FRANCHISE DISCLOSURE DOCUMENT

Rush Bowls Franchising, LLC
A Colorado limited liability company
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Westminster, CO 80020
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www.rushbowls.com

Rush Bowls restaurants operate retail stores that offer wholesome, all-natural high-quality bowls and smoothies made from acai, fruit, organic granola and other ingredients, under the name "Rush Bowls®" ("Rush Bowls Restaurant(s)").

The total investment necessary to begin operation of a single Rush Bowls franchised business is between $222,500 and $568,500. This includes $44,500 to $49,000 that must be paid to the franchisor or its affiliates. Rush Bowls area developers acquire the right to develop multiple Rush Bowls Restaurants in a designated development area. The total investment necessary to begin operation as an area developer with two Rush Bowls franchised businesses is between $436,000 and $1,127,000. This includes $80,000 to $88,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation as an area developer with three Rush Bowls franchised businesses is between $614,000 and $1,650,500. This includes $80,000 to $92,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation as an area developer with four Rush Bowls franchised businesses is between $819,000 and $2,204,000. This includes $107,000 to $126,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation as an area developer with five Rush Bowls franchised businesses is between $997,000 and $2,727,500. This includes $107,000 to $130,000 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 this disclosure document at least 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. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Andrew Pudalov at 11031 Sheridan Blvd., Suite 1, Westminster, Colorado 80020, 720-487-9317 or franchisor@rushbowls.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at

www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 29, 2020

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 E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Rush Bowls Restaurant business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Rush Bowls Restaurant franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

3. **Investment Exceeds Equity**. The franchisee or area developer will be required to make an estimated initial investment ranging from $222,500 to $2,727,500. This amount exceeds the franchisor's stockholders equity as of December 31, 2019, which is $46,757.

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

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

NOTICE REQUIRED BY
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.

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 the 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 terms 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 six 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 or under similar circumstances. This section does not require a renewal provision.

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

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

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APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT OR STATE-SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES OR STATE-SPECIFIC AMENDMENTS, IF ANY, APPEAR IN THE STATE ADDENDA AT EXHIBIT F.

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

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

The Franchisor

RBF is a Colorado limited liability company formed on March 5, 2015. We operate under the name Rush Bowls Franchising and Rush Bowls. Our principal business address is 11031 Sheridan Blvd., Suite 1, Westminster, CO 80020, 720-487-9317. We offer franchises ("Rush Bowls Franchises" or "Franchises") for Rush Bowls Restaurants and have done so since March 2015. We do not conduct business under any other name or in any other line of business and we do not offer franchises in any other line of business. We do not conduct, and have never conducted, a business of the type described in this Franchise Disclosure Document. We have no parents or predecessors.

We also have two affiliates. LR Industries, Inc. is a Colorado corporation, formed on May 13, 2004, whose principal address is 5078 Cottonwood Drive, Boulder, Colorado 80301 ("LR"). LR owns and has operated the Rush Bowls Restaurant at 1207 13th Street, Boulder, Colorado 80302 since 2004. LR also owns the trademarks for "Rush Bowls" and licenses them to us. WLR Industries, Inc. is a Colorado corporation formed on May 20, 2009, whose principal address is 5078 Cottonwood Drive, Boulder, Colorado 80301 ("WLR"). WLR owns and operates our packaged foods business and manufactures frozen products for sale to supermarkets, and other locations. WLR doesn't currently sell these products to Rush Bowls franchisees, but reserves the right to do so in the future.

None of our affiliates has ever offered franchises for Rush Bowls Restaurants or for franchises in any other line of business.

Our agent for service of process in Colorado is Andrew Pudalov at 11031 Sheridan Blvd., Suite 1, Westminster, CO 80020. Our agents for service of process for other states are identified by state in Exhibit A. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

The Franchise

Rush Bowls franchisees operate restaurants that offer wholesome, all-natural high-quality bowls and smoothies made from acai, fruit, organic granola and other ingredients. Rush Bowls Restaurants operate under our system ("System") using our trademarks, service marks, trade names and logos ("Marks") from an approved retail location ("Restaurant").

You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit C ("Franchise Agreement"). You may operate one Rush Bowls Restaurant for each Franchise Agreement you sign.

We also offer to select qualified persons ("Area Developers") the opportunity to sign our area development agreement ("Area Development Agreement") and acquire the right to develop multiple Rush Bowls Restaurants in a designated development area ("Development Territory") in accordance with a specified development schedule ("Development Schedule") (an "Area Development Franchise"). The

Development Territory will be established based on the consumer demographics of the Development Territory, geographical area, city, county and other boundaries. If you enter into an Area Development Agreement, you must sign a Franchise Agreement for your first Rush Bowls Restaurant ("Initial Franchise Agreement") at the same time that you sign the Area Development Agreement. You will be required to sign our then-current form of Rush Bowls franchise agreement for each Rush Bowls Restaurant that you develop under the Area Development Agreement which may have different terms than the Franchise Agreement included within this Franchise Disclosure Document, except that any additional franchise agreements signed pursuant to the Development Schedule will have the same royalty rate as the Initial Franchise Agreement. Unless otherwise stated, any reference in this Franchise Disclosure Document to "you" or "franchisee" includes you both as an Area Developer under an Area Development Agreement and as a franchisee under a Franchise Agreement.

Market and Competition

The primary market for the goods and services offered by the Rush Bowls Restaurants is the general public. The goods and services offered by Rush Bowls Restaurants are not seasonal. The restaurant market, as a whole, is well-developed and highly competitive, and includes retail units, mobile food trucks, and kiosks selling various types of food. You may have to compete with numerous other independent and chain-affiliated restaurants, some of which may be franchised. Many restaurant franchise systems, in particular, have already established national and international brand recognition.

Industry-Specific Laws

Many states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your Rush Bowls Restaurant, including those which: (a) establish general standards, specifications and requirements for the construction, design and maintenance of your Restaurant; (b) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements; employee practices concerning the storage, handling, and preparation of food; restrictions on smoking and exposure to tobacco smoke or other carcinogens or reproductive toxicants and saccharin; availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for fire safety and general emergency preparedness, (e) govern the use of vending machines, (f) regulate the proper use, storage and disposal of waste, insecticides and other hazardous materials, (g) establish general requirements or restrictions on advertising containing false or misleading claims, or health and nutrient claims on menus or otherwise, such as "low calorie" or "fat free," and (h) establish requirements concerning withholdings and employee reporting of taxes on tips. You must also obtain all necessary permits, licenses, and approvals to operate your Rush Bowls Franchise. You do not need to obtain a liquor license for the operation of your Rush Bowls Restaurant, but we reserve the right to require one in the future. Many local or state jurisdictions require food service permits for those preparing, handling and serving food to the public. You and your employees may be required to pass a test or other certification process to obtain these permits. There may also be local ordinances and regulations governing food storage, preparation and serving.

Beginning in December 2019 and continuing throughout the first quarter of 2020, the COVID-19 virus began spreading throughout the world including the first outbreak in the US in February 2020. COVID-19 has and continues to significantly disrupt local, regional and global economies and businesses. You must comply with all applicable laws, rules and orders of any government authority concerning the outbreak and your response.

You alone are responsible for investigating, understanding, and complying with all applicable laws, regulations, and requirements applicable to you and your Rush Bowls Franchise, despite any advice or information that we may give you. You should consult with a legal advisor about whether these and/or

other requirements apply to your Rush Bowls Restaurant. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.

ITEM 2
BUSINESS EXPERIENCE

Founder and Chief Executive Officer: Andrew Pudalov

Andrew Pudalov has been our Founder and Chief Executive Officer in Westminster, Colorado since our founding in March 2015. He has also been the President of LR in Boulder, Colorado since October 2004 and President of WLR in Boulder, Colorado since October 2010.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Franchise Agreement

Initial Franchise Fee

The "Initial Franchise Fee" for a single Rush Bowls Restaurant is $45,000. We offer a discount on the Initial Franchise Fee (and the Development Fee, as discussed below) for honorably discharged veterans of the United States armed forces ("Veteran Discount"). Veterans are required to provide us with a copy of their DD214 to receive the Veteran Discount. The Veteran Discount for a single Rush Bowls Restaurant is 10% off of the Initial Franchise Fee for a single Rush Bowls Restaurant.

The Initial Franchise Fee is uniform, payable when you sign your Franchise Agreement and is non-refundable. The Initial Franchise Fee is payment for the pre-opening assistance that we provide to you to allow you to open your Rush Bowls Restaurant and also offsets some of our franchisee recruitment expenses. During our fiscal year ended, December 31, 2019, we collected Initial Franchise Fees of $45,000.

Grand Opening Assistance

You agree to pay us a "Grand Opening Assistance Fee" of $4,000 within seven days before opening your Rush Bowls Restaurant to cover our travel and training expenses. Any additional costs for travel and training expenses above $4,000 will be billed to you within 30 days. We will arrange for at least one representative to provide on-site assistance for the opening of your Rush Bowls Restaurant. The Grand Opening Assistance Fee will pay for up to five days of on-site assistance before and during your Rush Bowls Restaurant's opening, during which time we will assist you with implementing the System at your Rush Bowls Restaurant. If we decide in our discretion or you request that we provide you with additional assistance, you agree to also pay us an additional fee of $1,000 to $2,000 for each additional trip our representative(s) provides. We will invoice you for these additional costs and you will pay the invoice

within ten days after receipt. The Grand Opening Assistance Fee and all additional costs and fees you pay to us are non-refundable. Grand opening assistance is required for your first and second Rush Bowls Restaurants and we reserve the right to require it for subsequent Rush Bowls Restaurants that you open.

