabilia, and other proprietary products in sufficient amounts to meet customer demand. We may specify that you must purchase such merchandise from us, our affiliate, or another designated supplier.

5.8 Approved Suppliers

We will provide a list of approved suppliers as described in Article 7.4 from time to time as we deem appropriate.

5.9 Initial Training Program

We will provide an initial training program for up to 3 people, including you, your General Manager and 1 additional person, as well as other training programs in accordance with the provisions of Article 6.4.

5.10 Opening Assistance

We will provide on-site opening assistance at the Restaurant in accordance with the provisions of Article 6.4.

5.11 Brand Development Fund; Marketing Cooperatives

We have, will, or may establish and administer a brand development fund and/or marketing cooperatives in accordance with Article 8.

ARTICLE 6
YOUR AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Use Commercially Reasonable Efforts

Each of you and the Principals covenants and agrees that they shall make all commercially reasonable efforts to operate the Restaurant so as to achieve optimum sales.

6.2 Representations of Corporate Entity

If you are a corporation, limited liability company, or partnership, you and the Principals represent, warrant and covenant that:

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

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

6.2.3 Your corporate charter, operating agreement, or written partnership agreement shall at all times provide that your activities are confined exclusively to the operation of the Restaurant, unless otherwise consented to in writing by us;

6.2.4 The execution of this Agreement and the consummation of the transactions contemplated hereby are within your corporate power, if you are a corporation, or if you are a limited liability company, permitted under your operating agreement, or if you are a partnership, permitted under your written partnership agreement and have been duly authorized by you;

6.2.5 If you are a corporation or a limited liability company, copies of your articles of incorporation, bylaws, operating agreement, other governing documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be reasonably required by us shall be furnished to us prior to the execution of this Agreement; or, if you are a partnership, copies of your written partnership agreement, other governing documents and any amendments thereto shall be furnished to us prior to the execution of this Agreement, including evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if such approval or consent is required by your written partnership agreement;

6.2.6 If you are a corporation, partnership or other form of legal entity other than an individual, the ownership interests in you are accurately and completely described in Attachment 3. Further, if you are a corporation, you shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in you or, if you are a partnership or other form of legal entity, you shall maintain at all times a current list of all owners of an interest in the partnership or entity. You shall immediately provide a copy of the updated list of all owners to us upon the occurrence of any change of ownership and otherwise make your list of owners available to us upon reasonable written request;

6.2.7 If you are a corporation, you shall maintain stop-transfer instructions against the transfer on your records of any of equity securities and each stock certificate representing stock of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to us that it is held subject to all restrictions imposed upon assignments by this Agreement. If you are a partnership or limited

liability company, your written agreement shall provide that ownership of an interest in the entity is held subject to all restrictions imposed upon assignments by this Agreement;

6.2.8 You must have provided us with your most recent financial statements. Such financial statements present fairly your financial position, at the dates indicated therein and with respect to you, the results of your operations and your cash flow for the years then ended. You agree that you shall maintain at all times, during the term of this Agreement, sufficient working capital to fulfill your obligations under this Agreement. Each of the financial statements mentioned above shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on your financial statements; and

6.2.9 You and the Principals acknowledge and agree that the representations, warranties and covenants set forth above in Articles 6.2.1 through 6.2.8 are continuing obligations of you and the Principals, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. You and the Principals will cooperate with us in any efforts made by us to verify compliance with such representations, warranties and covenants.

6.3 General Manager

You shall designate and retain at all times a general manager ("General Manager") to direct the operation and management of the Restaurant. The General Manager shall be responsible for the daily operation of the Restaurant and shall not be one of the Principals. You shall be required to hire an individual independent of you and who does not have an ownership interest in you to be your General Manager. The General Manager shall, during the entire period he/she serves as General Manager, meet the following qualifications:

6.3.1 The General Manager shall satisfy our educational and business experience criteria as set forth in the Manuals as defined herein or otherwise in writing by us;

6.3.2 The General Manager shall devote full time and best efforts to the supervision and management of the Restaurant;

6.3.3 The General Manager shall be an individual acceptable to us; and

6.3.4 The General Manager shall satisfy the training requirements set forth in Article 6.4. If, during the term of this Agreement, the General Manager is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Article, you shall promptly (not later than 7 days after the event) notify us and designate a replacement within 30 days after the General Manager ceases to serve, such replacement being subject to the same qualifications listed above (including completing all training and obtaining all certifications required by us). You shall provide for interim management of the Restaurant until such replacement is so designated, such interim management to be conducted in accordance with the terms of this Agreement. Any failure to materially comply with the requirements of this Article 6.3 shall be deemed a material event of default under Article 17.1.3(o) hereof.

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6.4 Training

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

6.4.1 (a) Not later than 30 days prior to the Opening Date, up to 3 trainees (including you, your General Manager and 1 additional person) shall have completed, to our reasonable satisfaction, our initial training program, including classroom training and training in an operating Restaurant at such location(s) as may be designated by us. If you request that we provide our initial training program to any additional trainees, you shall pay our then current, per person training fee for each additional trainee. You shall be responsible for any and all expenses incurred by you, your General Manager and other Restaurant personnel in connection with any initial training program, including, without limitation, costs of travel, lodging, meals and applicable wages.

(b) We shall determine, in our reasonable discretion, whether you and/or the General Manager have satisfactorily completed initial training. If the initial training program is (a) not completed within the timeframe required by us, (b) not satisfactorily completed by the General Manager, or (c) if we in our reasonable business judgment, based upon the performance of the General Manager, determine that the training program cannot be satisfactorily completed by any such person, you shall designate a replacement to satisfactorily complete such training at your expense, including payment of our then current training fee. If the replacement General Manager cannot complete the initial training program to our satisfaction, we have the right to terminate this Agreement. Any General Manager subsequently designated by you shall also receive and complete such initial training before you will be permitted to open your Restaurant.

© Any manager subsequently designated by you must also receive and complete the initial training program to our satisfaction, even if this requires sending that manager to our headquarters training program, at your expense. We reserve the right to charge a reasonable fee for the initial training we provide to a replacement or successor employee if we have not approved you to provide the training. You must also pay for all expenses you, your managers and other personnel incur for any training program, including costs of travel, lodging, meals and applicable wages. We may approve you to train replacement managers under our training program before permitting you to train your entire staff, if this Agreement is for your third or later Restaurant. You may not train any personnel until we have approved you as a trainer.

6.4.2 If you request it, or if we deem it is necessary, we will provide 1 of our representatives to provide up to 7 days of pre-opening and opening assistance and training around the opening of your Restaurant. You must pay our then current our per diem fee for each day our representative spends at your Restaurant, and you must reimburse the out-of-pocket expenses our representative incurs, including travel, lodging and meals. If this Agreement is for your second (2^{nd}) or later Restaurant, we reserve the right to reduce the duration of such representative's visit or to not provide pre-opening assistance and training.

6.4.3 Upon your reasonable request or if we determine that additional training or assistance is necessary, we shall, during the term hereof and subject to the availability of personnel, provide you with additional trained representatives who shall provide on-site remedial training and assistance to your Restaurant personnel. For this additional training and assistance, you shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.

6.4.4 We reserve the right to conduct additional or refresher training programs, seminars and other related activities regarding the operation of the Restaurant. Such training programs and seminars may be offered to you, your managers or other Restaurant personnel generally, and we may designate that such training programs and seminars are mandatory for you, your General Manager, or other Restaurant personnel. You must pay our then current per person fee for each trainee from your Restaurant, and you will pay for all of the expenses incurred by your trainees, including travel, lodging, meals and wages.

6.4.5 Industry Certifications. In addition to our training requirements, we require you, your General Manager, managers and additional employees we designate to maintain industry certifications from an approved food safety and handling program (ServSafe or a similar program). These training and certification programs will be at your sole expense, including program fees, travel, lodging, meals and applicable wages. Recertification may be necessary based on the specific requirements of each industry certification program.

6.5 Franchisee Meetings

We reserve the right to hold meetings for all franchisees and other Playa Bowls Restaurant operators, which meetings shall not occur more frequently than annually. We shall not be required to hold such meetings until we believe it is prudent to do so. These meetings may be used to provide additional training, introduce new products or changes to the System, or for other reasons. We reserve the right to designate that attendance at any franchisee meeting is mandatory for you, your General Manager, and/or other Restaurant personnel. You must pay our then current per person fee for each attendee from your Restaurant, and you will pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages.

6.6 Compliance with Laws

You shall comply with all requirements of federal, state and local laws, rules, regulations, and orders, including but not limited to obtaining the appropriate licenses and permits required by your local or state government.

You and your Principals agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your Principals certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your Principals otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your Principals, or any blocking of your or your Principals' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

6.7 Compliance with All Other Obligations

You shall comply with all other requirements and perform such other obligations as provided hereunder.

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6.8 Guaranty

If any Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 9.

ARTICLE 7
FRANCHISE OPERATIONS

7.1 Compliance with Standards

You understand the importance of maintaining uniformity among all of the Restaurants and the importance of complying with all of our standards and specifications relating to the operation of the Restaurant.

7.2 Maintenance of Restaurant

You shall maintain the Restaurant in a high degree of sanitation, repair and condition, and in connection therewith shall make such additions, alterations, repairs and replacements thereto (but no others without our prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment (including, but not limited to, point of sale or computer hardware and software systems), and décor as we may reasonably direct in order to maintain System-wide integrity and uniformity. You shall also obtain, at your cost and expense, any new or additional equipment (including point of sale or computer hardware and software systems), fixtures, supplies and other products and materials which may be reasonably required by us for you to offer and sell new menu items from the Restaurant or to provide the Restaurant services by alternative means, such as through catering or delivery arrangements. Except as may be expressly provided in the Manuals, no material alterations or improvements or changes of any kind in design, equipment, signs, interior or exterior décor items, fixtures or furnishings shall be made in or about the Restaurant or its premises without our prior written approval, which shall not be unreasonably withheld.

In the event we notify you of any additions, alterations, repairs and replacements required to be made to your Restaurant or the Accepted Location and you fail to make such additions, alterations, repairs and replacements within the timeframe we require, we shall have the right, without liability for trespass or tort, to enter the Accepted Location and make the additions, alterations, repairs and replacements, and you agree to promptly reimburse us for our expenses in so acting.

7.3 Remodeling and Redecorating

To assure the continued success of the Restaurant, you shall, upon our request, upgrade, remodel and/or redecorate the Restaurant premises, equipment (including point of sale or computer hardware and software systems), signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Restaurant to our then current System-wide standards and specifications. We agree that we shall not request such upgrading, remodeling and/or redecorating more frequently than every 5 years during the term of this Agreement, except that if the Restaurant franchise is transferred pursuant to Article 14, we may request that the transferee remodel and/or redecorate the Restaurant premises as described herein.

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7.4 Approved Suppliers

7.4.1 You shall comply with all of our standards and specifications relating to the purchase of all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment (including point of sale and computer hardware and software systems) and other products used or offered for sale at the Restaurant. Except as provided in Articles 7.6 and 7.7 with respect to certain materials bearing the Marks and proprietary products, you shall obtain such items from suppliers (including manufacturers, distributors and other sources) who continue to demonstrate the ability to meet our then current standards and specifications for food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment and other items used or offered for sale at Restaurants and who possess adequate quality controls and capacity to supply your needs promptly and reliably; and who have been approved in writing by us prior to any purchases by you from any such supplier; and who have not thereafter been disapproved by us.

7.4.2 If you desire to purchase, lease or use any unapproved products or other items, or you desire to purchase or lease from an unapproved supplier, you shall submit to us a written request for approval of such product or supplier, or shall request the supplier itself to do so. You shall reimburse the reasonable expenses we incur related to our evaluation of the proposed product or supplier. You shall not purchase or lease any product or from any supplier until and unless such product or supplier has been approved in writing by us. We shall have the right to require that our representatives be permitted to inspect the proposed supplier's facilities, and that samples from the supplier be delivered, either to us or to an independent laboratory designated by us, for testing. We reserve the right, at our option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke our approval upon the supplier's failure to continue to meet any of our then current criteria. Nothing herein shall be construed to require us to approve any particular supplier.

7.4.3 You understand and acknowledge that we may periodically receive payments from approved suppliers, such as in the form of rebates, based on such approved suppliers' sales of products and services to our franchisees. We reserve the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of non-proprietary goods, services or equipment be paid to us or any affiliate that we may designate. If we do so, then you hereby acknowledge that you will not assert any interest in such monies.

7.5 Operation of Restaurant in Compliance with Our Standards

To ensure that the highest degree of quality and service is maintained, you shall operate the Restaurant in strict conformity with such of our methods, standards and specifications set forth in the Manuals and as may from time to time otherwise be prescribed in writing. In particular, you also agree:

7.5.1 To sell or offer for sale all menu items, products and services required by us and in the method, manner and style of distribution prescribed by us and only as expressly authorized by us in writing in the Manuals or otherwise in writing. You understand and acknowledge that the rights granted to you hereunder do not include the right to sell any approved menu items or products from your Restaurant at wholesale.

7.5.2 To sell and offer for sale only the menu items, products and services that have been expressly approved for sale in writing by us; to refrain from deviating from our standards and specifications without our prior written consent; and to discontinue selling and offering for sale any menu items, products or services which we may, in our sole discretion, disapprove in writing at any time. Notwithstanding the foregoing, you understand and agree that we have the right, in our sole discretion, to grant to certain Playa

Bowls Restaurants variances from our standard menu to accommodate regional or local tastes or ingredients, and that nothing in this Agreement requires us to grant to you a similar variance.

7.5.3 To maintain in sufficient supply and to use and sell at all times only such food and beverage items, ingredients, other products, materials, merchandise, supplies and paper goods that conform to our standards and specifications; to prepare all menu items in accordance with our recipes and procedures for preparation contained in the Manuals or other written directives, including, but not limited to, the prescribed measurements of ingredients; and to refrain from deviating from our standards and specifications by the use or offer of non-conforming items or differing amounts of any items, without our prior written consent.

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

7.5.5 To purchase or lease and install, at your expense, all fixtures, furnishings, equipment (including point of sale and computer hardware and software systems), décor items, signs, delivery vehicles, and related items as we may reasonably direct from time to time in the Manuals or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Restaurant premises, without our prior written consent, any fixtures, furnishings, equipment, delivery vehicles, décor items, signs, games, vending machines or other items not previously approved as meeting our standards and specifications. If any of the property described above is leased by you from a third party, such lease shall be approved by us, in writing, prior to execution. Our approval shall be conditioned upon such lease containing a provision which permits any interest of yours in the lease to be assigned to us upon the termination or expiration of this Agreement and which prohibits the lessor from imposing an assignment or related fee upon us in connection with such assignment.

7.5.6 To grant us and our agents the right to enter upon the Restaurant premises and any delivery/catering vehicle, during normal business hours, for the purpose of conducting inspections; to cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents and without limiting our other rights under this Agreement, to take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should you, for any reason, fail to correct such deficiencies within a reasonable time as determined by us, we shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and charge you a reasonable fee for our expenses in so acting, payable by you immediately upon demand. In addition, we may require you to attend remedial training at our headquarters or we may send a trainer to your Restaurant to provide remedial training, at your expense, which may include training or per diem fees and reimbursement of travel and living expenses.

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

7.5.8 To install and maintain equipment and a telecommunications line in accordance with our specifications to permit us to access and retrieve by telecommunication any information stored on a point of sale system (or other computer hardware and software) you are required to utilize at the Restaurant

premises as specified in the Manuals, thereby permitting us to inspect and monitor electronically information concerning your Restaurant, Gross Sales and such other information as may be contained or stored in such equipment and software. You shall obtain and maintain high speed internet access and/or other means of electronic communication, as specified by us from time to time. It shall be a material default under this Agreement if you fail to maintain such equipment, lines and communication methods in operation and accessible to us at all times throughout the term of this Agreement. We shall have access as provided herein at such times and in such manner as we shall from time to time specify.

7.5.9 To honor all credit, charge, courtesy or cash cards or other credit devices required or approved by us. You must obtain our written approval prior to honoring any previously unapproved credit, charge, courtesy or cash cards or other credit devices. Additionally, you are expressly prohibited from offering customer discounts for cash payments and from issuing surcharges to customers for payments made by credit card, unless we provide our prior written permission to do so.

7.5.10 To sell or otherwise issue gift cards or certificates (together "Gift Cards") that have been prepared utilizing the standard form of Gift Card provided or designated by us, and only in the manner specified by us in the Manuals or otherwise in writing. You shall fully honor all Gift Cards that are in the form provided or approved by us regardless of whether a Gift Card was issued by you or another Playa Bowls Restaurant. You shall sell, issue, and redeem (without any offset against any Royalty Fees) Gift Cards in accordance with procedures and policies specified by us in the Manuals or otherwise in writing, including those relating to procedures by which you shall request reimbursement for Gift Cards issued by other Playa Bowls Restaurants and for making timely payment to us, other operators of Playa Bowls Restaurants, or a third party service provider for Gift Cards issued from the Restaurant that are honored by us or other Playa Bowls Restaurant operators. We reserve the right to alter the terms and conditions of any Gift Card or loyalty programs, including reserving the right to apply changes retroactively to benefits already accrued under such programs.

7.5.11 To participate in our loyalty program and to issue and honor any loyalty cards that we designate or approve for the System. You agree to pay any then current fees to our approved supplier for participation in this program, and to comply with all applicable rules and procedures for such program.

7.5.12 To operate the Restaurant per System standards and be open for business according to the hours and days of operation as specified by us from time to time.

7.6 Proprietary Products

You acknowledge and agree that we and our affiliates may develop for use in the System certain products which are prepared from confidential proprietary recipes and which are trade secrets of us and our affiliates, and other proprietary products bearing the Marks. Because of the importance of quality and uniformity of production and the significance of such proprietary products in the System, it is to the mutual benefit of the parties that we closely control the production and distribution of such proprietary products. Accordingly, you agree that if such proprietary products become a part of the System, you shall use only our secret recipes and proprietary products and shall purchase all of your requirements for such proprietary products solely from us or from a source designated by us. You further agree to purchase from us or our designated supplier for resale to your customers proprietary products and other merchandise identifying the System as we shall require, such as logoed merchandise, memorabilia and promotional products, in amounts sufficient to satisfy your customer demand.

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7.7 Advertising and Promotional Materials

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

7.8 Complaints

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

7.9 Telephone Number, Digital Media, and Website Prohibitions

As used in this Article 7.9 and this Agreement, the term "Digital Media" refers to and means any interactive or static digital document, listing, directory, application, advertisement, e-commerce platform, link, metadata, or media that is transmitted within a closed or private network, or that is connected to, in communication with, and/or networked with computers, applications, or other devices linked by communications systems, data systems, a part of the world wide web including, traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, refences, identifies, reviews, promotes and/or relates, in any way, to Playa Bowls Restaurants, your Restaurant, the Marks, the System and/or us. Digital Media includes our designated website(s), and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

Your use of any Digital Media is subject to and shall require our express written consent and authorization which may be withheld by us for any or no reason at all, or, as we elect, conditioned on standards, specifications and requirements designated by us from time-to-time. You agree that all telephone numbers, Digital Media and Digital Media accounts, at our election and subject to our designation and specification, System shall be owned by us and all telephone numbers, Digital Media and Digital Media accounts that are owned or registered to you (whether such ownership or registration was authorized by us, unknown to us, or obtained in violation of the terms of this Agreement), upon our demand, shall be transferred to us or our designees.

Upon the execution of this Agreement or at any time thereafter, you shall, at our option, execute such forms and documents as we deem necessary, including the agreements attached hereto as Attachment 6, to appoint us as your true and lawful attorney-in-fact with full power and authority for the sole purpose of assigning to us only upon the termination or expiration of this Agreement, as required under Section 18.15: (i) all rights to the telephone numbers of the Restaurant and any related and other business listings; and (ii) internet listings, domain names, internet accounts, advertising on the internet or world wide web, websites, listings with search engines, email addresses or any other similar listing or usages related to the Franchised Business. You agree that you have no authority to and shall not establish any website or listing on the internet or world wide web without our express written consent, which consent may be denied without reason.

7.10 Customer Surveys

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

7.11 Mystery Shopper Service

We may designate an independent evaluation service to conduct a "mystery shopper" quality control and evaluation program with respect to Restaurants. You agree that the Restaurant will participate in such mystery shopper program, as prescribed and required by us, provided that Restaurants owned by us, our affiliates and our franchisees also will participate in such program to the extent we have the right to require such participation, and you further agree to pay all fees related to such mystery shopper program as designated and determined by us.

7.12 Pricing

Where permitted by applicable law, we may provide you written advice regarding the maximum prices which you may charge your customers for menu items, products and services provided or sold under the System. Any such advice, if given at all, will be binding on you and you agree to comply with our pricing guidelines. Nothing contained herein shall be deemed a representation by us that if you follow such guidelines you will, in fact, generate a profit. You are obligated to inform us of all prices charged for products sold by you and to inform us of any modifications of your prices. We may exercise rights with respect to pricing programs and products to the fullest extent permitted by then-applicable law. These rights may include (without limitation) establishing the maximum retail prices which you may charge customers for the programs or products offered and sold at your Restaurant; recommending retail prices; advertising specific retail prices for some or all programs, products or sold by your Restaurant, which prices you agree to observe (sometimes known as "price point advertising campaigns"); engaging in advertising, promotional and related programs which you must participate in and which may directly or indirectly impact your retail prices (such as "buy one, get one free"); and otherwise mandating, directly or indirectly, the maximum retail prices which your Restaurant may charge the public for the programs, products and services it offers. We may engage in any such activity at any time throughout the term of this Agreement. Further, we may engage in such activity only in certain geographic areas (towns, cities, states, regions) and not others, or with regard to certain subsets of franchisees and not others. You acknowledge and agree that any maximum or other prices we establish or suggest may or may not optimize the revenues or profitability of your Restaurant. You entirely waive any and all claims related to our establishment of prices charged at your Restaurant.

7.13 Motor Vehicles

If we permit you to provide catering or delivery services, we anticipate that your employees will use their personal vehicles to provide such services from your Restaurant. We reserve the right to require you to have temporary signage placed on each delivery vehicle. We expect that all delivery vehicles will be kept clean, in good working order and be properly insured. You must have each person providing those services to comply with all laws, regulations and rules of the road and to use due care and caution operating and maintaining the motor vehicles. Except as described in this paragraph, we do not have any standards or exercise control over any motor vehicle that you use.

7.14 Unapproved Products and Services

In the event you sell any food, beverage, products, novelty items, clothing, souvenirs or perform any services that we have not prescribed, approved or authorized, you shall, immediately upon notice from us: (i) cease and desist offering or providing the unauthorized or unapproved food, beverage, product, premium, novelty item, clothing, souvenir or from performing such services and (ii) pay to us, on demand, a prohibited product or service fine equal to $250 per day for each day such unauthorized or unapproved food, beverage, product, premium, novelty item, clothing, souvenir or service is offered or provided by you after written notice from us. The prohibited product or service fine shall be in addition to all other remedies available to us under this Agreement or at law.

7.15 Online Orders

You are required to participate in our online and/or Digital Media ordering program(s), whereby your customers submit food orders through the internet. You agree to pay any then current fees to our approved supplier for participation in the online ordering program, and to comply with all rules and procedures applicable to such program(s).

ARTICLE 8
MARKETING AND PROMOTION

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

8.1 Participation in Marketing; Brand Development Programs

We may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all Restaurants operating under the System. You shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by us for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us shall be final and binding upon you.

We may, from time to time, incorporate into the System programs, products or services which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which your Restaurant, along with other Playa Bowls Restaurants, will be required to offer and sell. This activity, referred to as "cobranding", may involve changes to the Proprietary Marks and may require you to make modifications to your premises and the furniture, fixtures, equipment, signs and trade dress of your Restaurant. If you receive written notice that we are instituting a cobranding program, you agree promptly to implement that program at your Restaurant at the earliest commercially reasonable time and to execute any and all instruments required to do so. Under no circumstance will any cobranding program increase your Royalty Fees, brand development fee or local marketing expenditure obligations under this Agreement.

8.2 Local Marketing

8.2.1 In addition to the ongoing marketing contributions set forth herein and, subject to any allocation of your expenditures for local marketing to a cooperative as described in Article 8.4, you shall spend each month throughout the term of this Agreement an amount equal to 1% of Gross Sales on marketing and promotion of your Restaurant in your Designated Territory ("Local Marketing").

8.2.2 Notwithstanding the foregoing, if your Restaurant participates in a cooperative, as described in Article 8.4 below, any amount you contribute to the cooperative will count toward your Local Marketing requirement; provided, however, that in the event your contribution to the cooperative is less than your Local Marketing requirement, you shall nevertheless spend the difference locally. You shall submit to us, within 30 days of our request, advertising expenditure reports accurately reflecting your Local Marketing expenditures, including verification copies of all marketing and any other information that we require.

8.3 Brand Development Fund

Recognizing the value of uniform marketing, advertising and promotion to the goodwill and public image of the System, you agree that we or our designee shall have the right to establish, maintain and administer a Brand Development Fund (hereinafter referred to as the "Fund") for such national and regional advertising programs as we may deem necessary or appropriate, in our sole discretion, as follows:

8.3.1 We shall direct all national and regional brand development programs with sole discretion over the creative concepts, materials, endorsements and media used therein, and the placement and allocation thereof. You understand and acknowledge that the Fund is intended to maximize general public recognition and acceptance of the System and the Marks for the benefit of all Playa Bowls Restaurants operating under the System, and that we undertake no obligation in administering the Fund to ensure that expenditures from the Fund are proportionate or equivalent to your contributions made for your Restaurant, or that any particular Restaurant or franchisee benefits directly or pro rata from the placement of any advertising. You agree that the Brand Development Fund will not be used to directly or indirectly market or promote your Restaurant or, unless otherwise directed by us, in our discretion, pay for media placements that may benefit or include any media market that includes your Restaurant Location or Designated Territory. We and our affiliates shall not, with respect to Restaurants operated by us, be required to contribute to the Fund, but we and our affiliates may do so if we so choose.

8.3.2 You agree that the Fund may be used to meet any and all costs of maintaining, administering, directing and preparing national and/or regional advertising materials, programs and public relations activities (including, without limitation, the cost of preparing and conducting Digital Media, television, radio, magazine, billboard, newspaper, direct mail and other media programs and activities, for conducting marketing surveys, test marketing, employing advertising agencies to assist therewith, and providing promotional brochures, coupons and other marketing materials to all franchisees of the System). The Fund shall be accounted for separately from our other funds, and shall not be used to defray any of our general operating expenses, except that we have the right to reimburse ourselves out of the Fund for the total costs (including indirect costs such as salaries for our employees who devote time and effort to Fund related activities and overhead expenses) of developing, producing and distributing any advertising materials and collecting the brand development fee (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any brand development fee). We also reserve the right to use a portion of the Fund to subsidize the cost of presenting refresher training and/or a franchisee meeting.

8.3.3 An unaudited statement of the operations of the Fund shall be prepared annually by our accountants and shall be made available to you on written request. The statement will be available after April 30 each year. The cost of the statement shall be paid by the Fund. We are not required to have any Fund statement audited, but if we choose to have the Fund audited it will be at the Fund's expense. Except as expressly provided in this Article 8.3, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Fund.

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

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

8.4 Cooperative Marketing Funds

At all times we possess the sole and exclusive right to authorize, establish, designate and de-authorize a local or regional marketing cooperative ("Cooperative") within those markets that we designate, and establish the rules and regulations therefor. Immediately upon our request, you must become a member of the Cooperative for the area in which your Restaurant is located. In no event may the Restaurant be required to be a member of more than 1 Cooperative. The Cooperative must be governed in the manner we prescribe. The Cooperative may require each of its members to make contributions thereto in an amount as agreed upon by the Cooperative members. You shall contribute such amounts at the times and in the manner as determined by majority vote of the Cooperative members. You understand and acknowledge that the members may vote to require members to contribute to the Cooperative an amount that is in excess of their Local Marketing requirement. Any funds contributed to a Cooperative will be credited against your Local Marketing obligation; provided, however, that if your contributions to a Cooperative are less than your Local Marketing requirement, you shall nevertheless spend the difference locally. The following provisions apply to each Cooperative:

8.4.1 the Cooperative must be organized and governed in a form and manner, and commence operation on a date, that we approve in advance in writing;

8.4.2 the Cooperative must be organized for the exclusive purpose of administering advertising programs and developing, subject to our approval, standardized promotional materials for the members' use in local advertising within the Cooperative's area;

8.4.3 the Cooperative may adopt its own rules and procedures, but such rules or procedures must be approved by us and must not restrict or expand your rights or obligations under this Agreement;

8.4.4 except as otherwise provided in this Agreement, and subject to our approval, any lawful action of the Cooperative (including, without limitation, imposing assessments for local marketing) at a meeting attended by members possessing more than 50% of the total voting power in the Cooperative is binding upon you if approved by members possessing more than 50% of the total voting power possessed by members in attendance, with each Restaurant having 1 vote, but no franchisee (or commonly controlled group of franchisees) may have more than 25% of the vote in the Cooperative regardless of the number of Restaurants owned;

8.4.5 without our prior written approval, the Cooperative may not use, nor furnish to its members, any advertising or promotional plans or materials; all such plans and materials must be submitted to us in accordance with the procedure set forth in Article 8.5;

8.4.6 Cooperative may require its members to periodically contribute to it in such amounts as it determines;

8.4.7 no later than the 15th day of each month, each member/franchisee must submit its contribution under Article 8.4.6 for the preceding calendar month to the Cooperative, together with such other statements or reports as we or the Cooperative may require, with our prior written approval; and

8.4.8 if an impasse occurs because of a Cooperative members' inability or failure, within 45 days, to resolve any issue affecting the Cooperative's establishment or effective functioning, upon request of any Cooperative member, that issue must be submitted to us for consideration, and our resolution of such issue is final and binding on all Cooperative members.

8.5 Conduct of Marketing; Our Approval

8.5.1 All marketing and promotion by you in any medium shall be conducted in a professional manner and shall conform to our standards and requirements as set forth in the Manuals or otherwise. You shall obtain our approval of all marketing and promotional plans and materials prior to use if such plans and materials have not been prepared by us or previously approved by us during the 12 months prior to their proposed use. You shall submit such unapproved plans and materials to us not later than 15 days prior to the date you intend to use them. If we do not provide our specific disapproval of the proposed materials, the proposed materials are deemed to be approved. Any plans and materials that you submit to us for our review will become our property and there will be no restriction on our use or dissemination of such materials. You shall not advertise or use the Marks in any fashion on the internet, world wide web or via other means of advertising through Digital Media, e-commerce marketing channels, or any other medium without our express written consent.

8.5.2 We reserve the right to require you to include certain language on all marketing to be used locally by you or to be used by a Cooperative, including, but not limited to, "Franchises Available" and reference to our telephone number and/or website.

8.6 Grand Opening Marketing

In addition to the ongoing marketing contributions and expenditures set forth herein, you shall be required to spend not less than $7,500 on a grand opening marketing campaign to promote the opening of the Restaurant. The grand opening marketing campaign shall be conducted generally in the initial 90 days following the Restaurant's opening, or such other period of time as we may designate. All marketing proposed to be used in the grand opening marketing campaign are subject to our review and approval in the manner set forth in this Article 8. Your grand opening marketing campaign must include the giveaways and other promotions as we require.

8.7 Websites

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

through" subpage. We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage.

Any websites, Digital Media, or other modes of electronic commerce that we establish or maintain, including but not limited to any mobile applications ("apps") that we may introduce, may – in addition to advertising and promoting the products, programs or services available at Playa Bowls Restaurants – also be devoted in part to offering Playa Bowls franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website or Digital Media; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Restaurant; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Playa Bowls" name or any names confusingly similar to the Proprietary Marks.

You are not permitted to promote your Restaurant or use any of the Proprietary Marks in any manner on any Digital Media without our prior written consent. We will control all Digital Media initiatives. You must comply with our System standards regarding the use of Digital Media in your Restaurant's operation, including prohibitions on your and the Restaurant's employees posting or blogging comments about the Restaurant or the System, other than as expressly approved by us. We may, at our election, provide access to Digital Media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local Digital Media on your behalf.

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

8.8 Advisory Council

We may, in our discretion, form an advisory council to work with us to improve the System, the products offered by Playa Bowls Restaurants, advertising conducted by the Fund, and any other matters that we deem appropriate. If an advisory council is formed, it will act solely in an advisory capacity, and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council. We may develop by-laws for the governance of any advisory council.

If formed, an advisory council will be comprised of our representatives and franchisee representatives. Franchisee representatives may be selected by us or may be elected by other franchisees in the System. If you participate on an advisory council, you will pay any expenses you incur related to your participation, such as travel and living expenses to attend council meetings.

ARTICLE 9
MARKS

9.1 Use of Marks

We grant you the right to use the Marks during the term of this Agreement in accordance with the System and related standards and specifications.

9.2 Ownership of Marks; Limited License

You expressly understand and acknowledge that:

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

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

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

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

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

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

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

9.3 Limitation on Use of Marks

With respect to your licensed use of the Marks pursuant to this Agreement, you further agree that:

9.3.1 Unless otherwise authorized or required by us, you shall operate and advertise the Restaurant only under the name "Playa Bowls" without prefix or suffix. You shall not use the Marks as part of your corporate or other legal name and shall obtain our approval of a trade name or "d/b/a" prior to filing it with the applicable state authority.

9.3.2 During the term of this Agreement and any renewal hereof, you shall identify yourself as the independent owner of the Restaurant in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Restaurant or any delivery vehicle as we may designate in writing.

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

9.3.4 You shall comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations and shall execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

9.4 Notification of Infringement or Claim

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

9.5 Retention of Rights by Us

The right and license of the Marks granted hereunder to you is non-exclusive and we thus have and retain the following rights, among others, subject only to the limitations of Article 1:

9.5.1 To grant other licenses for use of the Marks, in addition to those licenses already granted to existing franchisees;

9.5.2 To develop and establish other systems using the Marks or other names or marks and to grant licenses thereto without providing any rights to you; and

9.5.3 To engage, directly or indirectly, through our employees, representatives, licensees, assigns, agents and others, at wholesale, retail or otherwise, in (a) the production, distribution, license and sale of products and services, and (b) the use in connection with such production, distribution and sale, of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans,

emblems, symbols, designs and other identifying characteristics as may be developed or used from time to time by us.

ARTICLE 10
CONFIDENTIALITY AND NON-COMPETITION COVENANTS

10.1 Confidential Operations Manuals

10.1.1 To protect our reputation and goodwill and to maintain high standards of operation under the Marks, you shall conduct your business in accordance with the Manuals, other written directives which we may reasonably issue to you from time to time whether or not such directives are included in the Manuals, and any other manuals and materials created or approved for use in the operation of the Franchised Business.

10.1.2 You and the Principals shall at all times treat the Manuals, any of our written directives, and any other manuals and materials, and the information contained therein as confidential and shall maintain such information as trade secret and confidential in accordance with this Article 10. You and the Principals shall divulge and make such materials available only to such of your employees as must have access to it in order to operate the Restaurant. You and the Principals shall not at any time copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above.

10.1.3 The Manuals, written directives, other manuals and materials and any other confidential communications provided or approved by us shall at all times remain our sole property, shall at all times be kept in a secure place on the Restaurant premises, and shall be returned to us immediately upon request or upon termination or expiration of this Agreement.

10.1.4 The Manuals, any written directives, and any other manuals and materials issued by us and any modifications to such materials shall supplement and be deemed part of this Agreement.

10.1.5 We may from time to time revise the contents of the Manuals and the contents of any other manuals and materials created or approved for use in the operation of the Franchised Business. You shall remove and return to us all pages of the Manual that have been replaced or updated by us. You expressly agree to comply with each new or changed standard.

10.1.6 You shall at all times ensure that the Manuals are kept current and up to date. In the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by us at our headquarters shall control.

10.2 Confidential Information

10.2.1 Neither you nor any Principal shall, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, persons, partnership, association or corporation and, following the expiration or termination of this Agreement, they shall not use for their own benefit any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to them or of which they may be apprised in connection with the operation of the Restaurant under the terms of this Agreement. You and the Principals shall divulge such confidential information only to such of your employees as must have access to it in order to operate the Restaurant. Any and all information, knowledge, know-how, techniques and any materials used in or related to the System which we provide to you in connection with this Agreement,

including but not limited to the Manuals, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, recipes, and the terms of this Agreement, shall be deemed confidential for purposes of this Agreement. Neither you nor the Principals shall at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenants in this Article shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of the Principals.

10.2.2 You shall require and obtain the execution of covenants similar to those set forth in Article 10.2.1 from your General Manager and all other of your personnel who have received or will have access to confidential information. Such covenants shall be substantially in the form set forth in Attachment 4.

10.2.3 If you, the Principals, the General Manager or any of your employees develop any new concept, process, product, recipe, or improvement in the operation or promotion of the Restaurant, you are required to promptly notify us and provide us with all necessary related information, without compensation. You and the Principals acknowledge that any such concept, process product, recipe, or improvement will become our property, and we may use or disclose such information to other franchisees as we determine to be appropriate.

10.3 Non-Competition

10.3.1 You and the Principals specifically acknowledge that, pursuant to this Agreement, you and the Principals will receive valuable training, trade secrets and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of us and the System which are beyond the present skills and experience of you and the Principals and your managers and employees. You and the Principals acknowledge that such specialized training, trade secrets and confidential information provide a competitive advantage and will be valuable to them in the development and operation of the Restaurant, and that gaining access to such specialized training, trade secrets and confidential information is, therefore, a primary reason why they are entering into this Agreement. In consideration for such specialized training, trade secrets and confidential information (including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of us and the System which are beyond the present skills and experience of you and the Principals and your managers and employees), you and the Principals covenant that with respect to you, during the term of this Agreement, except as otherwise approved in writing by us, which approval may be withheld or denied in our sole and absolute discretion, neither you nor any of the Principals shall, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person(s), partnership or corporation:

(a) Divert, or attempt to divert, any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business located within the United States, its territories, states or commonwealths, or any other country, province, state or geographic area in which we have used, sought registration of or registered the same or similar Marks or operates or licenses others to operate a business under the same or similar Marks, which business is of a character and concept similar to the Restaurant,

including a food service business which offers and sells the same or substantially similar food products (a "Competitive Business") without our prior written consent.

10.3.2 With respect to you and each Principal, and for a continuous uninterrupted period commencing upon the expiration, termination of, or transfer of all of your or any Principals' interest in, this Agreement and continuing for 2 years thereafter, except as otherwise approved in our sole and absolute discretion, neither you, nor any of the Principals shall, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, persons, partnership, or corporation:

(a) Divert, or attempt to divert, any business or customer of the Franchised Business hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to any Competitive Business, which business is, or is intended to be, located within a 25 mile radius of the location of any Restaurant in the System.

10.3.3 The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect our goodwill or other business interests. The parties agree that each of the covenants herein shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you and the Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Article.

(a) You and the Principals understand and acknowledge that we shall have the right, in our sole and absolute discretion, to reduce the scope of any covenant set forth in this Article 10.3, or any portion thereof, without their consent, effective immediately upon notice to you; and you and the Principals agree that they shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Article 19.2 hereof.