Area Development Agreement

Area Developers may also purchase the rights to open additional Rush Bowls Restaurants by signing our Area Development Agreement and paying a development fee ("Development Fee"). The Development Fee to open up to three Rush Bowls Restaurants (the "Multi-3") is $80,000 and the Development Fee to open up to five Rush Bowls Restaurants (the "Multi-5") is $110,000. To open additional Rush Bowls Restaurant under a Multi-3 or Multi-5, you will be required to sign the then-current Rush Bowls franchise agreement, but you will not be required to pay an Initial Franchise Fee (all other fees will apply). The Veteran Discount for either a Multi-3 or the Multi-5 is 10% off of the Development Fee.

The Development Fee is uniform, payable when you sign your Area Development Agreement and is non-refundable under any circumstances, even if you fail to open any Rush Bowls Restaurants. During our fiscal year ended, December 31, 2019, we collected Development Fees of $110,000.

If you form an entity to open any of the Rush Bowls Restaurants within the Development Territory, you must own at least fifty-one percent (51%) of the issued equity securities in each entity. You must provide us with necessary documentation to show your ownership interest.

Financial Assurances

Some states have required the posting of a surety bond, fee deferral or another form of financial assurance because of our financial condition. Please refer to the State Addenda and Agreement Riders in Exhibit F to the Franchise Disclosure Document.

ITEM 6
OTHER FEES

Type of Fee[(1)]	Amount	Due Date	Remarks
Royalty[(2)]	5% of Gross Sales; may vary for non-traditional locations	Due on Friday of each week	The "Royalty" is based on "Gross Sales" during the previous week. Your Royalty is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support.
Brand Fund Contribution	Up to 2% of your weekly Gross Sales	Same as Royalty	This contribution will be used for a system-wide "Brand Fund" for our use in promoting and building the Rush Bowls brand. This fee can be changed to a maximum of 3% of Gross Sales on 90 days written notice.
Local Advertising Payment	The difference between the amount you spent on local advertising each month and your required local advertising expenditure (currently 2% of your Gross Sales)	Payable after receipt of invoice	If you fail to meet your required local advertising requirement on local advertising, you must pay us the difference between the amount you spent and the required advertising expenditure, which will be contributed to the Brand Fund.

Type of Fee[1]	Amount	Due Date	Remarks
Local and Regional Advertising Cooperatives[3]	Established by cooperative members, up to 4% of Gross Sales	Established by cooperative members	We currently do not have a cooperative but reserve the right to require one to be established in the future. If a local or regional advertising cooperative is established, contribution amounts will be established by the cooperative members. We anticipate that each Rush Bowls franchisee and each franchisor-owned outlet will have one vote for each Rush Bowls Restaurant operated in the designated market. Each Rush Bowls Restaurant we own that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees and we will not have controlling voting power. Item 11 contains more information about advertising cooperatives.
Unauthorized Advertising Fee	$500 per occurrence	Upon demand	This fee is payable to the Brand Fund if you use unauthorized advertising in violation of the terms of the Franchise Agreement.
Technology Fee	Not currently charged	Same as Royalty	We reserve the right to charge up to $200 per month as a technology fee. This fee may be assessed for website hosting, central telephone services, future web-based system integration, and for other technology-related services. We reserve the right to upgrade, modify, and add new software. The technology fee may be increased up to ten percent (10%) each year and you will also be responsible for any increase in fees that result from any upgrades, modifications, or additional software.
Insurance	Reimbursement of our costs, plus a 20% administration charge	On demand	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for the cost of insurance obtained plus twenty percent (20%) of the premium for an administrative cost of obtaining the insurance.
Additional Training or Assistance Fees	Then-current fee (currently up to $500 per additional person for initial training and up to $500 per attendee per day for additional training)	As incurred	We provide initial training at no charge for up to two people provided they attend at the same time. We may charge you for training additional persons, newly-hired personnel, refresher training courses, advanced training courses, and additional or special assistance or training you need or request.

Type of Fee[1]	Amount	Due Date	Remarks
Convention Fee	The then-current fee (currently estimated to be $500 to $1,000 per person)	Upon demand	Payable to us to help defray the cost of your attendance at any annual convention that we choose to hold. This fee is due regardless of whether or not you attend our annual convention in any given year.
Supplier and Product Evaluation Fee	Costs of inspection (estimated to be approximately $1,500 to $2,500)	As incurred	Payable if we inspect a new product, service, or proposed supplier nominated by you.
Replacement of Franchise Operations Manual	$500	On demand	Payable if your copy of the Franchise Operations Manual is lost, destroyed, or significantly damaged.
Customer Issue Resolution	Varies; reasonable costs we incur for responding to a customer complaint, which will typically be between $20 and $100	Upon demand	Payable if a customer of the Rush Bowls Restaurant contacts us with a complaint and we provide a gift card, refund, or other value to the customer as part of our addressing the issue.
Payment Service Fee	Up to 4% of total charge	As incurred	If payment is made to us or our affiliate by credit card for any fee required, we may charge a service charge of up to four percent (4%) of the total charge.
Late Payment Fee	$100 per occurrence, plus lesser of the daily equivalent of 12% per year simple interest or the highest rate allowed by law	As incurred	Payable if any payment due to us or our affiliates is not made by the due date. Interest accrues from the original due date until payment is received in full.
Non-Sufficient Funds Fee	$100 per occurrence	As incurred	Payable if any check or electronic payment is not successful due to insufficient funds, stop payment, or any similar event.
Failure to Submit Required Report Fee	$100 per occurrence and $100 per week	Your bank account will be debited for failure to submit any requested report within five days of request	Payable if you fail to submit any required report or financial statement when due. Fines collected are paid to the Brand Fund. You will continue to incur this fee until you submit the required report.
Audit Expenses	Cost of audit and inspection, any understated amounts, and any related accounting and legal expenses (we estimate this cost to be between $2,000 and $12,000)	On demand	You will be required to pay this if an audit reveals that you understated weekly Gross Sales by more than two percent (2%) or you fail to submit required reports.
Indemnification	Will vary under circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your Rush Bowls Restaurant or Franchise.

Type of Fee[(1)]	Amount	Due Date	Remarks
Management Fee	$300 per day, plus costs and expenses	As incurred	Payable if we manage the Rush Bowls Restaurant because you are in breach of the Franchise Agreement.
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us for any legal or accounting fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement.
Renewal Fee	$2,500	At the time you sign the new franchise agreement	Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement.
Territory Revision Fee	$500	As incurred	The "Territory Revision Fee" is payable to us if we allow you to revise your Protected Area.
Relocation Fee	$4,000	$1,000 non-refundable deposit due at time of relocation application submittal and the remaining balance at time of our approval of your request for relocation	Payable in connection with the relocation of your Rush Bowls Restaurant.
Transfer Fee	(i) $2,000 if you transfer the Rush Bowls Restaurant to one of our existing franchisees; or (ii) 30% of the then-current Initial Franchise Fee if you transfer the Rush Bowls Restaurant to a third party	$1,000 non-refundable deposit at time of transfer application submittal and the remaining balance of fee at time of the approved transfer	Payable in connection with the transfer of your Rush Bowls Restaurant, a transfer of ownership of your legal entity that you do not control, or the Franchise Agreement.
Transfer to Entity	$500	As incurred	If you are transferring the Franchise Agreement to an entity that you control, you will not be required to pay the transfer fee but you must pay us $500.
Broker Fee	Our actual cost of the brokerage commissions, finder's fees, or similar charges	As incurred	If you transfer your Rush Bowls Restaurant to a third party or purchaser, you must reimburse all of our actual costs for commissions, finder's fees and similar charges.

Type of Fee[(1)]	Amount	Due Date	Remarks
Liquidated Damages	Will vary under the circumstances. Liquidated damages are determined by multiplying the combined monthly average of Royalties and National Brand Fund contributions that are owed by you to us, beginning with the date you open your Rush Bowls Restaurant through the date of early termination, multiplied by the lesser of: (i) 36, or (ii) the number of full months remaining in the term of the Franchise Agreement	Within 15 days after termination of the Franchise Agreement	Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause.

Notes:

1. All fees paid to us or our affiliates are uniform and not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer ("EFT") or other similar means. You are required to complete the EFT authorization (in the form attached to this Franchise Disclosure Document in Exhibit H). We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. If you enter into an Area Development Agreement to operate multiple Rush Bowls Restaurants, the fees indicated in the chart above are the fees charged and/or incurred for each Rush Bowls Restaurant. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement.

2. "Gross Sales" means the total of all revenues and income from the sale of all Rush Bowls Restaurant food products, beverages and other related merchandise, products, and services to your customers whether or not sold or performed at or from the Rush Bowls Restaurant, and whether received in cash, coupon, in services in kind, from barter and/or exchange, on credit (whether or not payment is received) or otherwise. If you offer any services, including catering or special events, all receipts from these services (including additional delivery charges) are included in Gross Sales. You may deduct from Gross Sales for purposes of this computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority. You may also deduct from Gross Sales the amount of any documented refunds, chargebacks, credits, charged tips, and allowances you give in good faith to your customers. All barter and/or exchange transactions in which you furnish services and/or products in exchange for goods and/or services provided to you by a vendor, supplier, or customer will, for the purpose of determining Gross Sales, be valued at the full retail value of the goods and/or services so provided to you.

3. Local and Regional Advertising Cooperatives. If a local or regional advertising cooperative is established, contribution amounts will be established by the cooperative members, subject to our approval. We anticipate that each Rush Bowls franchisee and each Rush Bowls Restaurant that we own will have one vote for each Rush Bowls Restaurant operated in the designated market. Each Rush Bowls Restaurant we own that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions from each member. No local or regional advertising cooperatives have been established as of the Issuance Date of this Franchise Disclosure Document.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee[(1)]	$40,500	$45,000	Lump Sum	When you sign the Franchise Agreement	Us
Leasehold Improvements and Rent (3 Months)[(2)]	$80,000	$320,000	As Arranged	As Incurred	Vendors and Suppliers
Wages, Travel and Living Expenses for You and Your Management Staff During Training[(3)]	$6,000	$15,000	As Incurred	As Incurred During Training	Employees, Airlines, Hotels and Businesses
Furniture, Fixtures, Supplies, Décor, Inventory and Equipment[(4)]	$50,000	$100,000	As Arranged	As Incurred	Suppliers or Leasing Companies
Architectural, Engineering Fees	$7,500	$16,000	As Arranged	Before Opening	Suppliers
Signage[(5)]	$4,000	$12,000	As Arranged	As Incurred	Suppliers
Point-of-Sale and Computer System[(6)]	$4,000	$8,000	As Arranged	As Incurred	Suppliers
Licenses and Permits[(7)]	$1,000	$5,000	Lump Sum	Before Opening	Governmental Agencies and for Professional Services

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Miscellaneous Site Development Fees[8]	$2,500	$5,000	As Incurred	Before Opening or As Otherwise Arranged	Landlord, Utilities, Government Agencies, Attorneys, Accountants and Other Professionals
Grand Opening[9]	$3,000	$6,500	As Arranged	Before Opening	Suppliers
Grand Opening Assistance Fee[10]	$4,000	$4,000	As Incurred	Upon Invoice	Us
Additional Funds - 3 Months (these figures have not been offset by operating revenues) [11]	$20,000	$32,000	As Incurred	As Incurred	Landlord, Suppliers and Utilities
TOTAL ESTIMATED INITIAL INVESTMENT[12]	$222,500	$568,500			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Rush Bowls Franchise. We do not offer direct or indirect financing for these items. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

1. Initial Franchise Fee. If you purchase the rights to operate multiple Rush Bowls Restaurants under an Area Development Agreement, the only additional initial cost that you will incur over the purchase of a single Franchise will be the Development Fee until you open the additional Rush Bowls Restaurants. Once you open additional Rush Bowls Restaurants, you will incur the costs listed in this Item 7 (except for the Initial Franchise Fee) at the time you open the additional Rush Bowls Restaurants. These costs may increase in the future depending on when you open the additional Rush Bowls Restaurants. The estimate does not include the build out of any Rush Bowls Restaurant other than the first one. The low end of the estimate is an Initial Franchise Fee with a Veteran Discount.

2. Leasehold Improvements and Rent (3 Months). This estimate does not include any construction allowances that may be offered by your landlord. This estimate includes setup expenses you will incur in building out your location, including all costs required to set up the equipment. Actual building and construction costs will vary depending upon the condition and size of the premises for your Rush Bowls Restaurant and local construction costs. This estimate includes three months of lease payments and is based on a premises of approximately 500 to 1,500 square feet. Your actual rent payments may vary depending upon your location and your market's retail lease rates.

See Note 8 below for utility, security and lease deposit estimates. If you choose to purchase the premises for your Rush Bowls Restaurant, then the purchase price, down payment, interest rates, and other financing terms will determine your monthly mortgage payments.

3. Wages, Travel and Living Expenses for Initial Training. We provide an initial training program at our training center in Boulder, Colorado (or at another location designated by us). You must pay for airfare, meals, transportation costs, lodging and incidental expenses for all initial training program attendees, as well as those of the representative of ours who conducts your on-site training (which is described in Note 10 below). Provided they attend at the same time, initial training is provided to you at no charge for up to two people, including you (or your operating principal if you are an entity) and your designated manager, if you have one; if additional initial training is required, or more people must be trained, an additional fee will be assessed. This estimate includes costs and expenses you may incur for the initial training program.

4. Furniture, Fixtures, Supplies, Décor, Inventory and Equipment. This includes the cost of equipment, registers, small wares, office equipment and supplies, interior signage, and opening food and paper product inventory. Your furniture, fixtures, décor and equipment may be financed through a bank or other financial institution, leased or purchased outright.

5. Signage. This includes the cost of exterior signage only.

6. Point-of-Sale and Computer System. This includes the cost of the computer hardware, peripherals, and software that will serve as your point-of-sale computer system, and the maintenance agreement for that system.

7. Licenses and Permits. You should check with the local licensing regulatory agency to determine the cost of your licenses. This estimate does not include the cost of procuring a liquor license, as we do not currently require you to have one.

8. Miscellaneous Site Development Fees. Miscellaneous site development fees include costs associated with developing the site for your Rush Bowls Restaurant, including security and lease deposits, utility and license deposits, impact fees, commissions, permits, miscellaneous professional fees to acquire or lease the premises of your Rush Bowls Restaurant, and other associated site development accounting and legal fees. You should check with the local regulatory agency that issues building permits to determine what impact, connection, or other site development fees may be required for the specific site for your Rush Bowls Restaurant.

9. Grand Opening. You must spend between $3,000 and $6,500 on the grand opening of your Rush Bowls Restaurant.

10. Grand Opening Assistance Fee. You must pay us $4,000 seven days prior to opening to cover our travel and training expenses. Any additional costs for travel and training expenses above $4,000 will be billed to you within 30 days. Grand opening assistance is required for the first two Rush Bowls Restaurants you open. If you are opening your third or subsequent Rush Bowls Restaurant, we reserve the right to require grand opening assistance in our sole discretion, in which case this fee would be paid by you. Our estimates are based on the actual expenses our training team has incurred. We retain the right to change the amounts charged.

11. Additional Funds. These amounts represent our estimate of the amount needed to cover your expenses for the initial three-month start-up phase of your Restaurant. They include payroll, uniforms, administrative, janitorial, maintenance, utilities, and other items. These figures do not

include standard pre-opening expenses, Royalties, or advertising fees payable under the Franchise Agreement or debt service, and assume that none of your expenses are offset by any sales generated during the start-up phase. We have elected to include certain fees as line item above, including rent payments. These fees could also be included in our Additional Funds amounts. For purposes of this disclosure, we estimated the start-up phase to be three months from the date your Rush Bowls Restaurant opens for business. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your Rush Bowls Restaurant. We relied on our franchising experience since 2015 as well as the experience of our affiliate, LR Industries, Inc. in formulating these amounts. You must bear any deviation or escalation in costs from the estimates that we have given. Your costs will depend on factors such as: how well you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; the sales level reached during the start-up period; and the size of your Rush Bowls Restaurant. Additional funds for the operation of your Rush Bowls Franchise will be required after the first three months of operation if sales produced by the Rush Bowls Franchise are not sufficient to produce positive cash flow.

11. Figures May Vary. This is an estimate of your initial start-up expenses for one Rush Bowls Franchise. You should review these figures carefully with a business advisor before making any decision to purchase the Franchise.

Area Developer

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Development Fee[(1)]	Multi-3 $72,000 Multi-5 $99,000	Multi-3 $80,000 Multi-5 $110,000	Lump sum	At the time you sign your Area Development Agreement	Us
Initial Investment for the First Rush Bowls Restaurant[(2)]	$182,000	$523,500	Per Table Above	Per Table Above	Per Table Above
TOTAL ESTIMATED INITIAL INVESTMENT[(3)]	2 unit – $436,000 3 unit- $614,000	2 unit – $1,127,000 3 unit- $1,650,500			
	4 unit – $819,000 5 unit- $997,000	4 unit - $2,204,000 5 unit- $2,727,500			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Rush Bowls Restaurants under an Area Development Agreement. We do not offer direct or indirect financing for these items. All expenses payable to the parties are non-refundable, except as you may otherwise arrange.

1. Development Fee. If you sign an Area Development Agreement to develop a mutually agreed number of Rush Bowls Restaurants, you will pay a Development Fee. The Development Fee for the Multi-3 is $80,000 and the Development Fee for the Multi-5 is $110,000. The Development Fee is payable when you sign your Area Development Agreement, fully earned immediately upon receipt and is non-refundable, regardless of whether you open any Rush Bowls Restaurants. The low end of the estimate is a Development Fee with a Veteran Discount.

2. Initial Investment for First Rush Bowls Restaurant. These are the estimates to start your Rush Bowls Restaurant as described in the single franchise Rush Bowls Restaurant chart above (except for the Initial Franchise Fee which is replaced by the Development Fee). The Grand Opening Assistance Fee is required for your first and second Rush Bowls Restaurants and may be required for subsequent Rush Bowls Restaurants, so the initial investment for a Rush Bowls Restaurant will vary depending on the number of Rush Bowls Restaurants you purchase and whether we require the Grand Opening Assistance Fee for additional Rush Bowls Restaurants. Costs associated with starting additional Rush Bowls Restaurants are subject to factors that we cannot estimate or control, such as inflation, increased labor costs or increased materials costs and will depend on when the additional Rush Bowls Restaurants are opened.

3. Figures May Vary. If you purchase a Multi-3 or Multi-5 under the Area Development Agreement, you will incur all of the costs listed above for each Rush Bowls Restaurant you open except that you will pay a Development Fee, not Initial Franchise Fees. This is only an estimate of your initial investment and is based on our estimate of domestic costs and market conditions prevailing as of the Issuance Date of this Franchise Disclosure Document. The factors underlying our estimates may vary depending on several variables, and the actual investment you make in developing and opening your Area Development Franchise may be greater or less than the estimates given depending upon the locations of your Rush Bowls Restaurants and current relevant market conditions. You must bear any deviation or escalation in costs from the estimates that we have given. Review these figures carefully with a business advisor and/or legal counsel before deciding to purchase an Area Development Franchise. Many factors that are unique to your location can make a dramatic difference in the estimates provided. The availability and terms of financing depend on several factors, including the availability of financing, your creditworthiness, collateral you may have, and lending policies of financial institutions. You should review these figures with a business advisor, financial consultant or other professional before deciding to purchase an Area Development Franchise.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Rush Bowls Restaurant according to our System and specifications. This includes purchasing or leasing all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, and real estate related to establishing and operating the Rush Bowls Franchise under our specifications, which may include purchasing these items from: (i) our designees; (ii) approved suppliers; and/or (iii) us or our affiliates. You must not deviate from these methods, standards and specifications without our prior written consent, or otherwise operate in any manner which reflects adversely on our Marks or the System.