(b) You and the Principals expressly agree that the existence of any claims they may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Article.

(c) Articles 10.3.1(b) and 10.3.2(b) shall not apply to ownership of less than a 5% beneficial interest in the outstanding equity securities of any publicly held company.

10.3.4 You shall require and obtain execution of covenants similar to those set forth in this Article 10.3 (including covenants applicable upon the termination of a person's employment with you) from your General Manager and all other of your personnel who have received or will have access to training from us. Such covenants shall be substantially in the form set forth in Attachment 4. Notwithstanding the foregoing, we reserve the right, in our sole discretion, to decrease the period of time or geographic scope of the non-competition covenant set forth in Attachment 4 or eliminate such non-competition covenant altogether for any party that is required to execute such agreement under this Article 10.3.4.

10.4 Failure to Comply

You and the Principals acknowledge that any failure to comply with the requirements of this Article shall constitute a material event of default under Article 17 hereof. You and the Principals acknowledge that a violation of the terms of this Article would result in irreparable injury to us for which no adequate remedy at law may be available, and you and the Principals accordingly consent to the issuance of an injunction prohibiting any conduct by you or the Principals in violation of the terms of this Article. You and the Principals agree to pay all court costs and reasonable attorneys' fees incurred by us in connection with the enforcement of this Article, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of such Article.

ARTICLE 11
BOOKS AND RECORDS

11.1 Books and Records

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

11.2 Reports

You shall comply with the following reporting obligations:

11.2.1 You shall, at your expense, submit to us, in the form prescribed by us, a report of Gross Sales and a profit and loss statement for each month (which may be unaudited) for you within 10 days after the end of each month during the term hereof. Each such statement shall be signed by your treasurer or chief financial officer or comparable officer attesting that it is true, complete and correct;

11.2.2 You shall, at your expense, provide to us a complete annual financial statement (which shall be reviewed) prepared by an independent certified public accountant by April 15th of each year during the term hereof showing the results of the Restaurant's operations during the previous calendar year. We reserve the right to require such financial statements to be audited by an independent certified public accountant satisfactory to us at your cost and expense if an inspection discloses an understatement of 2% or more in any report, pursuant to Article 11.3; and

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

11.3 Inspections; Audits

We or our designees shall have the right, during normal business hours, to review, audit, examine and copy any or all of your books and records as we may require at the Restaurant. You shall make such books and records available to us or our designees immediately upon request. If any required royalty or

other payments due to us are delinquent, or if an inspection should reveal that such payments have been understated in any report to us, then you shall immediately pay to us the amount overdue or understated upon demand with applicable late fees and interest determined in accordance with the provisions of Articles 4.5 and 4.6. If an inspection discloses an underpayment of amounts owed to us or an understatement in any report of Gross Sales of 2% or more, you shall, in addition, reimburse us for all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). These remedies shall be in addition to any other remedies we may have at law or in equity.

11.4 Correction of Errors

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

11.5 Authorization of Us

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

11.6 We are Attorney-in-Fact

You hereby appoint us as your true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by you with any state and/or federal taxing authority pertaining to the Franchised Business. This power of attorney shall survive the expiration or termination of this Agreement.

ARTICLE 12
INSURANCE

12.1 You shall procure, before beginning construction of the Restaurant, 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 and us, our successors and assigns, our affiliates, and our respective officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of each of them against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Restaurant.

12.2 Such policy or policies shall be written by a responsible, duly licensed carrier or carriers reasonably acceptable to us and shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by us from time to time), in accordance with standards and specifications set forth in writing, any insurance that you must have according to the terms of the lease for the Accepted Location and as required by applicable law.

12.3 All insurance must be on an "occurrence" basis. You must obtain and provide us with evidence of insurance in at least the minimum amounts and with the coverages as follows: (a) Commercial General Liability insurance on the latest version of ISO form CG 00 01 or its equivalent, with limits not less than $1,000,000 per occurrence and $2,000,000 general aggregate. There shall be no products liability or completed operations exclusion. There shall be no "Injury to Subcontractor Employee" (or its equivalent) exclusion. The Commercial General Liability policy shall provide coverage to you for the hold harmless and indemnity contained herein; (b) Umbrella or Excess Liability Insurance with limits of $2,000,000 per occurrence and $2,000,000 general aggregate; (c) Property Insurance for all of your property for its full Replacement Cost written on a Causes of Loss - Special Form or equivalent type policy. Property Insurance must be maintained with a deductible of not more than $5,000; (d) Commercial Automobile Liability Insurance, covering any liabilities of you and us with respect to the ownership, maintenance, or use of any auto used in connection with the business, on a form equal to the latest version of ISO form CA 00 01 with a limit at least equal to $1,000,000 Combined Single Limit; (e) Workers' Compensation insurance as required by law; (f) Employers' Liability insurance with limits not less than $1,000,000 each accident, $1,000,000 each employee by disease and $1,000,000 policy limit by disease; (g) Employment Practices Liability Insurance, including third party coverage, with limits not less than $1,000,000 per claim and aggregate. You shall be endorsed as a Co-Defendant; (h) Data Breach Expense/Cyber Liability Insurance, including first and third party coverage with limits not less than $1,000,000, and regulatory expense coverage of not less than $250,000; and (i) all other insurance required by law or that we may reasonably request.

12.4 A current and acceptable Certificate of Insurance must be initially provided at least 10 days before you begin construction of your Playa Bowls Franchise Business. A renewal Certificate of Insurance must be provided no later than 10 days before the expiration date of each policy. Each required policy of liability insurance must name Playa Bowls, LLC, Playa Bowls IP LLC and Playa Bowls Franchisor LLC as Additional Insureds by use of ISO endorsement CG 20 29 04 13 (Additional Insured- Grantor of Franchise). The coverage afforded to the Additional Insureds shall be written on a primary basis, and shall not require or contemplate contribution by any other policy or policies obtained by, or available to, any Additional Insured, and any other such coverage shall be excess over the coverage to be provided by you. Each required property insurance policy shall name Playa Bowls, LLC, Playa Bowls IP LLC and Playa Bowls Franchisor LLC as loss payee as its interests may appear. We reserve the right to request a complete copy of your insurance policies for the purpose of verifying the required coverages. All contractors and vendors used by you must comply with these insurance requirements and it is your responsibility to monitor any such insurance. Your insurance policies shall include a Waiver of Subrogation in favor of Playa Bowls. All policies shall be written with insurance companies authorized to do business by the state where you will operate your Restaurant and rated by A.M. Best Company at least A minus (policy holders rating) and VII (financial rating). If you or any of your vendors or contractors utilize a surplus lines insurance company (non-admitted carrier), Playa Bowls shall be provided with a complete copy of the policies, in addition to the Certificate of Insurance. All policies shall be endorsed to require at least 30 days advance notice of cancellation, non-renewal, or reduction in coverage (or 10 days advance notice in the case of non-payment of premium), certified mail, to us. You shall also purchase any insurance that we may require in the future.

12.5 All insurance policies, except for worker's compensation, shall name us, our affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds. Also, all insurance policies required hereunder shall expressly provide that not less than 30 days' prior written notice shall be given to us in the event of a material alteration to or cancellation of the policies. You must provide us with a certificate of insurance showing that you have obtained the required policies before construction of your Restaurant begins and upon each policy's renewal.

12.6 Should you, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by us in writing, we shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to you, which charges shall be payable by you immediately upon notice together with a 20% administrative fee. The foregoing remedies shall be in addition to any other remedies we may have at law or in equity.

12.7 Upon written request by us, you shall procure from your insurance carrier or carriers a report of claims made and reserves set against your insurance policies.

12.8 We reserve the right to modify the types of insurance coverages and amounts of coverage that you are required to maintain for the Restaurant, and you agree to comply with any such changes, at your expense.

ARTICLE 13
DEBTS AND TAXES

13.1 Taxes

You shall promptly pay when due all Taxes (as defined below), levied or assessed, and all accounts and other indebtedness of every kind incurred by you in the conduct of the Franchised Business under this Agreement. Without limiting the provisions of Article 15, you shall be solely liable for the payment of all Taxes and shall indemnify us for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether such Taxes were correctly or legally asserted or not. You shall submit a copy of all tax filings sent to federal, state and local tax authorities to us within 10 business days after such filing has been made with the appropriate taxing authority.

The term "Taxes" means any present or future taxes, levies, imposts, duties or other charges of whatever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the Franchised Business, the payment of monies, taxes imposed on the Royalty Fees paid to us, or the exercise of rights granted pursuant to this Agreement, whether imposed upon you or us.

13.2 Payments to Us

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

13.3 Tax Disputes

In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor to occur against the premises of the Franchised Business or any improvements thereon.

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13.4 Compliance with Laws

You shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, fire clearances, health permits, certificates of occupancy and any permits, certificates or licenses required by any environmental law, rule or regulation.

13.5 Notification of Action or Proceeding

You shall notify and deliver to us, in writing within 5 days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

ARTICLE 14
TRANSFER OF INTEREST

14.1 Transfer by Us

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations. Additionally, any transfer by us shall not reduce or alter your rights or in any way increase your obligations under this Agreement.

You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of "Playa Bowls Franchisor LLC" as Franchisor. Nothing contained in this Agreement shall require us to remain in the restaurant business or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement.

14.2 Transfer by You

14.2.1 You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted rights under this Agreement in reliance on the business skill, financial capacity and personal character of you and the Principals. Accordingly, neither you nor any Principal shall sell, assign (including but not limited to by operation of law, such as an assignment under bankruptcy or insolvency laws, in connection with a merger, divorce or otherwise), transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in you, in this Agreement, in the Restaurant and/or any of the Restaurant's material assets (other than in connection with replacing, upgrading or otherwise dealing with such assets as required or permitted by this Agreement), without our prior written consent. Any purported assignment or transfer, by operation of law or otherwise, made in

violation of this Agreement shall be null and void and shall constitute a material event of default under this Agreement.

14.2.2 If you wish to transfer all or part of your interest in the Restaurant, any of the Restaurant's material assets (except as provided in Article 14.2.1 above) or this Agreement, or if you or a Principal wishes to transfer or permit a transfer of any ownership interest in you, then in each such case (any or all of which are referred to in this Article 14 as a "Restricted Transfer"), transferor and the proposed transferee shall apply to us for our consent. We shall not unreasonably withhold our consent to a Restricted Transfer. We may, in our sole discretion, require any or all of the following as conditions of our approval:

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

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

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

(d) The transferee shall demonstrate to our reasonable satisfaction that transferee meets the criteria considered by us when reviewing a prospective franchisee's application for a franchise, including, but not limited to, our educational, managerial and business standards; transferee's good moral character, business reputation and credit rating; transferee's aptitude and ability to conduct the business franchised herein (as may be evidenced by prior related business experience or otherwise); transferee's financial resources and capital for operation of the business; and the geographic proximity and number of other Restaurants owned or operated by transferee;

(e) The transferee shall enter into a written agreement, in a form reasonably satisfactory to us, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer, all obligations, covenants and agreements contained in this Agreement; and, if transferee is a corporation or a partnership, transferee's shareholders, partners or other investors, as applicable, shall execute such agreement as transferee's principals and guarantee the performance of all such obligations, covenants and agreements;

(f) The transferee shall execute, for a term ending on the expiration date of this Agreement and with such renewal terms as may be provided by this Agreement, the standard form Franchise Agreement then being offered to new System franchisees and other ancillary agreements as we may require for the Restaurant, which agreements shall supersede this Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, the then current Royalty Fee and brand development fee; provided, however, that the transferee shall not be required to pay any initial franchise fee;

(g) The transferee, at its expense, shall renovate, modernize and otherwise upgrade the Restaurant and, if applicable, any delivery vehicles to conform to the then current standards

and specifications of the System, and shall complete the upgrading and other requirements which conform to the System-wide standards within the time period reasonably specified by us;

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

(i) At the transferee's expense, the transferee, the transferee's General Manager and/or any other applicable Restaurant personnel shall complete any training programs then in effect for franchisees of Restaurants upon such terms and conditions as we may reasonably require;

(j) You shall pay to us a transfer fee equal to $10,000 to reimburse us for reviewing the application to transfer, including, without limitation, training expenses, legal and accounting fees;

(k) If the transferee is a corporation, limited liability company or a partnership, the transferee shall make and will be bound by any or all of the representations, warranties and covenants set forth at Article 6 as we request. Transferee shall provide to us evidence satisfactory to us that the terms of such Article have been satisfied and are true and correct on the date of transfer.

14.2.3 You shall not grant a security interest in the Restaurant or in any of your assets without our prior written consent, which shall not be unreasonably withheld. In connection therewith, the secured party will be required by us to agree that in the event of any default by you under any documents related to the security interest, we shall have the right and option to be substituted as obligor to the secured party and to cure any default of yours.

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

14.3 Transfer to a Corporation or Limited Liability Company

In the event you desire to operate the Franchised Business through a corporation or limited liability company formed solely for the convenience of ownership, our consent may be conditioned upon any of the requirements set forth at Article 14.2.2, except that the requirements set forth at Articles 14.2.2(c), 14.2.2(d), 14.2.2(f), 14.2.2(g), 14.2.2(i), 14.2.2(j) and 14.2.2(k) shall not apply. With respect to a transfer to a corporation formed for the convenience of ownership, you shall be the owner of all of the voting stock or interest of the corporation and if you are more than 1 individual, each individual shall have the same proportionate ownership interest in the entity as he had in you prior to the transfer.

Additionally, the following conditions shall apply: (i) ownership of the corporation or limited liability company shall remain with the original Principal(s) of this Agreement; (ii) the Principals shall remain personally liable for the performance of all obligations under this Agreement and are not released from any obligations to us; (iii) the newly formed corporation or limited liability company shall conduct no business other than the Franchised Business; and (iv) copies of your articles of incorporation, bylaws, operating agreement, other governing documents, any amendments thereto, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be reasonably required by us shall be furnished to us prior to addition of your corporation or limited liability company as a "franchisee" under this Agreement. A transfer under this Article 14.3 may occur 1 time only.

14.4 Our Right to Purchase Business

14.4.1 If you wish to transfer all or part of your interest in the Restaurant or this Agreement or if you or a Principal wishes to transfer any ownership interest in you, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller shall promptly notify us in writing of each such offer and shall provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within 30 days after receipt of such written notification and copies of all documentation required by us describing such offer, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party. In the event that we elect to purchase the seller's interest, closing on such purchase must occur within the latest of (i) 60 days from the date of notice to the seller of the election to purchase by us, (ii) 60 days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. Our failure or refusal to exercise the option afforded by this Article 14.4 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Article 14, with respect to a proposed transfer.

(a) In the case of a Restricted Transfer involving a bona fide purchase offer, then such proposed seller shall promptly notify us in writing of each such offer and shall provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within 30 days after receipt of such written notification and copies of all documentation required by us describing such offer, to send written notice to the seller that we intend to purchase the interest proposed to be transferred in the Restricted Transfer on the same terms and conditions offered by the proposed purchaser (the "Offer Terms"). In the event that we elect to purchase the seller's interest, closing on such purchase must occur within the latest of (i) 60 days from the date of notice to the seller of the election to purchase by us, (ii) 60 days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. Our failure or refusal to exercise the option afforded by this Article 14.4 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Article 14 with respect to a proposed transfer.

(b) Notwithstanding the provisions of Article 14.4.1(a) above, where the Restricted Transfer (alone or together with any other Restricted Transfer or event effected within the prior 24 month period) results in a "Change of Control", we may elect, in our sole discretion, to treat the notice given pursuant to such Article 14.4.1(a) as an offer to assign to us all of your rights under this Agreement and to the Restaurant (including lease and contract rights and other assets of you and your affiliates used in connection with the Restaurant, excluding the assets of your benefit plans) (collectively, the "Restaurant Interests"). As used in this Article 14.4.1(b), Change of Control means any circumstance resulting in one or more of your Principals ceasing to be a Principal and/or the addition of any new Principal. In such case, we shall notify you of the special election provided for in this Article 14.4.1(b) at the time we exercise our option as provided in Article 14.4.1(a). The terms of such purchase shall be the same as the Offer Terms (subject to the other provisions of this Article 14.4), but the price shall be the lesser of (1) the Implied Market Price or (2) the fair market value of the Restaurant Interests, determined in a manner consistent with Article 18.12.1. As used herein, "Implied Market Price" shall mean an amount equal to the total price to be paid by the transferee under the Offer Terms, divided by the percentage (expressed as a decimal) of ownership of you proposed to be acquired (directly or indirectly) by the transferee, less the fair market value (determined as provided in Article 18.12.1) of any assets included in the Restricted Transfer that are

not related to the Restaurant. If you have more than 1 Restaurant, then the Implied Market Price shall, unless otherwise agreed by us and you, be allocated among all Restaurants equally.

(c) We may assign our rights under this Article 14.4 to any other person or entity, subject to Article 14.1 above.

(d) It shall be a material obligation of yours under this Agreement to cause any transferor and transferee described in this Article 14 to perform all of the obligations imposed on such persons under this Article 14.

14.4.2 In the event an offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, we may elect to purchase the interest proposed to be sold for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the Offer Terms, then such amount shall be determined by 2 appraisers, with each party selecting 1 appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs, and each shall pay ½ of the appraisal fees. In the event that we exercise our right of first refusal herein provided, we shall have the right to set off against any payment therefor (i) all fees for any such independent appraiser due from you hereunder and (ii) all amounts due from you to us.

14.4.3 Failure to comply with the provisions of this Article prior to the transfer of any interest in you, the Restaurant or this Agreement shall constitute a material event of default under this Agreement.

14.5 Death or Disability

14.5.1 Upon your death (if you are a natural person) or upon the death of any Principal who has an interest in this Agreement, the Restaurant or you (the "Deceased"), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by us within 12 months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within 12 months after the death of the Deceased.

14.5.2 Upon your permanent disability (if you are a natural person) or upon the permanent disability of any Principal who has an interest in this Agreement, the Restaurant or you, we may, in our reasonable discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Article 14 within 6 months after notice to you. "Permanent disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least 90 consecutive days and from which condition recovery within 90 days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by us, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Article 14.5. The costs of any examination required by this Article shall be paid by us.

14.5.3 Upon the death or claim of permanent disability of you or any Principal, you or a representative of yours must notify us of such death or claim of permanent disability within 10 days of its occurrence. Any transfer upon death or permanent disability shall be subject to the same terms and

conditions as described in this Article for any *inter vivos* transfer. If an interest is not transferred upon death or permanent disability as required in this Article, then such failure shall constitute a material event of default under this Agreement.

14.5.4 In order to prevent any interruption of the Restaurant operations which would cause harm to the Restaurant, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Restaurant to our required standards, operate the Restaurant for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Restaurant during such period of operation by us shall be kept in a separate account, and the expenses of the Restaurant, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Restaurant franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

14.6 No Waiver of Claims

Our consent to a transfer of any interest described herein shall not constitute a waiver of any claims which we may have against the transferring party, nor shall it be deemed a waiver of our right to demand material and full compliance with any of the terms of this Agreement by the transferee.

14.7 Transfer Between Owners

If you or any Principal desires to transfer their interest, whether to another Principal or to a new Principal, then you shall promptly submit to us a request for our approval of such proposed transfer in writing and shall provide such information relative thereto as we may reasonably request prior to such transfer. Such transferee may not be a competitor of ours. Such transferee will be your Principal and as such agrees to be individually bound by certain obligations in this Agreement, including covenants concerning confidentiality and non-competition and agrees to personally guarantee your performance under this Agreement. Notwithstanding the provisions contained in Article 14.2 to the contrary, the Principals may freely transfer their ownership interests in you among themselves, and provided management control does not change, to their family members (or to trusts for the benefit of such family members), and our right of first refusal shall be inapplicable with respect to such transfers, provided you provide us with 30 days prior written notice of such transfer, which notice shall include the names and percentages transferred. You shall complete and submit to us an updated Attachment 3, as necessary.