Our confidential operations manual ("Franchise Operations Manual") states our standards, specifications, and guidelines for all products and services we require you to obtain in establishing and operating your Rush Bowls Franchise and approved vendors for these products and services. We will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Franchise Operations Manual or through other written communication (including electronic communication such as email or through a system-wide intranet).

You must purchase, install, maintain in sufficient supply and use, only fixtures, furnishings, equipment, signs and supplies that conform to the standards and specifications described in the Franchise Operations Manual or otherwise in writing. You must use our approved vendor for all interior signage for use in your Restaurant.

We utilize proprietary food products and recipes and may continue to develop and own proprietary recipes. In order to protect their trade secrets and to monitor the manufacture, packaging, processing and sale of proprietary food products, we or our affiliates may in the future: (i) manufacture, supply and sell proprietary food products to Rush Bowls franchisees; and/or (ii) disclose the formula for methods and preparation of the proprietary food products to a limited number of suppliers, including one or more of our affiliates, who we authorize to manufacture these proprietary food products to our precise specifications and sell these products to Rush Bowls franchisees. You must purchase the proprietary products we or our affiliates develop from time to time, pursuant to secret recipes or formulas, and purchase them only from a third party who we have licensed to prepare and sell the products, or us or our affiliates if we or they become a supplier. All non-proprietary ingredients, beverage products, cooking materials, containers, cartons, bags, menus, napkins, other paper and plastic products, utensils, uniforms, and other supplies and materials used in your Restaurant must strictly conform to our reasonable specifications and quality standards. Certain products such as plates, cups, boxes and containers bearing the Marks must be purchased by you from certain suppliers approved by us who are authorized to manufacture these products bearing our trademarks.

You must at all times maintain an inventory of approved food products, beverages, ingredients and other products in sufficient quantities and variety to realize the full potential of your Rush Bowls Restaurant. You must use the menus and menu boards that we designate and serve meals and products in the manner we designate.

You must purchase and use sales and marketing materials, including banners, menus, decals and other items, from our approved suppliers disclosed and updated in the Franchise Operations Manual or through other written communication. We, and our affiliates, reserve the right to become approved suppliers of any proprietary food products and non-proprietary products.

You must use the computer hardware and software, including the point-of-sale system that we periodically designate to operate your Rush Bowls Franchise. You must obtain the computer hardware, software licenses, maintenance and support services, and other related services that meet our specifications from the suppliers we specify.

You must obtain and maintain the insurance coverage required under the Franchise Agreement or in the Franchise Operations Manual. The required insurance includes: (1) general liability insurance of at least $2,000,000 per occurrence; (2) all risks property insurance coverage which includes fire coverage limits equal to at least actual replacement cost of the FF&E and your other property used in your business operations at your Rush Bowls Restaurant; (3) actual loss sustained business interruption insurance with a minimum of coverage limits equal to at least actual replacement cost of the FF&E and your other property used in your Rush Bowls Restaurant operations; (4) building insurance coverage for the building, or the business premises, for and against all risk, loss and damages in an amount equal to at least actual replacement cost; (5) employment practices liability insurance coverage of at least $1,000,000 per occurrence insuring you and your employees for employment-related claims and damages; (6) automobile liability insurance with coverage of at least $2,000,000 per occurrence insuring against all claims and damages resulting from the use, operation or maintenance of all automobiles or vehicles owned by you or used by you or your employees (including automobiles owned or leased by any employee of you) in connection with your Rush Bowls Restaurant, including catering and delivery services; (7) umbrella liability insurance for general liability insurance in the amount of $2,000,000 for liability insurance coverage for any claims or damages you incur in excess of the primary general liability, automobile liability,

employment practices liability, and other liability insurance coverage carried by you; and (8) all insurance required by state and/or federal law. Your suppliers and independent contractors must obtain and maintain general liability insurance with coverage of at least $1,000,000 per occurrence and automobile insurance with coverage of at least $1,000,000 per occurrence.

The insurance company must be authorized to do business in the state where your Rush Bowls Restaurant is located, and must be approved by us. It must also be rated "A" or better by A.M. Best & Company, Inc. We may periodically modify or increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us and any affiliates we designate as additional named insured parties.

We will provide you with a list of our designated and approved suppliers in our Franchise Operations Manual. If you want to use or sell a product or service that we have not yet evaluated, or if you want to purchase or lease a product or service from a supplier or provider that we have not yet approved, including local vendors, (for services and products that require supplier approval), you must notify us and submit to us the information, specifications and samples we request. We will use commercially reasonable efforts to notify you within 30 days after receiving all requested information and materials whether you are authorized to purchase or lease the product or service from that supplier or provider. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. We reserve the right to charge a fee to evaluate the proposed product, service or supplier. We apply the following general criteria in approving a proposed supplier: (1) ability to purchase the product in bulk; (2) quality of services; (3) production and delivery capability; (4) proximity to Rush Bowls Restaurants to ensure timely deliveries of the product or services; (5) the dependability of the supplier; and (6) other factors. The supplier may also be required to sign a supplier agreement with us. We may periodically re-inspect approved suppliers' facilities and products and we reserve the right to revoke our approval of any supplier, product or service that does not continue to meet our specifications. We will send written notice of any revocation of an approved supplier, product or service. We do not provide material benefits to you based solely on your use of designated or approved sources.

We estimate that approximately seventy-five percent (75%) of purchases required to open your Rush Bowls Restaurant and seventy-five percent (75%) of purchases required to operate your Rush Bowls Restaurant will be from us, our affiliates or from other approved suppliers or under our specifications. We and our affiliates may receive rebates from some suppliers based on your purchase of services and products and we have no obligation to pass them on to our franchisees or use them in any particular manner. We are the only supplier of the Grand Opening Assistance. None of our affiliates are currently suppliers of any goods or services sold to franchisees. Our founder and Chief Executive Officer, Andrew Pudalov, owns an interest in WLR which may be, but currently is not, a supplier of goods to you. During our last fiscal year, ended December 31, 2019, neither we, nor our affiliates, derived revenue or other material consideration as a result of franchisees' required purchases or leases.

We may negotiate purchase arrangements with suppliers and distributors for the benefit of our franchisees and we may receive rebates or volume discounts from our purchase of equipment and supplies that we resell to you. We currently do not have any purchasing or distribution cooperatives.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation		Section in Franchise Agreement/Area Development Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 1.1 and 12	Items 7 and 11
b.	Pre-opening purchases/leases	Sections 10 and 13	Items 7, 8 and 11
c.	Site development and other pre-opening requirements	Sections 10, 12, and 14	Items 7 and 11
d.	Initial and ongoing training	Section 14	Items 5, 6, 7 and 11
e.	Opening	Sections 5.4 and 9.19	Items 6, 7, 9 and 11
f.	Fees	Sections 1, 2, 3, 4, 5, 6, 7, 9, 10, and 14 and Section 3 and Attachment A of the Area Development Agreement	Items 5, 6 and 7
g.	Compliance with standards and policies/Franchise Operations Manual	Sections 9, 10, 12.5 and 14	Items 8, 11, 12, 14
h.	Trademarks and proprietary information	Sections 11 and 16	Items 13 and 14
i. offered	Restrictions on products/services	Sections 9, 10, and 14	Items 8 and 16
j.	Warranty and customer service requirements	Section 9	Items 1 and 11
k.	Territorial development and sales quotas	Section 1 and Section 4 and Attachments A and B of Area Development Agreement	Items 1, 11 and 12
l.	On-going product/service purchases	Sections 9, 10, and 14	Items 8 and 16
m.	Maintenance, appearance, and remodeling requirements	Sections 2, 9, and 22	Items 7, 8 and 11
n.	Insurance	Section 15	Items 6, 7 and 8
o.	Advertising	Sections 9, 13, and 16	Items 11, 13 and 14
p.	Indemnification	Section 25 and Section 11.2 of Area Development Agreement	Not Applicable
q.	Owner's participation/management and staffing	Section 8 and Section 1.3 of Area Development Agreement	Items 11, 15 and 17
r.	Records and reports	Sections 7 and 9	Items 6 and 11
s.	Inspections and audits	Sections 7, 9, and 12	Items 6 and 11
t.	Transfer	Section 17 and Section 8 of Area Development Agreement	Item 17
u.	Renewal	Section 2	Item 17
v.	Post-termination obligations	Sections 20 and 22	Item 17
w.	Non-competition covenants	Section 23	Item 17
x.	Dispute resolution	Section 27 and Section 15 of the Area Development Agreement	Item 17

ITEM 10
FINANCING

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

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

Except as listed below, RBF is not obligated to provide you with any assistance.

Pre-opening Obligations

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

1. Provide an initial training program (See Franchise Agreement - Section 14.1).

2. Loan you one copy of the Franchise Operations Manual. The Franchise Operations Manual contains approximately 166 pages. The table of contents for the Franchise Operations Manual is attached to this Franchise Disclosure Document as Exhibit G (See Franchise Agreement - Section 11.1).

3. Provide you with advice in identifying a suitable location for your Rush Bowls Restaurant, if you request assistance (See Franchise Agreement - Section 12). Although we will consult with you on your site and require your site be subject to our final authorization, you have the ultimate responsibility in choosing, obtaining and developing the site for your Rush Bowls Restaurant. We do not guarantee the suitability or success of the accepted site. We must approve the site before you sign any lease for the Rush Bowls Restaurant.

4. In evaluating a proposed site, we consider such factors as general location and neighborhood, traffic patterns, parking, size, layout and other physical characteristics. Before leasing or purchasing the site for your Restaurant, you must submit to us, in the form we specify, a description of the site, with other information and materials we may reasonably require (Franchise Agreement - Section 12.2). We will have 30 days after we receive the information and materials to evaluate the proposed site. If we disapprove of the proposed site, you must select another site, subject to our consent. You must purchase or lease the site for your Rush Bowls Restaurant within 180 days after signing the Franchise Agreement. We may terminate the Franchise Agreement if you do not submit an approved site, then purchase or lease it, within 180 days after signing the Franchise Agreement. We generally do not own the premises for the Rush Bowls Restaurant and lease it to you.

5. Once you have an approved site for your Rush Bowls Restaurant, we will designate a territory. If you sign an Area Development Agreement, we will designate the Development Territory before you sign the Area Development Agreement (See Attachment 1-1 of Franchise Agreement and Attachment A of Area Development Agreement).

6. Review your lease agreement for the Rush Bowls Restaurant to ensure that its terms contain our required provisions and otherwise meet our minimum standards (See Franchise Agreement - Section 12.1).

7. We will provide a copy of our basic specifications for the design and layout of your Rush Bowls Restaurant. You are responsible for the costs of preparing architectural, engineering and construction drawings and site plans, which you must submit to us for our review and approval before you begin construction of your Rush Bowls Restaurant. You are responsible for the costs of construction and remodeling (See Franchise Agreement - Section 12).

8. We will arrange for at least one representative to provide on-site assistance for the opening of your Rush Bowls Restaurant. For approximately five days before and during your opening, we will assist

you with implementing the System at your Rush Bowls Restaurant and training your employees. Upon completion of the on-site grand opening assistance, we will send you an invoice for any additional travel and related expenses of our representative(s). You will pay the invoice within ten days after receipt of the invoice. The grand opening assistance is required for your first and second Rush Bowls Restaurants. We will not be required to provide grand opening assistance for your third or any subsequent Rush Bowls Restaurant opening (See Franchise Agreement - Section 14.3).

We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase existing Rush Bowls Restaurants.

Schedule for Opening

The typical length of time between signing the Franchise Agreement or the payment of any fees and the opening of the Rush Bowls Restaurant can vary from six weeks to 12 months. Some factors, which may affect this timing, are your ability to acquire a location through lease or purchase negotiations, your ability to secure any necessary financing, your ability to comply with local zoning and other ordinances, your ability to obtain any necessary permits and certifications, the timing of the delivery of equipment, tools and inventory, and the time to convert, renovate or build out your Rush Bowls Restaurant.

If you are an Area Developer, you must sign your first Franchise Agreement at the same time you sign the Area Development Agreement. The typical length of time between the signing of the Franchise Agreement and the opening of your first Rush Bowls Restaurant under an Area Development Agreement is the same as for a single Rush Bowls Restaurant. Each additional Rush Bowls Restaurant you develop must be opened according to the terms of your Development Schedule. The site selection and approval process for each Rush Bowls Restaurant under an Area Development Agreement is the same as that for a single Rush Bowls Restaurant and will be governed by the Franchise Agreement signed for that location.

Continuing Obligations

During the operation of your Rush Bowls Restaurant, we (or our designee) will provide the following assistance and services to you:

1. Inform you of mandatory specifications, standards and procedures for the operation of your Rush Bowls Franchise (See Franchise Agreement - Sections 9, 10, and 14).

2. Provide you with advice and guidance on advertising and marketing (See Franchise Agreement - Section 5).

3. Provide additional training to you for newly-hired personnel on the Rush Bowls brand and System guidelines, refresher training courses and additional training or assistance that, in our discretion, you need or request. You may be required to pay additional fees for this training or assistance (See Franchise Agreement - Section 14).

4. Allow you to continue to use confidential materials, including the Franchise Operations Manual and the Marks (See Franchise Agreement - Sections 11 and 16).

Optional Assistance

During the term of the Franchise Agreement, we (or our designee) may, but are not required to, provide the following assistance and services to you:

1. Modify, update or change the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new products, new menu items, new equipment or new techniques.

2. Make periodic visits to the Rush Bowls Restaurant for the purpose of assisting in all aspects of the operation and management of the Rush Bowls Franchise, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Franchise, and detailing any problems in the operations which become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then-current training charges.

3. Maintain and administer a Brand Fund. We may dissolve the Brand Fund upon written notice (See Franchise Agreement - Section 4).

4. Hold periodic national or regional conferences to discuss business and operational issues affecting Rush Bowls franchisees.

5. Assist you in establishing pricing, including prescribing minimum and/or maximum retail prices, for the products and/or services you must offer and sell at your Rush Bowls Restaurant, as allowed by law.

Advertising

Brand Fund

We have established a Brand Fund for the promotion of the System, the Marks, and Rush Bowls Restaurants. You must pay two percent (2%) of your Gross Sales for the Brand Fund ("Brand Fund Contribution"), but we reserve the right to increase contributions up to three percent (3%) of your Gross Sales upon 90 days' written notice to you. Your contribution to the Brand Fund is in addition to all other advertising requirements set out in this Item 11. Each Rush Bowls franchisee will be required to contribute to the Brand Fund but certain Rush Bowls franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Rush Bowls Restaurants owned by us and our affiliates and former affiliates are not obligated to contribute to the Brand Fund.

The Brand Fund is administered by us, or our affiliate or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The Brand Fund will be in a separate bank account, commercial account or savings account.

We have complete discretion on how the Brand Fund will be utilized. We may use the Brand Fund for local, regional or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for the System and any other purpose to promote the Marks. We may use any media for disseminating Brand Fund advertisements, including direct mail, print ads, the Internet, radio, billboards, and television. We may reimburse ourselves, our authorized representatives or our affiliates from the Brand Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other direct or indirect expenses associated with the programs funded by the Brand Fund. We do not guarantee that advertising expenditures from the Brand Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the Brand Fund contributions for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertisement or website indicating "Franchises Available" or similar phrasing.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Fund or to maintain, direct or administer the Brand Fund. Any unused funds that were collected in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Brand Fund on any terms we deem reasonable.

The Brand Fund is not audited. Upon your written request, we will provide to you an annual accounting for the Brand Fund that shows how the Brand Fund proceeds have been spent for the previous year. During our most recent fiscal year ended December 31, 2019, the Brand Fund was spent as follows: 15% on production, 60% on media placement and 25% on agency management fee. Neither our affiliate(s) nor we receive payments for providing goods or services to the Brand Fund, except for reimbursement of expenses as described above.

Local Advertising

In addition to the Brand Fund Contributions, you must spend an average of two percent (2%) of your Gross Sales on local advertising each calendar quarter ("Local Advertising Requirement"). If you fail to spend the Local Advertising Requirement, you will be required to pay the difference to the Brand Fund. You agree, at your sole cost and expense, to issue and offer such rebates, giveaways, and other promotions in accordance with advertising programs established by us, and further agree to honor the rebates, giveaways, and other promotions issued by other Rush Bowls franchisees under any such program, so long as such compliance does not contravene any applicable law, rule, or regulation. You will not create or issue any gift cards/certificates and will only sell gift cards/certificates that have been issued or sponsored by us and which are accepted at all Restaurants, and you will not issue coupons or discounts of any type except as approved by us.

You may be required to participate in any local or regional advertising cooperative for Rush Bowls Franchises that are established. The area of each local and regional advertising cooperative will be defined by us, based on our assessment of the area. Rush Bowls franchisees in each cooperative will contribute an amount to the cooperative, not to exceed four percent (4%) of Gross Sales, for each Rush Bowls franchise that the franchisee owns that exists within the cooperative's area. Each Rush Bowls Restaurant we own that exists within the cooperative's area, will contribute to the cooperative on the same basis as Rush Bowls franchisees. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions from each member. We may require that each cooperative operate with governing documents and prepare annual unaudited financial statements. We reserve the right to form, change, dissolve or merge any advertising cooperative formed in the future. If we elect to form such cooperatives, or if such cooperatives already exist near your territory, you will be required to participate in compliance with the provisions of the Franchise Operations Manual, which we may periodically modify at our discretion.

You must order sales and marketing material from our approved suppliers. It is a material breach of the Franchise Agreement to use other marketing material without obtaining our prior written approval. If you desire to use your own advertising materials, you must obtain our prior approval, which may be granted or denied in our sole discretion. We will review your request and we will respond in writing within 30 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Marks, and other name identification materials must follow our approved standards. You may not use our logos, Marks, and other name identification materials on items to be sold or services to be provided without our prior written approval. If you use unauthorized advertising materials, you must pay a fee of $500 per occurrence to the Brand Fund.

If you wish to advertise online, you must follow our online policy, which is contained in our Franchise Operations Manual. Our online policy may change as technology and the Internet changes.

Under our online policy, we may retain the sole right to market on the Internet, including all use of websites, domain names, advertising, and co-branding arrangements. We may restrict your use of social media. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks. We intend that any franchisee website will be accessed only through our home page.

Grand Opening Marketing

You will spend between $3,000 and $6,500 on approved grand opening marketing, advertising and promotion for your Rush Bowls Restaurant during the period commencing 30 days prior to the opening of your Restaurant and ending 90 days after the date on which your Rush Bowls Restaurant opens for business. We will prepare a grand opening marketing plan outlining the use of marketing budget and will review the plan with you in advance of launch. This plan will include developing web pages specific to your location at www.rushbowls.com, and may include a combination of Google Display Network advertising campaigns, social media advertising, email marketing, SEO optimization, PR, in-store collateral materials and other initiatives as deemed necessary as part of our new store outreach program.