ARTICLE 15
INDEMNIFICATION

15.1 Indemnification by You

You and each of the Principals shall, at all times, indemnify and hold harmless to the fullest extent permitted by law us, our successors and assigns, their respective partners and affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them ("Indemnitees"), from all "losses and expenses" (as defined in Article 15.4 below) incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or is based upon any of the following:

15.1.1 The infringement, alleged infringement, or any other violation or alleged violation by you or any of the Principals of any patent, trademark or copyright or other proprietary right owned or controlled by third parties (except as such may occur with respect to any right to use the Marks, any copyrights or other proprietary information granted hereunder pursuant to Article 10), including, but not limited to, the unauthorized use of any image, likeness or recording of a public figure;

15.1.2 The violation, breach or asserted violation or breach by you or any of the Principals of any federal, state or local law, regulation, ruling, standard or directive or any industry standard;

15.1.3 Libel, slander or any other form of defamation of us, the System or any franchisee operating under the System, by you or by any of the Principals;

15.1.4 The violation or breach by you or by any of the Principals of any warranty, representation, agreement or obligation in this Agreement or in any other agreement between you or any of your affiliates and us and our Indemnitees; and

15.1.5 Acts, errors, or omissions of you, any of your affiliates and any of the Principals and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of you and your affiliates in connection with the establishment and operation of the Restaurant, including, but not limited to, any acts, errors or omissions of any of the foregoing in the operation of any motor vehicle. The parties understand and agree that we cannot and do not exercise control over the manner of operation of any motor vehicles used by, or on behalf of, you or any employee, agent or independent contractor of yours and that the safe operation of any motor vehicle is, therefore, entirely your responsibility.

15.2 Notification of Action or Claim

You and each of the Principals agree to give us prompt notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. At the expense and risk of you and each of the Principals, we may elect to assume (but under no circumstance are we obligated to undertake) or appoint associate counsel of our own choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by us shall, in no manner or form, diminish the obligation of you and each of the Principals to indemnify the Indemnitees and to hold them harmless.

15.3 We May Settle

In order to protect persons or property, or our reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as we in our reasonable judgment deem appropriate, consent or agree to settlements or take such other remedial or corrective action as we deem expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in our reasonable judgment, there are reasonable grounds to believe that:

15.3.1 any of the acts or circumstances enumerated in Article 15.1.1 through 15.1.4 above have occurred; or

15.3.2 any act, error, or omission as described in Article 15.1.5 may result directly or indirectly in damage, injury, or harm to the System, any person or any property.

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15.4 Losses and Expenses

All losses and expenses incurred under this Article 15 shall be chargeable to and paid by you or any of the Principals pursuant to your obligations of indemnity under this Article, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity, or defense.

As used in this Article 15, the phrase "losses and expenses" shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys' fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

15.5 Indemnitees Do Not Assume Liability

The Indemnitees do not hereby assume any liability whatsoever for acts, errors, or omissions of any third party with whom you, any of the Principals, your affiliates or any of the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of you or your affiliates may contract, regardless of the purpose. You and each of the Principals shall hold harmless and indemnify the Indemnitees for all losses and expenses which may arise out of any acts, errors or omissions of you, the Principals, your affiliates, the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of you and your affiliates and any such other third parties without limitation and without regard to the cause or causes thereof or the negligence of us or any other party or parties arising in connection therewith and whether such negligence be sole, joint or concurrent, or active or passive.

15.6 Recovery from Third Parties

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

15.7 Survival of Terms

You and the Principals expressly agree that the terms of this Article 15 shall survive the termination, expiration or transfer of this Agreement or any interest herein.

ARTICLE 16
RELATIONSHIP OF THE PARTIES

16.1 No Fiduciary Relationship

The parties acknowledge and agree that you shall be an independent contractor and this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. You understand and agree that you are and will be an independent contractor under this Agreement. Nothing in this Agreement may be interpreted as creating a partnership, joint venture, agency, employment or fiduciary relationship of any kind. Your employees are

not our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or by implication, shall be considered our employee for any purpose, regardless of inclusion in mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or terminate the employment of your employees. You expressly agree, and will never claim otherwise, that our authority under this Agreement to determine that certain of your employees are qualified to perform certain tasks for your Restaurant does not directly or indirectly vest in us the power to influence the employment terms of any such employee.

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

16.2 Independent Contractor

During the term of this Agreement, you shall hold yourself out to the public as an independent contractor conducting your Restaurant operations pursuant to the rights granted by us. You agree to take such action as shall be reasonably necessary to that end, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Restaurant premises established for the purposes hereunder or on any delivery vehicle and on all letterhead, business cards, forms, and as further described in the Manual. We reserve the right to specify in writing the content and form of such notice.

You acknowledge and agree that any training we provide for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Playa Bowls Restaurant and in no fashion reflects any employment relationship between us and such employees. If it is ever asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, appearing at any venue requested by us to testify on our behalf; participating in depositions or other appearances; or preparing affidavits rejecting any assertion that we are the employer, joint employer or co-employer of any of your employees.

16.3 Sole and Exclusive Employer of Your Employees

You hereby irrevocably affirm, attest and covenant your understanding that your employees are employed exclusively by you and in no fashion are any such employee employed, jointly employed or co-employed by us. You further affirm and attest that each of your employees is under your exclusive dominion and control and never under our direct or indirect control in any fashion whatsoever. You alone hire each of your employees; set their schedules; establish their compensation rates; and pay all salaries, benefits and employment-related liabilities (such as workers' compensation insurance premiums/payroll taxes/Social Security contributions/unemployment insurance premiums). You alone have the ability to discipline or terminate your employees to the exclusion of us, and you acknowledge that we have no such authority or ability. You further attest and affirm that any minimum staffing requirements established by us are solely for the purpose of ensuring that the Franchised Business is at all times staffed at those levels necessary to operate the Franchised Business in conformity with the System and the products, services, standards of quality and efficiency, and other Playa Bowls brand attributes known to and desired by the consuming

public and associated with the Proprietary Marks. You affirm, warrant and understand that you may staff the Franchised Business with as many employees as you desire at any time so long as our minimal staffing levels are achieved. You also affirm and attest that any recommendations you may receive from us regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist you to efficiently operate your Franchised Business, and that you are entirely free to disregard our recommendations regarding such employee compensation. Moreover, you affirm and attest that any training provided by us for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Playa Bowls Restaurant and in no fashion reflects any employment relationship between us and such employees. Finally, should it ever be asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, including (if necessary) appearing at any venue requested by us to testify on our behalf (and, as may be necessary, submitting yourself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that we are the employer, joint employer or co-employer of any of your employees). To the extent we are the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of you, should any such appearance by you be required or requested by us, we will recompense you the reasonable costs associated with your appearing at any such venue.

16.4 You are Not Authorized

You understand and agree that nothing in this Agreement authorizes you or any of the Principals to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name or the Marks, and that we shall in no event assume liability for or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of the Principals or any claim or judgment arising therefrom.

ARTICLE 17
TERMINATION

17.1 Automatic Termination – No Right to Cure

17.1.1 You acknowledge and agree that each of your obligations described in this Agreement is a material and essential obligation of yours; that non-performance of such obligations will adversely and substantially affect us and the System; and that our exercise of the rights and remedies set forth herein is appropriate and reasonable.

17.1.2 You shall be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice to you, if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against

you and not dismissed within 30 days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

17.1.3 You shall be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, (except as otherwise stated below), effective immediately upon notice to you, upon the occurrence of any of the following events:

(a) If you operate the Restaurant or sell any products or services authorized by us for sale at the Restaurant at a location which has not been approved by us;

(b) If you fail to acquire an Accepted Location for the Restaurant within the time and in the manner specified in Article 2;

(c) If you fail to construct or remodel the Restaurant in accordance with the plans and specifications provided to you under Article 5.3 as such plans may be adapted with our approval in accordance with Article 2.5;

(d) If you fail to open the Restaurant for business within the period specified in Article 2.6 hereof;

(e) If you at any time cease to operate or otherwise abandon the Restaurant (you will be deemed to have abandoned the Restaurant if you do not operate it for 3 consecutive days, unless the closure is due to circumstances beyond your control or we have consented to such closure), or lose the right to possession of the premises (including, without limitation, if the lease or any other agreement by which you have the right to possess the premises is terminated), or otherwise forfeit the right to do or transact business in the jurisdiction where the Restaurant is located; provided, however, that this provision shall not apply in cases of Force Majeure (acts of God, strikes, lockouts or other industrial disturbances, war, riot, epidemic, acts of terrorism, fire or other catastrophe or other forces beyond your control; provided, however, that Force Majeure shall not include your lack of financing), if through no fault of yours the premises are damaged or destroyed by an event as described above, provided that you apply within 30 days after such event for our approval to relocate or reconstruct the premises (which approval shall not be unreasonably withheld) and you diligently pursue such reconstruction or relocation; such approval may be conditioned upon the payment of our relocation fee;

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

(g) If a threat or danger to public health or safety results from the construction, maintenance or operation of the Restaurant;

(h) If you or any of the Principals purport to transfer any rights or obligations under this Agreement or any interest in you or the Restaurant to any third party without our prior written consent or without offering us a right of first refusal with respect to such transfer, contrary to the terms of Article 14 of this Agreement;

(i) If you or any of your affiliates fail, refuse, or neglect promptly to pay any monies owing to us, or any of our affiliates or vendors, when due under this Agreement or any other

agreement, or to submit the financial or other information required by us under this Agreement and do not cure such default within 5 days following notice from us (or such other cure period specified in such other agreement, unless no cure period is stated or such period is less than 5 days, in which case the 5 day cure period shall apply);

(j) If you or any of the Principals fail to comply with the in-term covenants in Article 10.3 hereof or you fail to obtain execution of the covenants and related agreements required under Article 10.3.4 hereof within 30 days following notice from us;

(k) If, contrary to the terms of Article 10.2.1 hereof, you or any of the Principals disclose or divulge any confidential information provided to you or the Principals by us, or fail to obtain execution of covenants and related agreements required under Article 10.2.2 hereof within 30 days following notice from us;

(l) If a transfer upon death or permanent disability is not transferred in accordance with Article 14 and within the time periods therein;

(m) If you knowingly maintain false books or records, or submit any false reports to us;

(n) If you breach in any material respect any of the covenants in any material respect set forth in Article 6 or have falsely made any of the representations or warranties set forth in Article 6;

(o) If you fail to propose a qualified replacement or successor General Manager within the time required under Article 6.3.4 following 10 days prior written notice;

(p) If you fail to procure and maintain the insurance policies required by Article 12 and you fail to cure such default within 10 days following notice from us;

(q) If you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein; provided that, notwithstanding the above, you shall be entitled to notice of such event of default and shall have 24 hours to cure such default;

(r) If you or any of the Principals commit 3 material events of default under this Agreement within any 12 month period, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by you after notice by us;

(s) If any of your managers is not able to complete our initial training program to our satisfaction, after having given you the opportunity to designate a replacement manager;

(t) If you fail to comply with all applicable laws and ordinances relating to the Restaurant, including Anti-Terrorism Laws, or if your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation; or

(u) Any license or permit you are required to maintain for the operation of the Restaurant is revoked.

17.2 Notice of Termination – 30 Days to Cure

Except as provided in Articles 17.1.2 and 17.1.3 of this Agreement, upon any default by you which is susceptible of being cured, we may terminate this Agreement by giving written notice of termination stating the nature of such default to you at least 30 days prior to the effective date of termination. However, you may avoid termination by immediately initiating a remedy to cure such default and curing it to our reasonable or making a bona fide attempt to cure to our reasonable satisfaction within the 30 day period and by promptly providing proof thereof to us. 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 30 day period or such longer period as applicable law may require. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following illustrative events:

17.2.1 If you fail to comply with any of the requirements imposed by this Agreement, as it may from time to time be amended or reasonably be supplemented by us or fail to carry out the terms of this Agreement in good faith.

17.2.2 If you fail to maintain or observe any of the standards, specifications or procedures prescribed by us in this Agreement or otherwise in writing, including failure to operate the Restaurant during the days and hours as we specify from time to time.

17.2.3 If you fail, refuse, or neglect to obtain our prior written approval or consent as required by this Agreement.

17.2.4 If any license or permit you are required to maintain for the operation of the Restaurant is suspended.

17.3 Cross-Defaults, Non-Exclusive Remedies, etc.

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

17.4 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 17, we have the right to suspend our performance of any of our

obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your "click though" subpage on our website, until such time as you correct the breach.

17.5 Amendment Pursuant to Applicable Law

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement is deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth in this Agreement do not constitute "good cause" for termination within the meaning ascribed to that term by any applicable law or regulation. We shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination of this Agreement.

17.6 Reimbursement of Costs

You shall reimburse us for all costs and expenses, including but not limited to attorney's fees, incurred by us as a result of your default, including costs in connection with collection of any amounts owed to us and/or enforcement of our rights under this Agreement.

ARTICLE 18
POST-TERMINATION

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

18.1 Cease Operations

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

18.2 Stop Using the System

You shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, computer software, procedures, and techniques associated with the System; the mark "Playa Bowls"; and all other Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, you shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms and any other articles which display the Marks, and shall immediately change all paint colors, remove all of our proprietary or non-proprietary design items.

18.3 Cancellation of Assumed Names

You shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark "Playa Bowls" or any other service mark or trademark of ours, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within 5 days after termination or expiration of this Agreement.

18.4 No Use of Similar Marks

You agree, in the event you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute our rights in and to the Marks, and further agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us constituting unfair competition.

18.5 Payment of Sums Owed

You and your Principals shall promptly pay all sums owing to us. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of any default by you, which obligation shall give rise to and remain, until paid in full, a lien in our favor against any and all of the personal property, furnishings, equipment, fixtures, and inventory owned by you and on the premises operated hereunder at the time of default.

18.6 Payment of Damages, Costs and Expenses

You and the Principals shall pay to us all damages, costs and expenses, including reasonable attorneys' fees, incurred by us in connection with obtaining any remedy available to us for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Article 18.

18.7 Delivery of Manuals and Materials

You shall immediately deliver to us all Manuals, software licensed by us (if any), records, files, instructions, correspondence, all materials related to operating the Restaurant, including, without limitation, agreements, invoices, and any and all other materials relating to the operation of the Restaurant in your possession or control, and all copies thereof (all of which are acknowledged to be our property), and shall retain no copy or record of any of the foregoing, except your copy of this Agreement and of any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law.

18.8 Confidential Information

You and the Principals shall comply with the restrictions on confidential information contained in Article 10 of this Agreement and shall also comply with the non-competition covenants contained in Article 10. Any other person required to execute similar covenants pursuant to Article 10 shall also comply with such covenants.

18.9 Marketing and Promotional Materials

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

18.10 Signage

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

18.11 Assignment of Lease

If you operate the Restaurant under a lease for the Restaurant premises with a third party or, with respect to any lease for equipment used in the operation of the Franchised Business, then you shall, at our option, assign to us any interest which we have in any lease or sublease for the premises of the Restaurant or any equipment related thereto. We may exercise such option at or within 30 days after either termination or (subject to any existing right to renew) expiration of this Agreement. In the event we do not elect to exercise our option to acquire the lease or sublease for the Restaurant premises or do not have such option, you shall make such modifications or alterations to the Restaurant premises as are necessary to distinguish the appearance of the Restaurant from that of other Restaurants operating under the System and shall make such specific additional changes as we may reasonably request. If you fail or refuse to comply with the requirements of this Article 18.11, we shall have the right to enter upon the premises of the Franchised Business, without being guilty of trespass or any other crime or tort, to make or cause to be made such changes as may be required, at your expense, which expense you agree to pay upon demand. Notwithstanding the provisions of this Article 18.11 to the contrary, in the event the lease is assigned to us, we hereby indemnify and hold harmless you and any guarantors under said lease, for any breach by us or our successors or assigns from any liability arising out of the lease for the Restaurant premises from and after the date of the assignment of lease.

18.12 Our Right to Purchase

18.12.1 Except as provided in Articles 18.9, 18.10 and 18.13, we shall have the option, to be exercised within 30 days after termination or expiration of this Agreement, to purchase from you any or all of the furnishings, equipment (including any point of sale or computer hardware and software systems), signs, fixtures, motor vehicles, supplies, and inventory of yours related to the operation of the Restaurant, at fair market value. If we exercise our right to purchase all or a portion of your assets, we shall be purchasing such assets only and shall be assuming no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within 30 days of our exercise of this option, fair market value shall be determined by 2 appraisers, with each party selecting 1 appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs, and each shall pay ½ of the appraisal fees. If we elect to exercise any option to purchase herein provided, we shall have the right to set off (i) all fees for any such independent appraiser due from you, (ii) all amounts due from you to us and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash.

18.12.2 In addition to the options described above and if you own the Restaurant premises, then we shall have the option, to be exercised at or within 30 days after termination or expiration of this Agreement, to purchase the Restaurant premises including any building thereon, if applicable, for the fair market value of the land and building, and any or all of the furnishings, equipment, signs, fixtures, vehicles, supplies and inventory therein at fair market value. We shall purchase assets only and shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If you do not own the land on which the Restaurant is operated, and we exercise our option for an assignment of the lease, we may exercise

this option for the purpose of purchasing the building if owned by you and related assets as described above. If the parties cannot agree on fair market value within 30 days of our exercise of this option, fair market value shall be determined in accordance with appraisal procedure described above.

18.12.3 With respect to the options described in Articles 18.11, 18.12.1 and 18.12.2, you shall deliver to us in a form satisfactory to us, such warranties, deeds, releases of lien, bills of sale, assignments and such other documents and instruments which we deem necessary in order to perfect our title and possession in and to the properties being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, you have not obtained all of these certificates and other documents, we may, in our sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.12.4 The time for closing of the purchase and sale of the properties described in Articles 18.12.1 and 18.12.2 shall be a date not later than 30 days after the purchase price is determined by the parties or the determination of the appraisers, or such date we receive and obtain all necessary permits and approvals, whichever is later, unless the parties mutually agree to designate another date. The time for closing on the assignment of the lease described in Article 18.11 shall be a date no later than 10 days after our exercise of the option thereunder unless we are exercising our options under either Article 18.12.1 or 18.12.2, in which case the date of the closing shall be on the same closing date prescribed for such option. Closing shall take place at our corporate offices or at such other location as the parties may agree.

18.13 Restaurant Assets

Notwithstanding anything to the contrary contained in Articles 18.11 and 18.12, if you operate the Restaurant from a premises that is subleased to you by us, upon termination (or expiration without renewal) of this Agreement, we shall have the right to take immediate possession of the assets of the Restaurant, including, any or all of the furnishings, equipment (including any point of sale or computer hardware and software systems), signs, fixtures, motor vehicles, supplies, and inventory of yours related to the operation of the Restaurant. We shall have a lien against all such assets in the amount of any amounts due to us under this Agreement or any other agreement. We shall have the right to have such assets appraised at the lower of cost or fair market value of the used assets, and to acquire all right, title and interest to such assets, without conducting any public sale, by paying to you (or to any lender of yours who has a lienholder interest in the assets) the difference between the appraised value and the amounts owed to us by you at the time of termination. If the lien on the assets from your lender has priority over any lien of ours, and the amount of the lien is in excess of the appraised value of such assets, we shall have the right to deal directly with your lienholder, and to pay any amounts due to you directly to the lienholder. You agree to provide all further assurances, and to execute all documents required by us or by law to lawfully effect such transfer, and to perfect our security interest. We shall have the right to take such action without the execution of any further documents by you if you fail or refuse to comply with these further assurances.