If requested by us, you will provide us with an accurate accounting (in the form prescribed by us) of your expenditures for grand opening marketing, advertising and promotion within 120 days after the opening of your Rush Bowls Restaurant. All expenditures for grand opening marketing, advertising and promotion will be in addition to your other marketing, advertising and promotion obligations under the Franchise Agreement.

Advisory Council

We have formed an advisory council ("Council") to advise us on advertising policies. Members of the Council consists of both Rush Bowls franchisees and corporate representatives. Members of the Council are appointed by us in our sole discretion. The Council serves in an advisory capacity only. We have the power to form, change or dissolve the Council, in our sole discretion.

Computer System

You are required to purchase a computer system capable of running MS Office and must also purchase our approved POS System (currently, Revel Systems POS) (together, the "Computer System"). We estimate the cost of purchasing the Computer System will be between $4,000 and $8,000. The Computer System will manage the daily workflow of the Rush Bowls Restaurant, coordinate the customer ordering experience, and track other information. You must record all Gross Sales on the Computer System. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the Gross Sales of your Rush Bowls Franchise. You must also maintain a high-speed Internet connection at the Restaurant. In addition to offering and accepting Rush Bowls gift cards and loyalty cards, you must accept all credit cards and debit cards that we determine. We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates or support for the Computer System. You must arrange for installation, maintenance and support of the Computer System at your cost. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance repairs or upgrades relating to the Computer System. The cost of maintaining, updating or upgrading the Computer System or its components will depend on your repair history, local costs of computer maintenance services in your area and technological advances which we cannot predict at this time. We estimate the annual costs to range between $1,000 and $2,000 but this could vary (as discussed above). We may revise our specifications for the Computer System periodically. You must upgrade or replace your Computer System at such time as specifications are revised. There is no limitation on the frequency and cost of this obligation.

We (or our designee) have the right to independently access the electronic information and data relating to your Franchise and to collect and use your electronic information and data in any manner, including to promote the System and the sale of Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. We may access the electronic information and data from your Computer System remotely, in your Rush Bowls Restaurant or from other locations.

Training

Initial Training

We will provide approximately one week of initial training at our corporate headquarters in Boulder, Colorado (or another location we designate), which is typically conducted 30-60 days prior to opening your Rush Bowls Restaurant. You (or your operating principal, if you are an entity), and any designated manager or representative that we require must complete the initial training to our satisfaction before you open your Rush Bowls Restaurant. We provide initial training at no cost for up to two people, provided they attend at the same time. You must pay up to a $500 fee for training each additional person. You must pay for airfare, meals, transportation costs, lodging and incidental expenses for all of your training program attendees. You (or your operating principal, if you are an entity) and your designated manager must complete the training program to our reasonable satisfaction, as determined by the specific program instructors, before you are able to open the Rush Bowls Restaurant. Initial training classes are held as often as necessary for franchisees to complete the initial training program prior to opening. You will not receive any compensation or reimbursement for services or expenses for participation in the initial training program. We plan to provide the training listed in the table below.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Daily/Weekly - Opening and Closing Procedures	1 to 2	1 to 2	Corporate Training Center ("CTC") in Boulder, Colorado or on-site at your location ("On-Site")
Daily Morning set-up and preparation	1 to 2	1 to 2	CTC or On-Site
Labor and training methods	1 to 2	1 to 2	CTC or On-Site
Production Duties and Responsibilities of Team	1 to 2	1 to 2	CTC or On-Site
Ordering and Re-order points Inventory – Equipment	2 to 3	2 to 3	CTC or On-Site
Daily Chores and Procedures, checklists	2 to 3	2 to 3	CTC or On-Site

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Marketing and Sales	5 to 10	5 to 10	CTC or On-Site
Organization and Management	5 to 10	5 to 10	CTC or On-Site
Rush Bowls Culture	1 to 2	1 to 2	CTC or On-Site
Total	19 to 36	19 to 36	

Notes:

1. We reserve the right to vary the length and content of the initial training program based upon the experience and skill level of the individual attending the initial training program. We will use the Franchise Operations Manual as the primary instruction materials during the initial training program.

2. Jason Johnson and Maggie Reilly, co-Directors of Training, currently oversee our training program. Jason brings more than three years of management experience and Maggie brings more than two years of management experience.

3. Other instructors will include experienced Rush Bowls restaurant managers and/or assistant managers, with at least one year management or training experience.

Ongoing Training

From time to time, we may require that you, designated managers and other employees attend system-wide refresher or additional training courses. Some of these courses may be optional while others may be required. If you appoint a new designated manager, that person must attend and successfully complete our initial training program before assuming responsibility for the management of your Rush Bowls Restaurant. If we conduct an inspection of your Restaurant and determine you are not operating in compliance with the Franchise Agreement, we may require that you attend remedial training that addresses your operational deficiencies. You may also request that we provide additional training (either at corporate headquarters or at your Restaurant). You must pay for airfare, meals, transportation costs, lodging and incidental expenses for all of your training program attendees.

ITEM 12
TERRITORY

Franchise Agreement

Restaurant

You may operate the Rush Bowls Restaurant only at the approved location. The approved location for your Restaurant will be listed in the Franchise Agreement. If you have not identified an approved

location for the Restaurant when you sign the Franchise Agreement, as is typically the case, you and we will agree on the approved location in writing and amend the Franchise Agreement after you select and we approve the approved location. You are not guaranteed any specific approved location and you may not be able to obtain your top choice as your approved location. You may not conduct your business from any other location. You may not relocate the Restaurant without our prior written approval. We may approve a request to relocate the Restaurant, provided you are not in default of your Franchise Agreement, in accordance with the provisions of the Franchise Agreement that provide for the relocation of the Restaurant, and our then-current site selection policies and procedures. The proposed new location must be located in your protected area. You will be required to pay a relocation fee.

Protected Area

You will receive a "Protected Area" which means that during the term of the Franchise Agreement, we will not establish or franchise others to establish another Rush Bowls Restaurant within your designated protected area. The Protected Area is determined based on the geographic area and populations properties within that area and other relevant demographic characteristics. The size of the Protected Area will likely differ among franchisees, and will be determined by the demographics and attributes of the area in which the Restaurant is located. As a general rule, the area will be an approximately 0 to 1 mile radius from your Restaurant for an "Urban Area," approximately 1 to 2 mile radius from your Restaurant for a "Suburban Area," and approximately 3 to 4 mile radius from your Restaurant for a "Rural Area." We define these areas as follows: (a) "Urban Area"- areas that are primarily dense urban residential areas; (b) "Suburban Area"- moderately dense residential areas, primarily on the outskirts of larger metropolitan areas, or moderately-sized towns away from metro areas; and (c) "Rural Area" - low density residential areas in smaller towns across the United States.

You are not prohibited from directly marketing to or soliciting customers whose principal residence is outside of your Protected Area. If you renew your Franchise, your Protected Area may be modified depending on the then-current demographics of the Protected Area, and on our then-current standards for territories. Neither we, nor any affiliates, operate, franchise, or have plans to operate or franchise a business under a different trademark selling goods or services similar to those you offer.

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

You must follow our off site policies and procedures in our Franchise Operations Manual. You may provide catering and delivery services within your Protected Area and you may provide catering and delivery services outside of your Protected Area; provided that you may not provide catering and delivery services in another franchisee's protected area. We may impose restrictions in the future that prevent you from providing catering and delivery services outside of your Protected Area. We have the absolute right to withdraw our approval of catering and delivery services on 30 days' prior written notice.

If you wish to purchase an additional Rush Bowls Franchise, you must apply to us, and we may, at our discretion, offer an additional Rush Bowls Franchise to you. We consider a variety of factors when determining whether to grant additional Rush Bowls Franchises. Among the factors we consider, in addition to the then-current requirements for new Rush Bowls franchisees, are whether or not the franchisee is in compliance with the requirements under their current Franchise Agreement.

If you wish to revise, amend, or relocate your Protected Area, you must apply to us to do so, and we may, but are not required, to grant your request. We may condition our approval of such request on any terms or conditions which we deem reasonable, including, but not limited to, requiring you to pay a Territory Revision Fee of $500 as discussed in Item 6.

You do not receive the right to acquire additional Rush Bowls Franchises within the Protected Area unless you purchase the right in your Area Development Agreement. You are not given a right of first refusal on the sale of existing Rush Bowls Franchises.

We have established the Rush Bowls website ("Rush Bowls Website") and have the sole right to control its features of the Rush Bowls Website, to advertise and promote Rush Bowls Restaurants, including your Rush Bowls Restaurant. If you wish to advertise online, including your own website, you may not establish an account or participate in any social networking sites or mention or discuss Rush Bowls Restaurants, us or any of our affiliates, without our prior written consent and as subject to our online policy. You cannot use other channels of distribution, the internet, catalog sales, telemarketing or other direct marketing to make sales outside your Protected Area.

Area Development Agreement

Under the Area Development Agreement, you are assigned a Development Territory in which you must develop a designated number of Rush Bowls Restaurants. The size of the Development Territory will depend on the number of Restaurants to be developed, the demographics of the territory, the population and other factors. In certain densely populated metropolitan areas, a Development Territory may be small if it has a high population density, while Development Territories in less densely populated urban areas may have significantly larger areas.

The Development Territory will be an exclusive territory for the development of Rush Bowls Franchises during the term of the Area Development Agreement so long as you are in compliance with the agreement. This exclusivity grants you the exclusive rights to open Rush Bowls Restaurants in the Development Territory provided that you follow the terms of the Area Development Agreement. The rights granted under the Area Development Agreement relate only to the development of the Rush Bowls Franchises identified in the Area Development Agreement. Except as provided in the Area Development Agreement, and subject to your full compliance with the Area Development Agreement and any other agreement among you or any of your affiliates and us or any of our affiliates, neither we nor our affiliates will establish or authorize any other person or entity, other than you, to establish a Rush Bowls Franchise in your Development Territory during the term of the Area Development Agreement. However, the Development Territory may already include existing Rush Bowls Franchises, and you may not develop a Rush Bowls Franchise that infringes on the territorial rights of existing Rush Bowls Franchises.