18.14 Assignment of Options by Us

We shall be entitled to assign any and all of our options in this Article to any other party, without your consent.

18.15 Telephone Numbers, Internet Pages Listings, etc.

You, at our option, shall assign to us all rights to the telephone numbers of the Restaurant and any related internet pages trademark listing or other business listings and execute all forms and documents required by us and any telephone company at any time to transfer such service and numbers to us. Further,

you shall assign to us all internet listings, domain names, internet accounts, advertising on the internet or world wide web, websites, listings with search engines, email addresses or any other similar listing or usage related to the Franchised Business. The forms we may require you to execute include, but are not limited to, those included in Attachment 6 hereto. Notwithstanding any forms and documents which may have been executed under Article 7.9, you hereby appoint us as your true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. You shall thereafter use different telephone numbers, email addresses or other listings or usages at or in connection with any subsequent business conducted by you.

18.16 Liquidated Damages

If we terminate this Agreement with cause, you agree to pay to us, within 15 days after the effective date of termination, liquidated damages equal to the average value of the Royalty Fees you paid or owed (per month) to us during the 12 months before the termination multiplied by (i) 24, being the number of months in 2 full years, or (ii) the number of months remaining during the term of this Agreement, whichever is lower.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

18.17 Errors and Omissions

You must obtain and maintain in effect all coverage for the professional liability or errors and omissions insurance and general employment practices liability insurance required by this Agreement, to extend the period in which claims may be made for a period of time not less than the applicable statute of limitations in the jurisdiction in which the Franchised Business is located.

ARTICLE 19
MISCELLANEOUS

19.1 Notices

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by expedited delivery service or certified or registered mail, return receipt requested, first class postage prepaid, or sent by facsimile or email (provided that the sender confirms the facsimile or email by sending an original confirmation copy by certified or registered mail or expedited delivery service within 3 business days after transmission) to the respective parties at the addresses in the

introductory paragraph hereof, unless and until a different address has been designated by written notice to the other party.

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of facsimile and/or email, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service or registered or certified mail, 3 business days after the date and time of mailing.

19.2 Entire Agreement

This Agreement, the documents referred to herein, and the Attachments hereto, constitute the entire, full and complete agreement between us and you and the Principals concerning the subject matter hereof and shall supersede all prior related agreements between us and you and the Principals; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. Except for those permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

19.3 No Waiver

No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default by you or the Principals under this Agreement shall constitute a waiver by us to enforce any such right, option, duty or power against you or the Principals, or as to a subsequent breach or default by you or the Principals. Acceptance by us of any payments due to us hereunder subsequent to the time at which such payments are due shall not be deemed to be a waiver by us of any preceding breach by you or the Principals of any terms, provisions, covenants or conditions of this Agreement.

19.4 Our Prior Approval

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

19.5 No Warranty or Guaranty

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

19.6 Continued Obligation to Pay Sums

If a Force Majeure event shall occur, then, in addition to payments required under Article 17.1.3(e), you shall continue to be obligated to pay to us any and all amounts that you shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of any Force Majeure event and the Indemnitees shall continue to be indemnified and held harmless by you in accordance with Article 15. Except as provided in Article 17.1.3(e) and the immediately preceding sentence herein, none of the parties hereto shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure. Upon the occurrence of any event of the type referred to herein, the party affected thereby shall give prompt notice thereof to the other parties,

together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected thereby and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused.

19.7 Arbitration

Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation will be settled by binding arbitration within the county where we maintain our headquarters under the authority of such state's statutes (the "Statutes"). The arbitrator(s) will have a minimum of 5 years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Statutes. To the extent such rules are not inconsistent with the provisions of this arbitration provision or the Statutes, the proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association. The decision of the arbitrator(s) will be final and binding on all parties. This Article will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

19.8 Venue; Governing Law

With respect to any claims, controversies or disputes which are not finally resolved through negotiation or arbitration, or as otherwise provided above, you and the Principals hereby irrevocably submit themselves to the jurisdiction of the state courts and the Federal District Court nearest to our headquarters. You and the Principals hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You and the Principals hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by New Jersey or federal law. You and the Principals further agree that venue for any proceeding relating to or arising out of this Agreement shall be the county and state where we maintain our headquarters; provided, however, with respect to any action (i) for monies owed, (ii) for injunctive or other extraordinary relief or (iii) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction. With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under the law of the state where we maintain our headquarters.

19.9 Agreement Regarding Governing Law and Choice of Forum

You, the Principals and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Articles 19.7 and 19.8 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you, the Principals and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

19.10 Waiver of Punitive Damages; Waiver of Jury Trial

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

We and you irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of us against the other. Any and all claims and actions arising out of or relating to this Agreement, the relationship of you and us, or your operation of the Restaurant, brought by either party hereto against the other, whether in arbitration, or a legal action, shall be commenced within 2 years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

19.11 Execution in Multiple Counterparts

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

19.12 Captions

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

19.13 Survival of Terms

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

19.14 Severability of Provisions

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

19.15 Joint and Several Obligations

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

19.16 Rights and Remedies Cumulative

All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your affiliates and us. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of our rights pursuant to Article 17 of this Agreement shall not discharge or release you or any of the Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

19.17 References

Each reference in this Agreement to a corporation or partnership shall be deemed to also refer to a limited liability company and any other entity or organization similar thereto. Each reference to the organizational documents, equity owners, directors, and officers of a corporation in this Agreement shall be deemed to refer to the functional equivalents of such organizational documents, equity owners, directors, and officers, as applicable, in the case of a limited liability company or any other entity or organization similar thereto.

19.18 No Rights or Remedies Except to the Parties

Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors, members and employees and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Article 14), any rights or remedies under or as a result of this Agreement.

19.19 Effectiveness of Agreement

This Agreement shall not become effective until signed by an authorized officer of ours.

19.20 Modification of the System

You understand and agree that the System must not remain static if it is to meet, without limitation, presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other marketplace variables, and if it is to best serve the interests of us, you and all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System including, but not limited to, altering the products, programs,

services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Franchised Business is authorized and required to offer; modifying or substituting entirely the building, premises, equipment, signage, trade dress, décor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe hereunder; and changing, improving, modifying, or substituting other words or designs for, the Marks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations; provided, however, that such changes shall not materially and unreasonably increase your obligations hereunder.

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

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

19.21 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

19.22 Step-In Rights

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

We shall keep in a separate account all monies generated by the operation of your business, less the expenses of the business, including reasonable compensation and expenses for our representatives. In

the event of our exercise of the Step-In Rights**,** you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Additionally, in the event we temporarily operate the Restaurant franchised herein on your behalf, you agree to pay to us the then current fee for the management and maintenance of the Restaurant in your absence. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

19.23 Costs and Legal Fees

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

ARTICLE 20
SECURITY INTERESTS

20.1 Collateral

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Restaurant, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Restaurant. All items in which a security interest is granted are referred to as the "Collateral".

20.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the "Indebtedness"):

20.2.1 All amounts due under this Agreement or otherwise by you;

20.2.2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

20.2.3 All expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and

20.2.4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Restaurant, including, but not limited to, a real property mortgage and equipment leases.

20.3 Additional Documents

You will from time to time as required by us join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

20.4 Possession of Collateral

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

20.5 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of New Jersey (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

20.6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

ARTICLE 21
TECHNOLOGY

21.1 Computer Systems and Software

The following terms and conditions shall apply with respect to your computer system:

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

21.1.2 We shall have the right, but not the obligation, to develop or have developed for us, or to designate: (a) computer software programs and accounting system software that you must use in

connection with the Computer System ("Required Software"), which you shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you shall install; (c) the tangible media upon which you shall record data; and (d) the database file structure of your Computer System.

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

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

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

21.2 Data

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

21.3 Privacy

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

21.4 Telecommunications

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

21.5 Intranet

We may establish a website providing private and secure communications between us, you, franchisees, licensees and other persons and entities as determined by us, in our sole discretion (an "Intranet"). You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Intranet and utilizing the Intranet in connection with the operation of the Restaurant. The Intranet may include, without limitation, the Manuals, training other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You shall purchase and maintain such computer software and hardware as may be required to connect to and utilize the Intranet.

21.6 Online Use of Proprietary Marks

You shall not use the Proprietary Marks, or any abbreviation or other name associated with us and/or the System as part of any email address, domain name, and/or other identification of you in any electronic medium. You agree not to transmit or cause any other party to transmit advertisements or solicitations by email or other electronic media without our prior written consent as to your plan for transmitting such advertisements.

21.7 No Outsourcing Without Prior Written Consent

You shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of your obligations without our prior written approval therefor, unless we have designated an approved supplier to provide such services. Our consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with us and you in a form that is reasonably provided by us.

21.8 Changes to Technology

You and we acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree that you shall abide by those reasonable new standards established by us as if this Article 21 were periodically revised by us for that purpose. You acknowledge and understand that this Agreement does not place any limitations on either our right to require you to obtain Computer Upgrades or the cost of such Computer Upgrades.

ARTICLE 22
YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

22.1 Your Representations

You represent and warrant to us, with the intention that we are relying thereon in entering into this Agreement, that:

22.1.1 If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, then you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and are in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over the Restaurant.

22.1.2 If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, you have all corporate power and authority to execute, deliver, consummate and perform this Agreement, and it will be binding upon you and your successors and assigns when executed.

22.1.3 You do not have any material liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements, which you have furnished to us before the execution of this Agreement.

22.1.4 As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, principal shareholders, proprietors, partners or principals (as applicable) after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or which affects or could affect your right to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.

22.1.5 Neither you nor any of your Principals is a party to any contract, agreement, covenant not to compete or other restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

22.1.6 All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

22.2 Your Acknowledgments

You acknowledge the truthfulness of the statements contained in Attachment 7 hereto. Your acknowledgments are an inducement for us to enter into this Agreement. You shall immediately notify us, prior to acknowledgment, if any statement in Attachment 7 is incomplete or incorrect.

[SIGNATURE PAGE TO FOLLOW]

Each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date first above written.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By:_____
Name:_____
Title:_____
Accepted On:_____
(the "Effective Date")

PRINCIPALS:

_____
Name:_____

_____
Name:_____

Attachment 1 to Franchise Agreement

ACCEPTED LOCATION AND DESIGNATED TERRITORY

1. ACCEPTED LOCATION

Pursuant to Article 1.2 of the Franchise Agreement, the Restaurant shall be located at the following Accepted Location:

_____
_____
_____

2. DESIGNATED TERRITORY:

Pursuant to Article 1.4 of the Franchise Agreement, the Designated Territory shall be a radius of _____ (_____) miles around the Accepted Location.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

Attachment 2 to Franchise Agreement

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") assigns, transfers and sets over to Playa Bowls Franchisor LLC, a New Jersey limited liability company ("Assignee"), all of Assignor's right and title to and interest in that certain "Lease" a copy of which is attached as Exhibit A respecting premises commonly known as _____. This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor's obligations under the Lease.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and that Assignor has not previously assigned or transferred and is not otherwise obligated to assign or transfer any of its interest in the Lease or the premises it demises.

Upon Assignor's default under the Lease or under the "Franchise Agreement" for a Restaurant between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises. In that event Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee's prior written consent. Throughout the term of the Franchise Agreement Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than 30 days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing. Upon Assignee's failure to agree otherwise in writing and upon Assignor's failure to elect to extend or renew the Lease as required Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

ASSIGNEE:
PLAYA BOWLS FRANCHISOR LLC

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

ASSIGNOR:
_____

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

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease:

(a) Agrees to notify Assignee in writing of and upon Assignor's failure to cure any default by Assignor under the Lease;

(b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within 30 days after Lessor's delivery of notice of the default under section (a) above;

(c) Consents to the Collateral Assignment and agrees that if Assignee takes possession of the premises the Lease demises and confirms to Lessor that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within the 30 day period noted in section (b) above Assignor's defaults under the Lease; and

(d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the premises the Lease demises as a Restaurant.

Dated:_____

_____

_____, Lessor

Attachment 3 to Franchise Agreement

DATA SHEET AND STATEMENT OF OWNERSHIP
INTERESTS IN FRANCHISEE

A. Franchisee Entity: _____

B. Entity Address: _____

_____

C. Principals: Name: _____

Address: _____

_____

Mobile Phone: _____

Home Phone: _____

Work Phone: _____

Email Address: _____

Percentage Ownership in Entity: _____%

Name: _____

Address: _____

_____

Mobile Phone: _____

Home Phone: _____

Work Phone: _____

Email Address: _____

Percentage Ownership in Entity: _____%

[SIGNATURE PAGE TO FOLLOW]

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____=

Attachment 4 to Franchise Agreement

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(for trained employees and managers of the Franchised Business)

In consideration of my being a _____of _____ ("Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated _____ (the "Franchise Agreement"), Franchisee has acquired the right and franchise from Playa Bowls Franchisor LLC (the "Company") to establish and operate a Playa Bowls Restaurant (the "Franchised Business") and the right to use in the operation of the Franchised Business the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and Accepted Location: _____ (the "Accepted Location").

2. The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Franchised Businesses offering acai bowls, pitaya bowls, coconut bowls, chia pudding bowls, oatmeal bowls, smoothies, juices, and other healthy food options. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, recipes, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information").

3. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company's Confidential Operations Manuals (the "Manuals"), and other general assistance during the term of the Franchise Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to

be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any food service business which: (a) is the same as, or substantially similar to, a Franchised Business; or (b) offers to sell or sells any products or services which are the same as, or substantially similar to, any of the products offered by a Franchised Business (a "Competitive Business"); and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for 2 years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Business that is, or is intended to be, located at or within:

7.1 Franchisee's Designated Territory, as defined in the Franchise Agreement ("Franchisee's Designated Territory");

7.2 Twenty-five (25) miles of Franchisee's Designated Territory; or

7.3 Twenty-five (25) miles of any Franchised Business operating under the System and the Proprietary Marks.

The prohibitions in this Paragraph 7 do not apply to my interests in or activities performed in connection with a Franchised Business. This restriction does not apply to my ownership of less than 5% beneficial interest in the outstanding securities of any publicly held company.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate or justify any violation of this Agreement.

11. This Agreement shall be construed under the laws of the State of New Jersey, without regard to the application of New Jersey conflict of law rules. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature

Name

Address

Title

ACKNOWLEDGED BY FRANCHISEE

By:_____
Name:_____
Title:_____

Attachment 5 to Franchise Agreement

ELECTRONIC TRANSFER AUTHORIZATION

AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO PLAYA BOWLS FRANCHISOR LLC ("COMPANY")

Depositor hereby authorizes and requests _____ (the "Depository") to initiate debit and credit entries to Depositor's ☐ checking or ☐ savings account (select one) indicated below drawn by and payable to the order of Playa Bowls Franchisor LLC by Electronic Funds Transfer, provided there are sufficient funds in said account to pay the amount upon presentation.

Depositor agrees that the Depository's rights with respect to each such charge shall be the same as if it were a check drawn by the Depository and signed by Depositor. Depositor further agrees that if any such charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Depository shall be under no liability whatsoever.

Depository Name:_____

City:_____ State:_____ Zip Code:_____

Transit/ABA Number:_____ Account Number:_____

This authority is to remain in full force and effect until Company has received written notification from me (or either of us) of its termination in such time and in such manner to afford Company and Depository a responsible opportunity to act on such request.

Depositor: (Please Print)

_____

_____

_____
Date Signed

_____

_____
Signature(s) of Depositor, as Printed Above

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

Attachment 6 to Franchise Agreement

INTERNET ADVERTISING, DIGITAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT

THIS INTERNET ADVERTISING, DIGITAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT (the "Agreement") is made and entered into this day of _____ (the "Effective Date") by and between Playa Bowls Franchisor LLC, a New Jersey limited liability company (the "Franchisor"), and _____, a _____ (the "Franchisee").

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a Playa Bowls business ("Franchise Agreement"; and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement related to the use of Digital Media as such term is defined in this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

The term "Digital Media" shall refer to and mean any interactive or static digital document, listing, directory, application, advertisement, e-commerce platform, link, metadata, or media that is transmitted within a closed or private network, or that is connected to, in communication with, and/or networked with computers, applications, or other devices linked by communications systems, data systems, a part of the world wide web including, traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms including, without limitation, Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, refences, identifies, reviews, promotes and/or relates, in any way, to Playa Bowls Restaurants, Franchisee's Playa Bowls Restaurant, the Marks, the System and/or us. Without limitation to the foregoing, Digital Media includes our designated website(s), and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **Internet Advertising and Telephone Accounts**

2.1 Interest in Websites, Social Media Accounts and Other Digital Media. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise

Agreement, certain right, title, or interest in and to certain Digital Media (collectively, "Digital Media") related to the Franchised Business or the Marks.

2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the "Telephone Listings") related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media companies, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Digital Media: (i) to transfer all of Franchisee's interest in such Digital Media to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Digital Media, Franchisee will immediately direct the Internet Companies to terminate such Digital Media or will take such other actions with respect to the Digital Media as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Listings: (i) to transfer all Franchisee's interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee's interest in and to the Digital Media to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Digital Media;

2.4.2 Direct the Telephone Companies to transfer all Franchisee's interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Digital Media and/or Telephone Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the State of New Jersey, without regard to the application of New Jersey conflict of law rules.

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

Attachment 7 to Franchise Agreement

FRANCHISEE ACKNOWLEDGMENT STATEMENT

You hereby acknowledge the following:

1. You have conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. You further acknowledge that, except as may be set forth in our Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to you by us and you and any and all Principals hereby waive any claim against us for any business failure you may experience as a franchisee under this Agreement.

_____
Initial

2. You have conducted an independent investigation of the business contemplated by this Agreement and understand and acknowledge that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of you and your efforts as an independent business operation.

_____
Initial

3. You agree that no claims of success or failure have been made to you prior to signing the Franchise Agreement and that you understand all the terms and conditions of the Franchise Agreement. You further acknowledge that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

_____
Initial

4. You have no knowledge of any representations by us or our officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. You acknowledge that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. You represent, as an inducement to our entry into this Agreement, that you have made no misrepresentations in obtaining the Franchise Agreement.

_____
Initial

5. You expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

_____
Initial

6. You acknowledge that our approval or acceptance of your Franchised Business' location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by us that the operation of the Franchised Business at the premises will be successful or profitable.

_____
Initial

7. You acknowledge that you have received the Playa Bowls Franchisor LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least 14 calendar days prior to the date on which the Franchise Agreement was executed. You further acknowledge that you have read such Franchise Disclosure Document and understand its contents.

_____
Initial

8. You acknowledge that you have had ample opportunity to consult with your own attorneys, accountants and other advisors and that the attorneys for us have not advised or represented you with respect to the Franchise Agreement or the relationship thereby created.

_____
Initial

9. You, together with your advisers, have sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

_____
Initial

10. You are aware of the fact that other present or future franchisees of ours may operate under different forms of agreement(s), and consequently that our obligations and rights with respect to our various franchisees may differ materially in certain circumstances.

_____
Initial

11. It is recognized by the parties that we are also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that we do not warrant that such products will not be sold within your Designated Territory by others who may have purchased such products from us.

_____
Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, YOU AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF YOUR AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE PLAYA BOWLS FRANCHISOR LLC, PLAYA BOWLS, LLC, AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

_____
Initial

Acknowledged this day of _____.

PRINCIPAL:

_____
Signature
Name:_____

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

Attachment 8 to Franchise Agreement

AMERICANS WITH DISABILITIES ACT CERTIFICATION

Playa Bowls Franchisor LLC ("Franchisor") and _____ ("Franchisee") are parties to a Franchise Agreement dated _____, for the operation of a "Playa Bowls" Restaurant at _____ (the "Franchised Business"). In accordance with Article 2 of the Franchise Agreement, Franchisee certifies to Franchisor that, to the best of Franchisee's knowledge, the Franchised Business and its adjacent areas comply with all applicable federal, state and local accessibility laws, statutes, codes, rules, regulations and standards, including but not limited to the Americans with Disabilities Act. Franchisee acknowledges that it is an independent contractor and the requirement of this certification by Franchisee does not constitute ownership, control, leasing or operation of the Franchised Business. Franchisee acknowledges that Franchisee has relied on the information contained in this certification. Furthermore, Franchisee acknowledge its obligation under this Franchise Agreement to indemnify Franchisor and the officers, directors, and employees of Franchisor in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party(ies) as a result of any matters associated with Franchisee's compliance with the Americans with Disabilities Act, as well as the costs, including attorneys' fees, related to the same.

FRANCHISEE

_____

By:_____
Name:_____
Title:_____

Attachment 9 to Franchise Agreement

SPOUSAL GUARANTY

This Guaranty and Covenant (this "Guaranty") is given by the undersigned ("Guarantor") on ____ _____ (the "Effective Date"), to Playa Bowls Franchisor LLC, a New Jersey limited liability company ("Franchisor"), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the "Franchisee Agreement") with _____ _____, a(n) _____, _____ _____ and _____(collectively "Franchisee").

Guarantor acknowledges that Guarantor is the spouse of Franchisee's Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty is in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Article 10 of the Franchise Agreement ("Guaranteed Obligations"). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

_____
Signature
Name:_____
Address:_____
_____
_____

Exhibit C to the
Playa Bowls Franchise Disclosure Document

MULTI-UNIT DEVELOPMENT AGREEMENT

PLAYA BOWLS FRANCHISOR LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

MULTI-UNIT DEVELOPER

DATE OF AGREEMENT

Multi-Unit Development Agreement

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ATTACHMENTS:

1	Certification by Multi-Unit Developer
2	Minimum Performance Schedule
3	Development Area

MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this day of _____, between Playa Bowls Franchisor LLC, a New Jersey limited liability company, having its principal place of business at 197 State Route 18, Suite 202N, East Brunswick, New Jersey, 08816 ("we", "us" or "our"), and _____, an individual residing at _____ (hereinafter "you" or "your").

W I T N E S E T H:

WHEREAS, as the result of the expenditure of time, skill, effort and money, we and our affiliate have developed and own a unique and distinctive system (hereinafter "System") relating to the establishment and operation of a restaurant operating under the name "Playa Bowls" offering acai bowls, pitaya bowls, coconut bowls, chia pudding bowls, oatmeal bowls, smoothies, juices, and other healthy food options for dine-in and take-out ("Restaurant" or "Franchised Business");

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark "Playa Bowls" and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as "Marks" or "Proprietary Marks");

WHEREAS, we and our affiliate continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance and service; and

WHEREAS, you wish to obtain certain development rights to open and operate Restaurants operating under the Marks and the System within the Development Area described in this Agreement.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party stated herein, hereby agree as follows:

SECTION 1
GRANT

1.1 We hereby grant to you, pursuant to the terms and conditions of this Agreement, certain development rights ("Development Rights") to establish and operate _____ (_____) franchised Restaurants, and to use the Marks and System solely in connection therewith, at specific locations to be designated in separate Franchise Agreements executed as provided in Article 3.1 hereof, and pursuant to the schedule established in Attachment 2 of this Agreement (hereinafter "Minimum Performance Schedule"). Each Restaurant developed hereunder shall be located in the area described in Attachment 3 of this Agreement (hereinafter "Development Area"). The Minimum Performance Schedule shall be deemed completed, and this Agreement shall expire, upon the opening of the last Playa Bowls Restaurant to be developed hereunder.

1.2 Each Restaurant for which a Development Right is granted hereunder shall be established and operated pursuant to a Franchise Agreement to be entered into between you and us in accordance with Article 3.1 hereof.

1.3 Except as otherwise provided in this Agreement, we shall not establish, nor franchise anyone other than you to establish, a Restaurant in the Development Area during the term of this Agreement, provided you are not in default hereunder.

1.4 This Agreement is not a Franchise Agreement and does not grant to you any right to use the Marks or System.

1.5 You shall have no right under this Agreement to franchise others under the Marks or System.

SECTION 2
DEVELOPMENT FEE; INITIAL FRANCHISE FEES

2.1 In consideration of the development rights granted herein, you shall pay to us a Development Fee of _____ Dollars ($_____), payable upon execution of this Agreement ("Development Fee"). The Development Fee is calculated as 100% of the initial franchise fee for the first Restaurant to be developed hereunder, plus a deposit equal to 50% of the initial franchise fee for each additional Restaurant to be developed hereunder.

2.2 The Development Fee shall be fully earned by us upon execution of this Agreement, shall be non-refundable, and shall be for administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the Development Rights granted to you herein.

2.3 The initial franchise fee payable for each Restaurant to be developed hereunder shall be $35,000.

2.4 The initial franchise fee for the first Restaurant has been paid in full in the Development Fee. You shall execute the Franchise Agreement for the first Restaurant contemporaneously with your execution of this Agreement and a portion of the Development Fee will be used to satisfy the initial franchise fee for such first Restaurant in full. For each additional Restaurant developed hereunder, we will apply a *pro rata* portion of the Development Fee toward the initial franchise fee due for such Restaurant. The balance of the initial franchise fee is payable to us in a lump sum upon execution of the Franchise Agreement for that Restaurant.

SECTION 3
SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1 You shall assume all responsibility and expense for locating potential sites for Restaurants and shall submit to us for our evaluation and approval, in the form specified by us, a description of the site, the terms of the lease or purchase, a market feasibility study for the site and such other information and materials as we may reasonably require, together with a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We shall have 30 days after receipt of such information and materials from you to accept or decline the site in our sole discretion. If the site is accepted, you will then be presented with the Franchise Agreement for execution.

3.2 Recognizing that time is of the essence, you agree to exercise each of the Development Rights granted hereunder in the manner specified herein, and in accordance with the Minimum Performance Schedule. Your failure to adhere to the Minimum Performance Schedule shall constitute a default under this Agreement as provided in Article 9.1 hereof. Under no circumstances may you open a Restaurant for business unless and until there is a fully executed Franchise Agreement in place for such Restaurant and we have been paid all amounts payable to us.

3.3 You shall exercise each Development Right granted herein only by executing a Franchise Agreement for each Restaurant at a site approved by us in the Development Area as hereinafter provided within 10 days after receipt of said Franchise Agreement from us for the approved site and return same to us for our execution. The Franchise Agreement for the first Development Right exercised hereunder has been executed contemporaneously with this Agreement. The Franchise Agreement for each additional Development Right exercised hereunder shall be the then current Franchise Agreement, subject to any non-material changes therein which are required to be made by changes in any applicable law, regulation or ordinance in effect from time to time. In the event we do not receive the properly executed Franchise Agreement with the appropriate number of copies within said 10 days from delivery thereof to you, our approval of the site shall be void and you shall have no rights with respect to said site.

3.4 You acknowledge that the approval of a particular site for a Restaurant by us shall not be deemed to be an assurance or guaranty that the Restaurant will operate successfully or at a profit from such site.

3.5 You may enter into the initial Franchise Agreement or any subsequent Franchise Agreement as required under this Agreement using a newly formed entity, such as a limited liability company, corporation or partnership for the sole purpose of entering into a Franchise Agreement and operating the Playa Bowls Restaurant pursuant thereto, provided that you shall also personally sign such Franchise Agreement as a principal.

SECTION 4
DEVELOPMENT RIGHTS AND OBLIGATIONS

4.1 Subject to the provisions of this Agreement, we grant to you the Development Rights, as described in Article 1.1. Notwithstanding any other provision of this Agreement, Development Rights under this Agreement may or may not, in our sole discretion, include the right to develop Restaurants at any "Non-Traditional Sites". Non-Traditional Sites include without limitation gas stations or convenience stores; transportation facilities, including airports, train stations, subways and rail and bus stations; military bases and government offices; sports facilities, including stadiums and arenas; amusement parks, zoos and convention centers; car and truck rest stops and travel centers; educational facilities; recreational theme parks; hospitals; hotels; business or industrial foodservice venues; venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider; Indian reservations; casinos; or

any similar captive market location not reasonably available to you, whether currently existing or constructed or established subsequent to the date hereof.

4.2 Provided you are in full compliance with all the terms and conditions of this Agreement, including without limitation your development obligations described in Article 3.2 and the Minimum Performance Schedule, and you are in full compliance with all of your obligations under all Franchise Agreements executed pursuant to this Agreement, then during the term of this Agreement neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Restaurants within the Development Area, except the franchises that are granted to you pursuant to this Agreement and except as otherwise expressly provided in this Agreement.

4.3 Upon the termination or expiration of this Agreement, we and our affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Restaurants within the Development Area subject only to the territorial rights granted to you with respect to Restaurants operated by you pursuant to the Franchise Agreements and subject, further, to the right of first refusal described in Article 6 below.

4.4 We and our affiliates retain all rights with respect to Restaurants, the Marks and the sale of any goods and services, anywhere in the world, including, without limitation, the right:

4.4.1 to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Restaurants and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described below, both within and outside the Development Area, and under any terms and conditions we deem appropriate. "Alternative distribution channels" include, but are not limited to, the internet, catalog sales, grocery stores, club stores, specialty food stores, telemarketing or other direct marketing sales;

4.4.2 to operate and to grant others the right to operate Restaurants located outside the Development Area under any terms and conditions we deem appropriate and regardless of proximity to a Restaurant;

4.4.3 to operate and to grant others the right to operate Restaurants at Non-Traditional Sites within and outside the Development Area under any terms and conditions we deem appropriate, subject to the right of first refusal described in Article 6.2; and

4.4.4 to acquire and operate a business operating one or more restaurants or food service businesses located or operating in the Development Area, except that these businesses will not operate using the Proprietary Marks.

SECTION 5
RENEWAL

This Agreement shall not be subject to renewal; however, if you wish to purchase a new Development Area and continue to develop Restaurants, we will, in good faith, negotiate a new Multi-Unit Development Agreement with you.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SECTION 6
TERM AND RIGHT OF FIRST REFUSAL

6.1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all Development Rights granted hereunder shall expire on the date the last Restaurant is opened pursuant to the Minimum Performance Schedule established in Attachment 2.

6.2 If, during the term of this Agreement, a Non-Traditional Site becomes available in your Development Area, then we may, in our sole discretion, offer to you the opportunity to develop a Restaurant at such Non-Traditional Site. You shall have 30 days after receipt of our notice in which to accept or decline this right of first refusal. Your failure to notify us within such 30 day period shall be interpreted that you have declined the right of first refusal. Nothing in this Agreement shall require us to provide you with a right of first refusal for a Non-Traditional Site.

6.3 Upon completion of the Minimum Performance Schedule, if we determine that it is desirable to operate one or more additional Restaurants in the Development Area, and provided you have timely complied with the Minimum Performance Schedule and are then in compliance with all terms and conditions of all Franchise Agreements, you shall have a right of first refusal to obtain the Development Rights to such additional Restaurants upon such reasonable terms and conditions as are then determined by us including, but not limited to, the imposition of a new Development Fee and the payment of the then current initial fees upon execution of the then current Franchise Agreements. In such case, we shall advise you in writing of the terms and conditions for the acquisition of the Development Rights for such additional Restaurants. You must notify us in writing within 60 days of the receipt of such notice whether you wish to acquire the Development Rights to one or all of such additional Restaurants. If you do not exercise this right of first refusal, in whole, we may, following the expiration of the 60 day period, grant the Development Rights to such additional Restaurants to any other person or persons on the same terms and conditions or we may elect to develop and construct any of such additional Restaurants.

SECTION 7
YOUR OBLIGATIONS

You acknowledge and agree that:

7.1 Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of Restaurants and to submit the same to us for our approval in accordance with the terms of this Agreement. This Agreement does not include the grant of a license by us to you of any rights to use the Marks, the System, or to open or operate any Restaurants within the Development Area. You shall obtain the license to use such additional rights at each Restaurant upon the execution of each Franchise Agreement by both you and us and only in accordance with the terms of each Franchise Agreement.

7.2 The Development Rights granted hereunder are personal to you and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Article 11 hereof.

7.3 Except as provided in Articles 6.1 and 6.2 hereof, the Development Rights granted hereunder are non-exclusive, and we retain the right, in our sole discretion:

7.3.1 To continue to construct and operate other Restaurants and to use the System and the Marks at any location outside the Development Area, and to license others to do so.

7.3.2 To develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by us as Marks for

use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein.

7.3.3 To develop, merchandise, sell and license others to sell any of our products, proprietary or otherwise, presently existing or to be developed in the future, to the public through alternative distribution channels outside or inside of the Development Area and to use the Marks in connection therewith.

7.4 You have sole responsibility for the performance of all obligations arising out of the operation of your business pursuant to this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

7.5 In all public records, in your relationship with other persons, and in any documents, you shall indicate clearly the independent ownership of your business and that the operations of said business are separate and distinct from the operation of a Playa Bowls Restaurant.

7.6 You shall at all times preserve in confidence any and all materials and information furnished or disclosed to you by us and you shall disclose such information or materials only to such of your employees or agents who must have access to it in connection with their employment. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

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

7.8 You shall at no time have the right to sub-franchise any of your Development Rights hereunder.

7.9 In no event shall any Restaurant be opened for business unless and until a Franchise Agreement for such Restaurant has been fully executed and the initial franchise fee for such Restaurant has been fully paid.

SECTION 8
OUR SERVICES

We shall, at our expense, provide the following services:

8.1 Review your site selection for conformity to our standards and criteria for selection and acquisition of sites upon our receipt of your written request for approval thereof.

8.2 Assist you in determining the layout and configuration of each Restaurant once the location has been approved. After you and we have determined the layout and configuration of each Restaurant, you must arrange for site plan and build-out plans and specifications to be prepared and submitted to us for our review and approval.

8.3 Review of your site plan and final build-out plans and specifications for conformity to the construction standards and specifications of the System, upon our receipt of your written request for approval thereof.

8.4 Provide such other resources and assistance as may hereafter be developed and offered by us to our other multi-unit developers.

SECTION 9
DEFAULT AND TERMINATION

9.1 The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement upon notice to you without opportunity to cure the default, except where prohibited by any applicable state or federal law, whereupon this Agreement shall be terminated in accordance with the provisions of any such law:

9.1.1 If you shall, in any respect, fail to meet the Minimum Performance Schedule.

9.1.2 If you shall purport to effect any assignment other than in accordance with Article 11 hereof.

9.1.3 Except as provided in Article 11 hereof, if you attempt to sell, assign, transfer or encumber this Agreement prior to the time that at least 25% of the Restaurants to be constructed and opened for business in accordance with the Minimum Performance Schedule are, in fact, open or under construction.

9.1.4 If you make, or have made, any material misrepresentation to us in connection with obtaining this Agreement, any site approval hereunder, or any Franchise Agreement.

9.1.5 If you default in the performance of any obligation under any Franchise Agreement with us, provided such default results in the termination of the Franchise Agreement.

9.1.6 If you suffer a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Restaurant and permit the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and you promptly resort to courts or forums of appropriate jurisdiction to contest such violation or legality.

9.1.7 If any of you is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of 1 year.

9.1.8 If any of you shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a *supersedeas* bond is filed); if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the business shall be sold after levy thereupon by any sheriff, marshal, or constable.

9.1.9 If you or any of your affiliates cease to operate all of the Restaurants developed pursuant to the terms of this Agreement.

9.2 Upon occurrence of any of the events stated in this Article 9.2, we may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective 30 days after written notice (or such other notice as may be required by applicable state law) is given by us to you of any of such events, if such defaults are not cured within such period:

9.2.1 If you shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are our property except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

9.2.2 If you shall have any interest, direct or indirect, in the ownership or operation of any food service business engaged in the sale of products the same as or substantially similar to those permitted to be sold by a Playa Bowls Restaurant or in any food service business which looks like, copies or imitates the Restaurant or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement with us.

9.2.3 If you shall fail to remit to us any payments pursuant to Article 2 when same are due.

9.2.4 If you shall begin work upon any Restaurant at any site unless all the conditions stated in Article 3 hereof have been met.

9.2.5 If you fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement.

9.2.6 If you default in the performance of any other obligation under this Agreement.

9.2.7 If you open any Restaurant for business before a Franchise Agreement for such Restaurant has been fully executed and the initial franchise fee due to us has been paid.

SECTION 10
OBLIGATIONS FOLLOWING TERMINATION

10.1 Upon termination of this Agreement becoming effective for any reason, or upon expiration of the term hereof, you agree as follows:

10.1.1 To cease immediately any attempts to select sites on which to establish Restaurants.

10.1.2 To cease immediately to hold yourself out in any way as a multi-unit developer of ours or to do anything which would indicate a relationship between you and us.

10.2 No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

SECTION 11
TRANSFER OF INTEREST

11.1 This Agreement is personal to you and you shall neither sell, assign, transfer nor encumber this Agreement, the Development Rights, or any other interest hereunder, nor suffer or permit any such

assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without our prior written consent. You understand that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Article shall constitute a material breach of this Agreement.

11.2 You have represented to us that you are entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, you agree that any attempt to assign this Agreement, prior to the time that at least 25% of the Restaurant(s) to be constructed hereunder are opened or under construction shall be deemed to be an event of default.

11.3 If you receive from an unaffiliated third party and desire to accept a bona fide written offer to purchase your business, Development Rights and interests, we shall have the option, exercisable within 30 days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Article 11.3, to purchase such business, Development Rights and interests, including your right to develop sites within the Development Area, on the same terms and conditions as offered by said third party. In order that we may have information sufficient to enable us to determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request. If we decline or do not accept the offer in writing within 30 days, you may, within 30 days from the expiration of the option period, sell, assign and transfer your business, Development Rights and interest to said third party, provided we have consented to such transfer as required by this Article 11. Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by us or our nominee, as in the case of an initial offer. Our failure to exercise the option afforded by this Article 11.3 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Article with respect to the proposed transfer.

11.4 You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as our reputation and image, and are for the protection of us, you and other multi-unit developers and franchisees. Any assignment or transfer permitted by this Article 11 shall not be effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto.

11.5 Except as provided in this Article 11, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

11.5.1 All of your obligations created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

11.5.2 All ascertained or liquidated debts of you to us or our affiliated or subsidiary corporations are paid.

11.5.3 You are not in default hereunder.

11.5.4 We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

11.5.5 Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, our standard form of Multi-Unit Development Agreement, Franchise Agreements for all Restaurants open or under construction hereunder, and such other then current ancillary agreements being required by us of new multi-unit developers on the date of transfer.

11.5.6 You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by us.

11.5.7 You or transferee pay to us a transfer fee equal to $10,000 to cover our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee.

11.6 As it relates to death or disability:

11.6.1 Upon your death or upon the death of any person who has an interest of more than 50% in this Agreement or the Development Rights (the "Deceased"), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by us within 12 months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within 12 months after the death of the Deceased.

11.6.2 Upon your permanent disability or upon the permanent disability of any person who has an interest of more than 50% in this Agreement or the Development Rights, we may, in our reasonable discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Article 11 within 6 months after notice to you. "Permanent disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least 90 consecutive days and from which condition recovery within 90 days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by us, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Article 11. The costs of any examination required by this Article shall be paid by us.