We, our affiliates, and any other authorized person or entity (including any other Rush Bowls Franchise) may, at any time, conduct any other type of activities within your Development Territory that we are permitted to conduct under the Franchise Agreement. The Development Territory will terminate upon the completion of the Development Schedule or the termination of the Area Development Agreement, whichever occurs first, and the only territorial protections that you will receive upon termination will be those under each individual Franchise Agreement. The site selection and approval process for each Rush Bowls Restaurant under an Area Development Agreement is the same as that for a single Rush Bowls Restaurant and will be governed by the Franchise Agreement signed for that location.

Upon your first failure to adhere to the Development Schedule, you will lose the exclusivity granted for the Development Territory. Any second or additional failures to adhere to the Development Schedule will constitute a material event of default under the Area Development Agreement, for which we may, among other things: (i) terminate the Area Development Agreement; (ii) terminate the territorial exclusivity in the Development Territory; (iii) reduce the area of the Development Territory; (iv) permit you to extend the Development Schedule; or (v) pursue any other remedy we may have at law or in equity, including but not limited to, a suit for non-performance.

The size of the Development Territory may be a single or multi-city area, single county area or some other area, and will be described in Attachment A of your Area Development Agreement. We will determine the Development Territory before you sign the Area Development Agreement based on various market and economic factors.

Reservation of Rights

We, and our affiliates, have the right to operate, and to license others to operate, Rush Bowls Restaurants at any location outside the Protected Area or Development Territory, even if doing so will or might affect your operation of your Restaurant(s). We retain the right, for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights:

1. to own, franchise or operate Rush Bowls Restaurants at any location outside of the Protected Area or Development Territory, regardless of the proximity to your Restaurant;

2. to develop other business concepts under other brand names, provided such concepts are not competitive businesses, even if the locations for the concepts are within the Protected Area or Development Area and even if these businesses are in competition with you;

3. to use the Marks and the System to sell any products or services, similar to those which you will sell, through any alternate channels of distribution within or outside of the Protected Area or Development Area. This includes, but is not limited to, other channels of distribution such as television, catalog sales, wholesale to unrelated retail outlets or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;

4. to offer and sell food products, including frozen products and proprietary food products, under the Marks or any other marks, through grocery stores, convenience stores, hotel shops and kiosks, theatres, malls, airports, gas stations, college campuses, sports venues or other retail locations within or outside of the Protected Area or Development Territory;

5. to use and license the use of other proprietary and non-proprietary marks or methods, which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business offering wholesome, all-natural food bowls and related products and services, at any location, including within the Protected Area or Development Territory, which may be similar to or different from the Rush Bowls Restaurant operated by you;

6. to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your Rush Bowls Restaurant, wherever located;

7. to acquire and convert to the System operated by us, any businesses offering services and products similar to offered by Rush Bowls Franchises, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Protected Area or Development Territory, provided that in such situations the newly acquired businesses may not operate under the Marks in the Protected Area or Development Territory;

8. to implement multi-area marketing programs, which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

We are not required to pay you if we exercise any of the rights specified above within your Protected Area or Development Territory. The continuation of the Protected Area is not dependent upon your achievement of a certain sales volume, market penetration or other contingency. We do not pay compensation for soliciting or accepting orders inside your Protected Area or Development Territory.

ITEM 13
TRADEMARKS

The Marks are owned by LR and are licensed exclusively to us. The Franchise Agreement and your payment of Royalties grant you the non-exclusive right and license to use the System, which includes the use of Proprietary Marks. Our affiliate, LR has granted us an exclusive license ("Trademark License") to use the Marks to franchise the System around the world. The Trademark License is for ten years and began on May 18, 2016. It will automatically renew for subsequent ten-year periods provided we are not in default or do not materially breach the Trademark License by engaging in any activity which damages the Marks or the goodwill of the System. If the Trademark License is terminated, LR has agreed to license the Marks directly to our franchisees until each Franchise Agreement expires or is otherwise terminated. LR has registrations with the United States Patent and Trademark Office ("USPTO") for the following Mark:

Trademark	Registration Number	Date of Registration	Status
RUSH BOWLS	4,212,473	September 25, 2012	Registered on the Principal Register
RUSH BOWLS	5,265,056	August 15, 2017	Registered on the Principal Register
	5,345,709	November 28, 2017	Registered on the Principal Register

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board or the trademark administrator of any state or any court and no pending infringement, opposition, or cancellation proceedings or material litigation involving the Marks. All required affidavits and renewals have been filed.

Except for the Trademark License, there are no agreements, currently in effect, that significantly limit our right to use or license the use of the principal Marks in any manner material to the Rush Bowls Franchise. We do not know of any superior prior rights or infringing uses that could materially affect your use of the Marks. You must follow our rules when using the Marks. You cannot use our name or Mark as part of a corporate name or with modifying words, designs or symbols unless you receive our prior written consent. You must indicate to the public in any contract, advertisement and with a conspicuous sign in your Rush Bowls Restaurant that you are an independently owned and operated licensed franchisee of Rush Bowls. You may not use the Marks in the sale of unauthorized services or products or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale or other disposition of

the Rush Bowls Restaurant, or any interest in the Rush Bowls Franchise. All rights and goodwill from the use of the Marks accrue to us.

We will defend you against any claim brought against you by a third party that your use of the Marks, in accordance with the Franchise Agreement, infringes upon that party's intellectual property rights. We may require your assistance, but we will exclusively control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is warranted. You must notify us within three days if you learn that any party is using the Marks or a trademark that is confusingly similar to the Marks. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or administrative proceeding involving a trademark licensed by us to you.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

You must not directly or indirectly contest our right to the Marks. We may acquire, develop and use additional marks not listed here, and may make those marks available for your use and for use by other franchisees.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

The information in the Franchise Operations Manual is proprietary and is protected by copyright and other laws. The designs contained in the Marks, the layout of our advertising materials, the ingredients and formula of our products and recipes, and any other writings and recordings in print or electronic form are also protected by copyright and other laws. Although we have not applied for copyright registration for the Franchise Operations Manual, our advertising materials, the content and format of our products or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information ("Copyrighted Works") for your operation of your Rush Bowls Franchise, but such copyrights remain our sole property.

There are no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are there any proceedings pending, nor are there any effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit using our Copyrighted Works.

Our Franchise Operations Manual, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of, and experience in the development, operation and franchising of Rush Bowls Franchises, our training materials and techniques, information concerning Product and service sales, operating results, financial performance and other financial data of Rush Bowls Franchises and other related materials are proprietary and confidential ("Confidential Information") and are our property to be used by you only as described in the Franchise Agreement and the Franchise Operations Manual. Where appropriate, certain information has also been identified as trade secrets ("Trade Secrets"). You must maintain the confidentiality of our Confidential Information and Trade

Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Trade Secrets and Confidential Information.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for you to develop your Rush Bowls Franchise during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce. Nothing in the Franchise Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of other Rush Bowls Franchises during the term of the Franchise Agreement.

You must notify us within three days after you learn about another's use of language, a visual image or a recording of any kind, that you perceive to be identical or substantially similar to one of our Copyrighted Works or use of our Confidential Information or Trade Secrets, or if someone challenges your use of our Copyrighted Works, Confidential Information or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, Confidential Information or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of, or challenge to, your use of any Copyrighted Works, Confidential Information or Trade Secrets or claim by any person of any rights in any Copyrighted Works, Confidential Information or Trade Secrets. You must not directly or indirectly contest our rights to our Copyrighted Works, Confidential Information or Trade Secrets. You may not communicate with anyone except us, our counsel or our designees regarding any infringement, challenge or claim. We will take action as we deem appropriate regarding any infringement, challenge or claim, and the sole right to control, exclusively, any litigation or other proceeding arising out of any infringement, challenge or claim under any Copyrighted Works, Confidential Information or Trade Secrets. You must sign any and all instruments and documents, give the assistance and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding, or to protect and maintain our interests in the Copyrighted Works, Confidential Information or Trade Secrets.

No patents or patents pending are material to us at this time.

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

We require that you either directly operate your Rush Bowls Restaurant or designate a manager ("Designated Manager") who has been approved by us. If you are not an individual, you must designate an "Operating Principal" acceptable to us who will be principally responsible for communicating with us about the Rush Bowls Restaurant. The Operating Principal must have the authority and responsibility for the day-to-day operations of your Rush Bowls Restaurant and must have at least ten percent (10%) equity. The Designated Manager must successfully complete our training program (See Item 11). We may require that the Designated Manager have an ownership interest in the legal entity of the Franchise owner. If you replace a Designated Manager, the new Designated Manager must satisfactorily complete our training program at your own expense.

Area Developers must own at least a fifty-one percent (51%) equity interest in the franchisee for each Rush Bowls Franchise developed under the Area Development Agreement.

If you are an entity, an officer that does not own equity in the franchisee entity, must sign the "System Protection Agreement," the form of which is attached to this Franchise Disclosure Document in Exhibit H. All of your Designated Managers, employees, independent contractors, agents or representatives that may have access to our confidential information must sign a confidentiality agreement (unless they already signed a System Protection Agreement), the current form of which is attached to this Franchise Disclosure Document in Exhibit H. If you are an entity, each direct and indirect owner (i.e., each person holding a direct or indirect ownership interest in you) must sign an owner's agreement, the form of which is attached to the Franchise Agreement as Attachment 2. We also require that the spouses of the Franchise owners sign the owner's agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale only those services and products authorized by us, and which meet our standards and specifications. Authorized products may differ among our franchisees, and may vary depending on the operating season and geographic location of your Rush Bowls Restaurant or other factors. You must follow our policies, procedures, methods and techniques. You must sell or offer for sale all types of services and products specified by us. We may change or add to our required services and products, at our discretion, with prior notice to you. There are no limitations on our rights to make changes to the required services and products. If we change or add to our required services and products, the changes or additions will remain in permanent effect, unless we specify otherwise. The amount you must pay for the changes or additions will depend upon the nature and type of changes or additions. You must discontinue selling and offering for sale any services or products that we disapprove. We reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions, as allowed by law.