11.6.3 Upon the death or claim of permanent disability of you or of any person who has an interest of more than 50% in this Agreement or the Development Rights, you or a representative of yours must notify us of such death or claim of permanent disability within 10 days of its occurrence. Any transfer upon death or permanent disability shall be subject to the same terms and conditions as described in this Article for any *inter vivos* transfer. If an interest is not transferred upon death or permanent disability as required in this Article, then such failure shall constitute a material event of default under this Agreement.

11.7 Our consent to a transfer of any interest by you or of any of the Development Rights pursuant to this Article shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee.

11.8 We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time

of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of "Playa Bowls Franchisor LLC" as Franchisor. Nothing contained in this Agreement shall require us to remain in the restaurant business or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement.

SECTION 12
COVENANTS

12.1 You specifically acknowledge that, pursuant to this Agreement, you will receive valuable training and confidential information, including, without limitation, secret recipes, information regarding the marketing methods and techniques of us and the System. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you shall not, either directly or indirectly, for yourself/himself, or through, on behalf of or in conjunction with any person, persons or legal entity:

12.1.1 Divert or attempt to divert any business or client of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

12.1.2 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any restaurant or food service business other than the Franchised Business (including any business operated by you prior to entry into this Agreement), which business is of a character and concept similar to the Restaurant, including a restaurant which offers and sells the same or substantially similar food products (a "Competitive Business").

12.2 You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement, and continuing for 2 years thereafter (and, in case of any violation of this covenant, for 2 years after the violation ceases), either directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any Competitive Business which is located within 25 miles of any Playa Bowls Restaurant in the System.

12.3 Subsections 12.1.2 and 12.2 of this Article shall not apply to ownership by you of less than a 5% beneficial interest in the outstanding equity securities of any company which is registered under the Securities Exchange Act of 1934.

12.4 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article 12 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Article 12.

12.5 You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant stated in Articles 12.1 and 12.2 or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof, and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Article 16 hereof.

12.6 You expressly agree that the existence of any claim you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Article 12.

12.7 You acknowledge that any failure to comply with the requirements of this Article 12 would cause us irreparable injury for which no adequate remedy at law may be available, and you hereby accordingly consent to our seeking injunctive relief prohibiting any conduct by you in violation of the terms of this Article 12. We may further avail ourselves of any other legal or equitable rights and remedies which we may have under this Agreement or otherwise.

12.8 During the term of this Agreement, an officer or agent of ours shall have the right to inspect any Restaurant in which you have an interest at reasonable times and during normal business hours to the extent reasonably necessary to determine whether the conditions of this Article 12 are being satisfied. If, by reason of such inspections or otherwise, we have reason to believe that you are not in full compliance with the terms of this Article, we shall give notice of such default to you, specifying the nature of such default. If you deny that you are in default hereunder, as specified by us, you shall have the burden of establishing that such default does not exist and shall give notice to us of your position within 10 days of receipt of the notice from us. Unless you so deny such default, you shall immediately take all steps to cure said default in a manner satisfactory to us.

SECTION 13
NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by expedited delivery service or certified or registered mail, return receipt requested, first class postage prepaid, or sent by facsimile or email (provided that the sender confirms the facsimile or email by sending an original confirmation copy by certified or registered mail or expedited delivery service within 3 business days after transmission) to the respective parties at the addresses in the introductory paragraph hereof, unless and until a different address has been designated by written notice to the other party.

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of facsimile and/or email, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service or registered or certified mail, 3 business days after the date and time of mailing.

SECTION 14
INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1 The parties acknowledge and agree that you shall be an independent contractor and this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. You understand and agree that you are and will be an independent contractor under this Agreement. Nothing in this Agreement may be interpreted

as creating a partnership, joint venture, agency, employment or fiduciary relationship of any kind. Your employees are not our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or by implication, shall be considered our employee for any purpose, regardless of inclusion in mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or terminate the employment of your employees. You expressly agree, and will never claim otherwise, that our authority under this Agreement to determine that certain of your employees are qualified to perform certain tasks for you does not directly or indirectly vest in us the power to influence the employment terms of any such employee.

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

14.2 During the term of this Agreement, you shall hold yourself out to the public as an independent contractor conducting your operations pursuant to the rights granted by us. You agree to take such action as shall be reasonably necessary to that end, including, without limitation, exhibiting a notice of that fact in a conspicuous place on any Restaurant premises established for the purposes hereunder and on all letterhead, business cards, forms, and as further described in the Manual. We reserve the right to specify in writing the content and form of such notice.

You acknowledge and agree that any training we provide for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Playa Bowls Restaurant and in no fashion reflects any employment relationship between us and such employees. If it is ever asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, appearing at any venue requested by us to testify on our behalf; participating in depositions or other appearances; or preparing affidavits rejecting any assertion that we are the employer, joint employer or co-employer of any of your employees.

14.3 You understand and agree that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom. You shall indemnify and hold us and our officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with your activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by our actions or actions caused by the negligent acts of us or our agents.

SECTION 15
APPROVALS

15.1 Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us for such approval or consent, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

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

SECTION 16
NON-WAIVER

No failure of ours to exercise any power reserved to us under this Agreement or to insist upon compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our rights to demand exact compliance with the terms of this Agreement. Our waiver of any particular default shall not affect or impair our right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this Agreement affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default.

SECTION 17
SEVERABILITY AND CONSTRUCTION

17.1 Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement. The provisions of this Agreement shall be deemed severable.

17.2 If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement.

17.3 Nothing in this Agreement shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Article 11 hereof, any rights or remedies under or by reason of this Agreement.

17.4 All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

17.5 All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this Agreement on your behalf.

17.6 This Agreement may be executed in multiple copies, each of which shall be deemed an original.

SECTION 18
ENTIRE AGREEMENT

This Agreement, the documents referred to herein and the Attachments attached hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you

by us. 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.

SECTION 19
DISPUTE RESOLUTION; APPLICABLE LAW

19.1 Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation will be settled by binding arbitration within the county and state where we maintain our headquarters under the authority of such state's statutes (the "Statutes"). The arbitrator(s) will have a minimum of 5 years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Article will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

19.2 With respect to any claims, controversies or disputes which are not finally resolved through arbitration, or as otherwise provided above, you hereby irrevocably submit yourself to the jurisdiction of the state courts and the Federal District Court closest to our headquarters. You hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You hereby agree that service of process may be made upon any of you in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by New Jersey or federal law. You further agree that venue for any proceeding relating to or arising out of this Agreement shall be the county and state where we maintain our headquarters; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction. With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under the law of the state where we maintain our headquarters.

19.3 You and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Articles 19.1 and 19.2 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

19.4 You and we acknowledge that the execution of this Agreement and acceptance of the terms by the parties occurred in Monmouth County, New Jersey, and further acknowledge that the performance of certain of your obligations arising under this Agreement, including, but not limited to, the payment of monies due hereunder and the satisfaction of certain training requirements of ours, shall occur in Monmouth County, New Jersey.

19.5 You and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without

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

19.6 We and you irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of us against the other. Any and all claims and actions arising out of or relating to this Agreement, the relationship of you and us, or your operation of the Franchised Business, brought by either party hereto against the other, whether in arbitration, or a legal action, shall be commenced within 2 years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

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

SECTION 20
TIMELY PERFORMANCE

You hereby acknowledge that your timely development of the Restaurants in the Development Area in accordance with the Minimum Performance Schedule is of material importance to us and you. You agree, as a condition of the continuance of the rights granted hereunder, to develop and open Restaurants within the Development Area in accordance with the Minimum Performance Schedule, to operate such Restaurants pursuant to the terms of the Franchise Agreements and to maintain all such Restaurants in operation continuously. We agree to diligently act upon any request of or approval from you and any material delay in your ability to meet the Minimum Performance Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this Agreement shall not be a default hereunder if such failure or delay arises out of or results from a Force Majeure, which for purposes of this Agreement shall be defined as fire, flood, earthquake or other natural disasters, or acts of a public enemy, war, rebellion or sabotage. Force Majeure shall not include your lack of financing.

SECTION 21
ACKNOWLEDGMENTS

21.1 YOU ACKNOWLEDGE THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES SUBSTANTIAL BUSINESS RISKS AND WILL BE TOTALLY AND COMPLETELY DEPENDENT UPON YOUR ABILITY AS AN INDEPENDENT BUSINESSPERSON. WE EXPRESSLY DISCLAIM THE MAKING OF, AND YOU ACKNOWLEDGE NOT HAVING RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

21.2 YOU ACKNOWLEDGE HAVING RECEIVED, READ AND UNDERSTOOD THIS AGREEMENT, THE ATTACHMENTS ATTACHED HERETO AND AGREEMENTS RELATING HERETO, IF ANY, AND THE DISCLOSURE DOCUMENT DELIVERED SIMULTANEOUSLY HEREWITH; AND WE HAVE ACCORDED YOU AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL RISKS OF ENTERING INTO THIS AGREEMENT.

21.3 YOU ACKNOWLEDGE THAT YOU RECEIVED THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION AT LEAST 14 CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED OR ANY PAYMENT WAS MADE TO US OR OUR AFFILIATE.

21.4 YOU EXPRESSLY ACKNOWLEDGE THAT YOU HAVE NOT RELIED UPON ANY EARNINGS CLAIMS, SUCH AS ORAL OR WRITTEN STATEMENTS OR SUGGESTIONS, MADE BY ANY REPRESENTATIVE OF OR ANY OTHER PERSON PURPORTING TO BE ACTING ON OUR BEHALF REGARDING THE POTENTIAL FUTURE SALES, REVENUES OR PROFITS WHICH MAY BE DERIVED FROM OPERATION OF PLAYA BOWLS RESTAURANTS OR DEVELOPMENT OF THE DEVELOPMENT AREA, EXCEPT AS MAY BE INCLUDED IN ITEM 19 OF THE DISCLOSURE DOCUMENT HERETOFORE PROVIDED TO YOU.

SECTION 22
EFFECTIVE DATE

This Agreement shall be effective as of the date it is executed by us.

The parties hereto have duly executed, sealed and delivered this Agreement in triplicate on the day and year first above written.

MULTI-UNIT DEVELOPER:

_____

Name:_____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By:_____
Name:_____
Title:_____

Attachment 1 to Multi-Unit Development Agreement

CERTIFICATION BY MULTI-UNIT DEVELOPER

The undersigned, personally and as Multi-Unit Developer does hereby certify that he/she has conducted an independent investigation of the business contemplated by this Multi-Unit Development Agreement and the Playa Bowls Franchisor LLC Franchise Agreement, and that the decision to execute the Multi-Unit Development Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he/she has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated "Playa Bowls" Restaurants, except as may be included in Item 19 of the Franchise Disclosure Document heretofore provided to Multi-Unit Developer. The undersigned further certifies that he/she understands the risks involved in this investment and Playa Bowls Franchisor LLC makes no representation or guaranty, explicit or implied, that the Multi-Unit Developer will be successful or will recoup his investment.

The undersigned has signed, sealed and delivered this Certificate this day of _____.

_____

Name:_____

_____

Name:_____

_____

Name:_____

Attachment 2 to Multi-Unit Development Agreement

MINIMUM PERFORMANCE SCHEDULE

The Agreement authorizes and obliges Multi-Unit Developer to establish and operate _____ (___) "Playa Bowls" Restaurants pursuant to a Franchise Agreement for each Restaurant. The following is Multi-Unit Developer's Minimum Performance Schedule:

Minimum Cumulative Number of Franchise Agreements for Restaurants to be located and Operating Within the Development Area	By this Date
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Total:_____

The Minimum Performance Schedule shall be deemed completed, and this Agreement shall expire, upon the opening of the final Restaurant to be developed pursuant to this Agreement.

APPROVED:

MULTI-UNIT DEVELOPER:

_____

Name:_____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By:_____
Name:_____
Title:_____

Attachment 3 to Multi-Unit Development Agreement

DEVELOPMENT AREA

The following describes the Development Area within which Multi-Unit Developer may locate "Playa Bowls" Restaurants under this Agreement:

APPROVED:

MULTI-UNIT DEVELOPER:	FRANCHISOR: PLAYA BOWLS FRANCHISOR LLC
_____	
Name:_____	By:_____ Name:_____ Title:_____

Exhibit D to the
Playa Bowls Franchise Disclosure Document

LIST OF FRANCHISEES AND
FRANCHISEES THAT HAVE LEFT THE SYSTEM

LIST OF FRANCHISEES

Franchisees (as of December 31, 2021)			
State	**Business Location**	**Franchisee**	**Contact Information**
AZ	ASU (Outlet Not Yet Open)	IT'S A "SHORE" THING 1 LLC (Larry DeRogatis, Anthony DeRogatis & Susan DeRogatis)	(602) 768-6605
	Gilbert (Outlet Not Yet Open)	PLAYA GILBERT, LLC (Zachary Markham & Erica Markham)	(480) 773-1855
	Queen Creek (Outlet Not Yet Open)	PLAYA QC, LLC (Zachary Markham & Erica Markham)	(480) 773-1855
	8870 N 9th Street, Suite 103 Scottsdale, AZ 85258	IT'S A "SHORE" THING 2 LLC (Larry DeRogatis, Anthony DeRogatis & Susan DeRogatis)	(480) 476-7550
CO	Aurora, CO (Outlet Not Yet Open)	EAST GONE WEST 4 LLC (Cody Benisch & Robert Wissing)	(973) 715-0176
	Denver, CO (Outlet Not Yet Open)	EAST GONE WEST 5 LLC (Cody Benisch & Robert Wissing)	(973) 715-0176
	99 S. Broadway, Suite 115 Denver, CO 80209	EAST GONE WEST 2 LLC (Cody Benisch & Robert Wissing)	(720) 541-7193
	5845 W 25th Avenue Edgewater, CO 80214	EAST GONE WEST 3 LLC (Cody Benisch & Robert Wissing)	(303) 632-6108
	2490 W Main Street Littleton, CO	EAST GONE WEST LLC (Cody Benisch & Robert Wissing)	(303) 353-2776
CT	1029 Boston Post Road Darien, CT	PLAYA OF DARIEN INC	(203) 202-7446
	57 Unquowa Road Fairfield, CT 06824-5032	PLAYA OF FAIRFIELD LLC	(203) 292-6999
	140 Glastonbury Road Glastonbury, CT 06033	PB GBURY LLC (Mitchell Jackson & Michael Bogdan)	(860) 430-2609
	51 Memorial Road West Hartford, CT 06107-220	PB WEHA LLC	(860) 216-4152
DE	Dewey Beach, DE (Outlet Not Yet Open)	GEE BOWLS INC	(443) 350-2978
	832 Kohl Avenue Middletown, DE 19709-4703	GEE BOWLS INC	(302) 696-2463
	220 Rehoboth Avenue Rehoboth Beach, DE 19971-2134	GEE BOWLS INC	(302) 567-2311
	134 East Main Street Newark, DE 19711-7327	GEE BOWLS INC	(302) 286-5196
FL	Aventura, FL (Outlet Not Yet Open)	PBFL LLC	(561) 305-7100
	Coral Gables, FL (Outlet Not Yet Open)	PB SOFLO LLC	(954) 529-0078
	Coral Springs, FL (Outlet Not Yet Open)	PBFL LLC	(561) 305-7100
	2471 S University Drive Davie, FL 33324	PB DAVIE LLC	(786) 400-6147
	1134 E Atlantic Avenue Delray Beach, FL 33483	Joseph Coakley	(561) 359-2946
	Doral, FL (Outlet Not Yet Open)	PBFL LLC	(561) 305-7100

	10041 University Drive, Suite 160 Fort Myers, FL 33913	Michael L. Bergen	(239) 887-4931
	Jupiter, FL (Outlet Not Yet Open)	Z BOWLS 1 LLC	(973) 229-4394
	Naples, FL (Outlet Not Yet Open)	BERGEN SUN & STARS LLC	(215) 760-6080
	58 Main Street Rosemary Beach, FL 32413	30ACAI LLC	(850) 399-4042
	Sarasota (34243) (Outlet Not Yet Open)	Ethan McGown and Seth McGown	(201) 218-6364
	Sarasota (34246) (Outlet Not Yet Open)	Ethan McGown and Seth McGown	(201) 218-6364
	Tampa, FL (Outlet Not Yet Open)	Tabatha L. Castroo and Pablo Reid	(856) 366-3206
	West Boca Raton, FL (Outlet Not Yet Open)	PBFL LLC	(561) 305-7100
GA	6365 Halcyon Way, Suite 930 Alpharetta, GA 30005	PB HALCYON LLC	(678) 580-2458
	661 Auburn Avenue, Suite 160 Atlanta, GA 30312-1999	PB GEORGIA LLC	(404) 963-1746
	5070 Peachtree Boulevard Chamblee, GA 30341-2870	PB GEORGIA LLC	(678) 694-1734
	5160 Town Center Blvd, Suite 530 Peachtree Corners, GA 30092	RANSOM PB LLC	(678) 336-9800
IL	Chicago, IL (Outlet Not Yet Open)	CHICAGO BOWLS 1 LLC	(708) 945-9454
LA	660B Arlington Creek Centre Blvd Baton Rouge, LA 70820-6019	BR BOWLS LLC	(225) 256-5006
	730 Veterans Memorial Blvd Metairie, LA 70005	NOLA BOWLS LLC	(985) 774-1893
MD	Annapolis, MD (Outlet Not Yet Open)	Dave Eynon and Jeffrey Giuliani	(303) 946-2053
	2632 Quarry Lake Drive Baltimore, MD 21209	QLPB LLC, Dov Ocken, Jennifer Ocken, PRETTER CAPITAL, LLC, Isaac Pretter, Nancy Pretter	(410) 413-6157
	7417A Baltimore Avenue College Park, MD 20740-3276	GEE BOWLS INC.	(301) 851-5378
	28601 Marlboro Avenue Easton, MD 21601-2786	MARTINA6 INCORPORATED	(484) 387-0470
	12193 Darnestown Road Gaithersburg, MD 20878	JDACAI DARNESTOWN LLC	(240) 477-8952
	14014 Detrick Ave, Suite 200 Kensington, MD 20895	JDACAI MOSAIC LLC	(410) 874-6646
	18147 Town Center Drive Olney, MD 20832-1482	JDACAI OLNEY LLC	(301) 250-9919
	7733 Tuckerman Lane Potomac, MD 20854-3266	JDACAI LLC	(240) 403-7456
	1012 S. Salisbury Blvd Salisbury, MD 21801-6361	MARTINA6 INCORPORATED	(443) 736-7526
MA	277 Huntington Avenue Boston, MA 02115-4506	PB HUSKY LLC	(617) 859-5814
	2199 Commonwealth Ave Brighton, MA 02135-3853	PB EAGLE LLC	(617) 254-0954
	1285 Belmont Street	PB SHYHAWK LLC	(508) 510-4562

	Brockton, MA 02301		
	71 Mt. Auburn Street Cambridge, MA 02138-4961	PB CRIMSON LLC	(617) 714-5321
	Hingham, MA (Outlet Not Yet Open)	PB HINGHAM MA LLC	(617) 780-0303
	532 Adams Street Milton, MA 02186	PB MILTON LLC	(617) 859-5814
MI	MSU (Outlet Not Yet Open)	DKS COMPANIES, LLC Diana Cannizzaro	(732) 245-1856
	Northville, MI (Outlet Not Yet Open)	NORTHVILLE BOWLS LLC	(248) 770-2727
	Traverse City, MI (Outlet Net Yet Open)	COLD AS BOWLS LLC	(610) 772-3719
NH	Bedford, NH (Outlet Not Yet Open)	PB - BEDFORD, LLC Carrie Ayers & Josher Ayers	(301) 755-3393
	Concord, NH (Outlet Not Yet Open)	PB – CONCORD, LLC Carrie Ayers & Josher Ayers	(301) 755-3393
	Hampton, NH (Outlet Not Yet Open)	PB – HAMPTON, LLC Carrie Ayers & Josher Ayers	(301) 755-3393
	555 Hooksett Road Manchester, NH 03104-2656	PB – MANCHESTER, LLC	(603) 232-1960
	Nashua, NH (Outlet Not Yet Open)	PB – NASHUA, LLC Carrie Ayers & Josher Ayers	(301) 755-3393
	Salem, NH (Outlet Not Yet Open)	PB – SALEM, LLC Carrie Ayers & Josher Ayers	(301) 755-3393
NJ	701 Cookman Ave Asbury Park, NJ 07712-7048	JUICE BEACH 2 LLC Cathy Gallo & Anne Sears	(732) 988-9663
	1200 Ocean Ave Asbury Park, NJ 07712-5698	JUICE BEACH 2 LLC Cathy Gallo & Anne Sears	(718) 887-6985
	610 N Bay Ave Beach Haven, NJ 08008-1982	SUNRISE & SUNSET DREAMS LLC	(609) 467-5818
	Bernardsville, NJ (Outlet Not Yet Open)	Tom Graziano	(908) 420-7177
	307 Beach Ave, Unit 2 Cape May, NJ 08204-1407	STOKED LIFE CAPE MAY LLC	(609) 224-7017
	Market Place at Garden State Park 2010 Route 70 West, Suite B Cherry Hill, NJ 08002	STOKED LIFE LLC	(856) 320-2133
	230 Route 206 N Chester, NJ 07930	MAIN BOWLS CHESTER LLC	(908) 888-2879
	102B Union Ave N Cranford, NJ 07016-2121	PB WESTFIELD LLC	(908) 325-6353
	4 Broadway Denville, NJ 07834-2704	MAIN BILLS DENVILLE LLC	(973) 784-4062
	505 N Broad Street Elizabeth, NJ 07208	3LR PB ELIZABETH FRANCHISE LLC	(908) 348-6262
	38 E Palisade Avenue Englewood, NJ 07631-2902	PB OF ENGLEWOOD LLC	(201) 928-7788
	182 Ridgedale Ave Florham Park, NJ 07932	PLAYA FLORHAM PARK LLC	(973) 295-6976
	44M Manchester Avenue Forked River, NJ 08731-1365	ISLAND BOWLS LACEY LLC	(609) 994-2828
	833 Franklin Lakes Road Franklin Lakes, NJ 07417	PB OF FRANKLIN LAKES LLC	(201) 824-2400

	Freehold Raceway Mall 3710 US-9 Freehold, NJ 07728	JOBELLA 910-3 LLC	(732) 984-9743
	100 Hudson Street Hoboken, NJ 07030-5788	PB HUDSON LLC	(201) 499-3687
	Holmdel Towne Center, 35N Holmdel, NJ 07733	PB HOLMDEL LLC	(732) 533-5191
	603 Grand Central Ave Lavallette, NJ 08735-2213	BARRIER ISLAND INVESTMENTS, INC.	(732) 830-2000
	339 N Main Street Manahawkin, NJ 08050-3069	BARRIER ISLAND INVESTMENTS, INC.	(609) 312-7879
	455 County Road 520 Marlboro, NJ 07746	PB MARLBORO LLC	(732) 526-4161
	300 Route 73, Suite I Marlton, NJ 08053	STOKED LIFE MARLTON LLC	(856) 334-5893
	44 Speedwell Avenue Morristown, NJ 07960-6830	PB MORRISTOWN LLC	(973) 267-1777
	744 Boardwalk Ocean City, NJ 08226-3727	BOWLS AND DREAMS CORP	(609) 938-2224
	1324 S Boardwalk Ocean City, NJ 08226-3242	STOKED LIFE OCEAN CITY LLC	(609) 938-4633
	410 Ocean Ave Point Pleasant Beach, NJ 08742	POINT BEACH POR VIDA, LLC	(848) 241-9950
	500 Route 23N Pompton Plains, NJ 07444	AC BOWLS LLC	(862) 248-0782
	305 E Ridgewood Ave Ridgewood, NJ 07450-3359	PB RIDGEWOOD	(201) 639-2700
	82 Park Avenue Rutherford, NJ 07070-1957	3LR PB RUTHERFORD FRANCHISE LLC	(201) 559-3339
	2150 Route 35 Sea Girt, NJ 08750-1012	PLAYA BOWLS SEA GIRT LLC	(732) 359-7166
	33 42nd Street Sea Isle City, NJ 08243-1939	STOKED LIFE SEA ISLE LLC	(609) 478-3471
	819 Boardwalk Casino Pier Seaside Heights, NJ 08751	GKK LLC	(732) 854-7040
	1999 Promenade Seaside Park, NJ 08752-1242	DAIKEN LLC	(732) 250-6759
	3010 State Route 27, Unit 6 South Brunswick, NJ 08824	KADA ENTERPRISES LLC	(848) 777-5292
	4 North Village Blvd, Suite B Sparta, NJ 07871-3592	MAIN BOWLS SPARTA LLC	(973) 729-2695
	261 96th Street Stone Harbor, NJ 08247-1965	STOKED LIFE LLC	(609) 830-5492
	51 Summit Ave Summit, NJ 07901-3613	PB SUMMIT LLC	(908) 522-8385
	518 Long Beach Blvd Surf City, NJ 08008-5215	SUNRISE & SUNSET DREAMS LLC	(609) 342-1908
	1816 Palisade Ave Union City, NJ 07087-4439	3LR PB UNION CITY FRANCHISE LLC	(201) 520-2636
	710 Somerset Street Watchung, NJ 07069	3LR PB WATCHUNG FRANCHISE LLC	(908) 427-3131
	796 Bloomfield Ave West Caldwell, NJ 07006-6710	PLAYA BOWLS WEST CALDWELL	(973) 227-1112
	99 Westwood Ave	PB OF WESTWOOD	(201) 824-6800

	Westwood, NJ 07675		
	3800 Boardwalk Wildwood, NJ 08260-5432	STOKED LIFE WILDWOOD LLC	(609) 551-2802
NY	15 Park Place Bronxville, NY 10708-4129	PLEASANTVILLE PLAYA LLC	(914) 652-7181
	CPW, NY (Outlet Not Yet Open)	EARTH BOWLS LLC	(917) 231-5259
	Lawrence, NY (Outlet Not Yet Open)	EARTH BOWLS LLC	(917) 231-5259
	Long Beach, NY (Outlet Not Yet Open)	HAPPEL PB LLC Matthew Happel	(201) 213-0679
	Manhassett, NY (Outlet Not Yet Open)	Keith Devito & Danny Volk	(917) 273-9699
	2259 Merrick Road Merrick, NY 11566	Keith Devito & Danny Volk	(516) 208-7007
	347 B NY-25A Miller Place, NY 11764	Kenneth Ruben	(631) 828-6444
	8133 Fashion Drive Nanuet, NY 10954	PB NANUET LLC	(845) 627-5292
	299 7th Ave (FIT) New York, NY 10001	CALDERONE HOSPITALITY LLC	(212) 933-4160
	230 Park Ave (Grand Central) New York, NY 10169	EARTH BOWLS LLC	(646) 747-0813
	570 Lexington Ave New York, NY 10022-6837	EARTH BOWLS LLC	(917) 421-9349
	108 MacDougal Street New York, NY 10012	EARTH BOWLS LLC	(212) 674-2695
	Mercedes Club NYC 550 W 54th Street New York, NY 10019-5978	EARTH BOWLS LLC	(646) 979-3050
	2327 Broadway West 84th Street New York, NY 10024 (UWS)	EARTH BOWLS LLC	(646) 558-7222
	1 New York Plaza (Wall Street) New York, NY 10004-1901	PLAYA BOWLS 1 NY PLAZA LLC	(917) 231-5259
	465 Bedford Road Pleasantville, NY 10570-2932	PLEASANTVILLE PLAYA LLC	(914) 495-3438
	18 Purdy Ave Rye, NY 10580	PLAYA OF RYE INC	(914) 305-4244
	1275 Woodrow Road Staten Island, NY 10309	Cathy Gallo & Anne Sears	(718) 608-9090
	Stony Brook, NY (Outlet Not Yet Open)	KENNETH SNOW ENTERPRISES INC. Kenneth Ruben	(631) 873-7883
	3 Main Street Tarrytown, NY 10590-1413	PB TARRYTOWN, INC.	(914) 418-5483
	Williamsburg, NY (Outlet Not Yet Open)	EARTH BOWLS LLC	(917) 231-5259
OH	1952 North High Street (OSU) Columbus, OH 43101-1165	AMAZE BOWLS, LLC	(614) 561-4813
	New Albany, OH (Outlet Not Yet Open)	AMAZE BOWLS, LLC	(614-641-4800
PA	310 E 3rd Street Bethlehem, PA 18015-1310	PLAYA BOWLS BETHLEHEM LLC	(610) 419-4294
	30 N Hanover Street Carlisle, PA 17013	MI LEGADO LLC	(223) 336-4188

	3045 Center Valley Pkwy, Suite 118 Center Valley, PA 18034	BOWLS OF STEEL LLC	(610) 217-0597
	22 North Main Street Doylestown, PA 18901-4341	DEEZ BOWLS LLC	(484) 408-5209
	3770 Dryland Way Easton, PA 18045-8353	JAMES DALE THE BLACKBEARD GROUP LLC	(484) 387-0470
	110 Lincoln Highway Fairless Hills, PA 19030-1011	BERGEN SUN & STARS LLC	(267) 202-6442
	2913 S Eagle Road Newtown, PA 18940-1554	BERGEN SUN & STARS LLC	(215) 550-6472
	Northern Liberties, PA (Outlet Not Yet Open)	JAMES DALE THE BLACKBEARD GROUP LLC	(267) 374-3194
	1804 Chestnut Street Philadelphia, PA 19103-4903	BOWLS OF STEEL III LLC	(484) 538-8386
	1932 Liacouras Walk Philadelphia, PA 19122	PB TEMPLE LLC	(267) 639-3548
	482 East Calder Way State College, PA 16801-5667	PB STATE COLLEGE LLC	(814) 954-5139
	1609 N Main Street, Suite 1101 Warrington, PA 18976	BOWLS OF STEEL II LLC	(215) 435-9947
	150 E Lancaster Ave Wayne, PA 19087-4142	BIG BOWLS LLC	(484) 580-2157
	22 S High Street West Chester, PA 19382-3225	STOKED LIFE LLC	(484) 887-8708
SC	429 King Street Charleston, SC 29403-6232	PBSC, LLC	(843) 202-0079
	Greenville, SC (Outlet Not Yet Open)	PB UPSTATE SC, LLC	(803) 404-1001
	766 S Shelmore, Suite 201 Mount Pleasant, SC 29464	PBSC2, LLC	(843) 388-5394
TX	22706 US HWY N 281, Suite 104 San Antonio, TX 78258	Dipesh Patel	(210) 257-8564
VA	2910 District Ave #168 Fairfax, VA 22031-2284	JDACAI LLC	(703) 854-1688
	1820 Discovery Street Reston, VA 20190-5606	JDACAI RESTON LLC	(571) 926-9656
	Williamsburg, VA (Outlet Not Yet Open)	James J. Golini	(609) 491-6473

Franchisees Who Have Left The System (January 1, 2021 until December 31, 2021)			
State	**Business Location**	**Franchisee**	**Contact Information**
FL	Wynwood	Joseph Kochakian	glfmontvale@optonline.net

Exhibit E to the
Playa Bowls Franchise Disclosure Document

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TABLE OF CONTENTS TO OPERATIONS MANUAL

Playa Bowls

Operations Manual

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Exhibit F to the
Playa Bowls Franchise Disclosure Document

STATE SPECIFIC ADDENDA

STATE SPECIFIC ADDENDA

CALIFORNIA APPENDIX

1. California Business and Professions Code Articles 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement or Multi-Unit Development Agreement contains provisions that are inconsistent with the law, the law will control.

2. The Franchise Agreement and Multi-Unit Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

3. The Franchise Agreement and Multi-Unit Development Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

4. Article 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

6. The Franchise Agreement and Multi-Unit Development Agreement require binding arbitration. The arbitration will occur in New Jersey with the costs being borne equally by franchisor and franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Article 20040.5, Code of Civil Procedure Article 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

7. The Franchise Agreement and Multi-Unit Development Agreement require application of the laws of New Jersey. This provision may not be enforceable under California law.

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

9. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

10. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Article 1671, certain liquidated damages clauses are unenforceable.

11. OUR WEBSITE, www.playabowls.com, 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.

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the agreements between the parties to this franchise.

Article 4 of the Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement which designates jurisdiction or venue outside of the State of Illinois is void. However, a Franchise Agreement may provide for arbitration outside of Illinois.

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

Your right upon termination and non-renewal of a Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of ____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 19 of the Franchise Agreement and Article 19 of the Multi-Unit Development Agreement.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of ____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM TO THE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for Playa Bowls Franchisor LLC's Franchise Disclosure Document.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement and Multi-Unit Development Agreement which provide for termination upon bankruptcy of the franchisee/multi-unit developer may not be enforceable under federal bankruptcy law (11 U.S.C. Article 101 et seq.).

ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Playa Bowls Franchisor LLC's Franchise Agreement (the "Franchise Agreement") and, if Franchisor and Franchisee both sign the Playa Bowls Franchisor LLC Multi-Unit Development Agreement (the "Development Agreement"), as follows:

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

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

3. Article 18.G. of the Franchise Agreement, under the heading "Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction," shall be amended by the addition of the following statement added to Article 18.G. of the Franchise Agreement:

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

4. Article 18.I. of the Franchise Agreement, under the heading "Limitations of Claims," shall be amended by the addition of the following statement added to Article 18.I. of the Franchise Agreement:

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

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

5. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.

ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for Playa Bowls Franchisor LLC's Multi-Unit Development Agreement. The amendments to the Multi-Unit Development Agreement included in this addendum have been agreed to by the parties.

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

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

3. Article 18.G. of the Franchise Agreement, under the heading "Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction," shall be amended by the addition of the following statement added to Article 18.G. of the Franchise Agreement:

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

4. Article 18.I. of the Franchise Agreement, under the heading "Limitations of Claims," shall be amended by the addition of the following statement added to Article 18.I. of the Franchise Agreement:

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

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

5. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of ____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Katharyn Barron
Michigan Department of Attorney General
525 W. Ottawa Street, 1st Floor
Lansing, Michigan 48933
(517) 335-7567

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this ____ day of _____, 20__, and effectively amends and revises said Disclosure Document and Franchise Agreement and Multi-Unit Development Agreement as follows:

1. Item 13 of the Disclosure Document and Article 9 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use."

2. Item 17 of the Disclosure Document, Articles 3 and 17 of the Franchise Agreement and Article 9 of the Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein:

> "With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement and that consent to the transfer of the franchise will not be unreasonably withheld."

3. Item 17 of the Disclosure Document, Article 19 of the Franchise Agreement and Article 19 of the Multi-Unit Development Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

> "Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

4. Item 17 of the Disclosure Document, Articles 3 and 14 of the Franchise Agreement and Article 11 of the Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein:

> "Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release."

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Article 19.10 of the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. Article 19 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of $30 on an NSF check. This applies to everyone in Minnesota who accepts checks except banks.

9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The appropriate sections of the Franchise Agreement are hereby amended accordingly.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of ____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF 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 G OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK, 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, with regard 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, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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 Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for 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; it being the intent of this proviso that the non-waiver provisions of General Business Law Articles 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor**":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. 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 upon the franchisee by Article 33 of the General Business Law of the State of New York.

[SIGNATURE PAGE TO FOLLOW]

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of ____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Multi-Unit Development Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document and Articles 3 and 14 of the Franchise Agreement and Article 11 of the Multi-Unit Development Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Article 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, Article 10 of the Franchise Agreement and Article 12 of the Multi-Unit Development Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document and Article 18 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Article 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Article 19 of the Franchise Agreement and Article 19 of the Multi-Unit Development Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 19 of the Franchise Agreement and Article 19 of the Multi-Unit Development Agreement which require jurisdiction of courts in Monmouth County, New Jersey, are deleted.

6. Item 17(w) of the Disclosure Document, Article 19 of the Franchise Agreement and Article 19 of the Multi-Unit Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Article 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 19 of the Franchise Agreement and Article 19 of the Multi-Unit Development Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Article 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 19 of the Franchise Agreement and Article 19 of the Multi-Unit Development Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

[SIGNATURE PAGE TO FOLLOW]

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of ____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Article 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

"A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of ____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Article 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Playa Bowls Franchisor LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to Item 17.h:

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

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

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of ____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM TO THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF WASHINGTON

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

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

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

[SIGNATURE PAGE TO FOLLOW]

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of ____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
PLAYA BOWLS FRANCHISOR LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

Exhibit G to the
Playa Bowls Franchise Disclosure Document

LIST OF STATE ADMISTRATORS AND
AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Department of Financial Protection & Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 2101 Arena Boulevard Sacramento, CA 95834 1-866-275-2677	Department of Financial Protection & Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 2101 Arena Boulevard Sacramento, CA 95834 1-866-275-2677
HAWAII	Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813	Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard Avenue, State Capitol Fifth Floor, Dept 414 Bismarck, ND 58505 (701) 328-4712
RHODE ISLAND	Department of Business Regulation Securities Division 1511 Pontiac Avenue, Building 68-2 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of South Dakota Division of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8700	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

Exhibit H to the
Playa Bowls Franchise Disclosure Document

FORM OF GENERAL RELEASE

FORM OF GENERAL RELEASE

THIS AGREEMENT ("Agreement") is made and entered into this day of _____ _____, by and between Playa Bowls Franchisor LLC, a New Jersey limited liability company having its principal address at 197 State Route 18, Suite 202N, East Brunswick, New Jersey, 08816 (the "Franchisor"), and _____, a _____ with a principal address at _____ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. **Release by Releasor**:

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises, covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. New Jersey law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of New Jersey.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

The parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

RELEASOR:

_____
(Name)

PLAYA BOWLS FRANCHISOR LLC:

By:_____
Name:_____
Title:_____

State Effective Dates

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

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

Effective Dates	
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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

Exhibit I to the
Playa Bowls Franchise Disclosure Document

RECEIPTS

Playa Bowls Franchisor, LLC

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Playa Bowls Franchisor LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Playa Bowls Franchisor 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C., 20580, and to your state authority listed on Exhibit G.

The Issuance Date of this Disclosure Document is: April 27, 2022

The franchise sellers for this offering are:

Name	Principal Business Address	Telephone Number
Robert Giuliani	197 State Route 18, Suite 202N, East Brunswick, NJ 08816	(732) 257-8604
Abby Taylor	197 State Route 18, Suite 202N, East Brunswick, NJ 08816	(732) 257-8604
Gary Moss	197 State Route 18, Suite 202N, East Brunswick, NJ 08816	(732) 257-8604
Danielle Grieco	197 State Route 18, Suite 202N, East Brunswick, NJ 08816	(732) 257-8604

I received a Disclosure Document issued on April 27, 2022 that included the following exhibits:

A. Financial Statements
B. Franchise Agreement with Attachments
C. Multi-Unit Development Agreement with Attachments
D. List of Franchisees and Franchisees Who Have Left the System
E. Table of Contents of Operations Manual
F. State Specific Addenda
G. List of State Administrators and Agents for Service of Process
H. Form of General Release
I. Receipts

Date	**Print Name**	**Signature**
Date	**Print Name**	**Signature**

Please sign this copy of the receipt, date your signature, and return it to Playa Bowls Franchisor, LLC, 197 State Route 18, Suite 202N, East Brunswick, NJ 08816.

Playa Bowls Franchisor, LLC

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