You may not, except with our written permission, permit any jukeboxes, electronic games, vending machines (including cigarette, gum and candy machines), ATM machines, newspaper racks, entertainment devices, coin- or token-operated machines, gambling devices or other concessions to be used at your Rush Bowls Restaurant.

You may not establish an account or participate in any social networking sites, crowdfunding campaigns or blogs or mention or discuss the franchise, us or any of our affiliates, without our prior written consent and as subject to our online policy. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use. You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales. Otherwise, we place no restrictions upon your ability to serve customers provided you do so from the location of your Rush Bowls Restaurant in accordance with our policies.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 2.1	Ten years beginning as of the date we require that you open for business or your actual opening date, if earlier (which may be extended under certain circumstances to coincide with the term of the lease for your Rush Bowls Restaurant).
b. Renewal or extension of the term	Section 2.2	If you are in good standing and you meet other requirements, you may add three successor terms of five years.
c. Requirements for franchisee to renew or extend	Section 2.2	You must give us at least 180 days' but no more than one year notice; pay all amounts due; be in compliance; not have been in default more than two times in any 12 month period or more than six times during the term; no default uncured for longer than 60 days; you either own or have the right to lease the Restaurant location for at least five years; you and management staff have completed required training; you remodel as required; you pay the renewal fee; and sign our then-current Franchise Agreement and ancillary documents for the successor term, and this new franchise agreement may have materially different terms and conditions (including, e.g., higher royalty and advertising contributions) from the Franchise Agreement that covered your original term. The term "renewal" refers to extending our franchise relationship at the end of your initial term and any other renewal or extension of the initial term. Your successor franchise rights permit you to remain as a Franchise after the initial term of your Franchise Agreement expires.
d. Termination by franchisee	Section 19	You may terminate the Franchise Agreement if you are in compliance with it, and we are in material breach, and we fail to cure that breach within 30 days of receiving written notice.
e. Termination by franchisor without "cause"	Not Applicable	Not Applicable.
f. Termination by franchisor with "cause"	Section 18	We can terminate upon certain violations of the Franchise Agreement by you, including the failure to timely pay any fees, rents or any other monetary obligations due and payable to us or an affiliate under the Franchise Agreement or any other agreement.
g. Curable defaults	Sections 18.1 and 18.2	You may cure the defaults listed in Section 18.1.
h. Non-curable defaults	Section 18.4	Non-curable defaults include: certain crimes, insolvency or bankruptcy, abandonment of the Rush Bowls Restaurant, failure to produce certain records or to permit audit, multiple breaches, failure to timely open the Rush Bowls Restaurant, multiple defaults, abandonment.

Provision	Section in Franchise Agreement	Summary
i. Franchisee's obligations on termination/non-renewal	Section 20	Obligations include complete de-identification, payment of amounts due and return of confidential Franchise Operations Manual, all Confidential Information, Trade Secrets and records.
j. Assignment of contract by franchisor	Section 17.1	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Section 32.34	Includes any voluntary, involuntary, direct or indirect sale, assignment, pledge, bequeath, trade, transfer, lease or sublease.
l. Franchisor approval of transfer by franchisee	Sections 17.3 and 17.4	We have the right to approve all transfers.
m. Conditions for franchisor approval of transfer	Section 17.3	Conditions include: new owner must have sufficient business experience and financial resources to operate the Franchise; you must pay all amounts due; new owner and employees must complete the initial training program; your landlord must consent to the transfer of the lease; you must pay transfer fee; you must sign a general release in favor of us; new owner must agree to bring the Rush Bowls Restaurant up to current standards; new owner signs a new franchise agreement in the then-current form; you must observe applicable provisions, including non-compete obligations set forth in the Franchise Agreement; you must reimburse us for any broker or placement fees.
n. Franchisor's right of first refusal to acquire franchisee's business	Sections 21.1 and 21.8	We have 30 days to match any offer for your business.
o. Franchisor's option to purchase franchisee's business	Sections 21.1 and 21.10	We may, but are not required to, purchase your Franchise, inventory or equipment at fair market value if your Franchise is terminated for any reason.
p. Death or disability of franchisee	Section 17.2	The Franchise Agreement may be transferred or assigned to a qualified party after death or disability.
q. Non-competition covenants during the term of the Franchise	Section 23.2	You may not participate in a diverting business, have no owning interest in, loan money to, or perform services for a competitive business anywhere. You may not interfere with our or our other franchisees' Rush Bowls Restaurants.
r. Non-competition covenants after the Franchise is terminated or expires	Sections 23.3 and 23.4	Owners may not have an interest in, own, manage, operate, finance, control or participate in any competitive business within ten miles of the Restaurant or any Rush Bowls Restaurant, or within any protected area or territory granted by us pursuant to an area development agreement or other territorial agreement, for two years.
s. Modification of agreement	Section 28.3	No modifications of the Franchise Agreement during the term unless agreed to in writing, but the Franchise Operations Manual is subject to change at any time in our discretion. Modifications are permitted on renewal.

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	Section 28.4	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 27	Except for certain claims, all disputes must be negotiated and arbitrated in the city closest to our principal place of business, (currently, Westminster, Colorado), subject to applicable state law.
v. Choice of forum	Section 27.7	All disputes must be negotiated, arbitrated, and if applicable, litigated in the city closest to our principal place of business, (currently, Westminster, Colorado), subject to applicable state law.
w. Choice of law	Section 27.7	Colorado law applies, subject to applicable state law.

THE AREA DEVELOPER RELATIONSHIP

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

Provision	Section in Area Development Agreement	Summary
a. Length of agreement term	1.2	Until the expiration or termination of the Area Development Agreement.
b. Renewal or extension of the term	Not applicable	Not applicable.
c. Requirements for area developer to renew or extend	Not applicable	Not applicable.
d. Termination by area developer	Not applicable	Not applicable.
e. Termination by franchisor without cause	Not applicable	Not applicable.
f. Termination by franchisor with cause	Sections 4.2, 7.1 and 7.3	We can terminate, if you or any of your affiliates materially default under the Area Development Agreement, any individual Franchise Agreement, or any other agreement with us, or if you fail to comply with the Development Schedule on two or more occasions.
g. "Cause" defined – curable defaults	Not applicable	Not applicable.

Provision	Section in Area Development Agreement	Summary
h. "Cause" defined – non-curable defaults	Sections 4.2, 7.1 and 7.3	If you default on the Area Development Agreement or any individual Franchise Agreement, or any other agreement with us, or if you fail to comply with the Development Schedule on two or more occasions.
i. Area developer's obligations on termination/non-renewal	Section 7.4	Obligations include the payment of all amounts due. You remain bound by all Franchise Agreements.
j. Assignment of the contract by franchisor	Section 8.1	No restrictions on our right to assign the Area Development Agreement.
k. "Transfer" by area developer – definition	Not applicable	Not applicable.
l. Franchisor approval of transfer by area developer	8.2	You may not assign the Area Development Agreement or any rights to the Development Territory.
m. Conditions for franchisor approval of transfer	Not applicable	Not applicable.
n. Franchisor's right of first refusal to acquire area developer's business	Not applicable	Not applicable
o. Franchisor's option to purchase area developer's business	Not applicable	Not applicable
p. Death or disability of area developer	Section 7.2	The Area Development Agreement may be transferred or assigned to a qualified party after death or disability.
q. Non-competition covenants during the term of the franchise	Not applicable	Not applicable.
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	Not applicable.
s. Modification of the agreement	Section 10	No modifications of the Area Development Agreement unless agreed to in writing.
t. Integration/merger clause	Section 10	Only the terms of the Area Development Agreement are binding (subject to state law). Any representations or promises outside of this Disclosure Document and the Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 13	Except for certain claims, all disputes must be negotiated and arbitrated in the city closest to our principal place of business, (currently, Westminster, Colorado), subject to applicable state law.

Provision	Section in Area Development Agreement	Summary
v. Choice of forum	Section 13	All disputes must be arbitrated, and if applicable, litigated in the city closest to our principal place of business, (currently, Westminster, Colorado), subject to applicable state law.
w. Choice of law	Section 13	Colorado law applies, subject to applicable state law.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our Franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting 11031 Sheridan Blvd., Suite 1, Westminster, CO 80020, franchisor@rushbowls.com, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For Years 2017 - 2019

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2017	0	1	+1
	2018	1	6	+5
	2019	6	21	+15

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Company-Owned[1]	2017	2	2	0
	2018	2	3	+1
	2019	3	3	0
Total Outlets	2017	2	3	+1
	2018	3	9	+6
	2019	9	24	+15

[1]As of the Issuance Date of this Franchise Disclosure Document, the ownership of two affiliate-owned outlets were transferred to a former principal of ours under an Equity Purchase Agreement. These outlets will continue to operate in accordance with the franchise standards.

Table No. 2

Transfers from Franchisees to New Owners
(other than the Franchisor)
For Years 2017 - 2019

State	Year	Number of Transfers
California	2017	0
	2018	1
	2019	0
Totals	2017	0
	2018	1
	2019	0

Table No. 3

Status of Franchised Outlets
For Years 2017 – 2019

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
Arizona	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
California	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	1	0	0	0	0	2
Colorado	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
	2019	1	2	0	0	0	0	3
Connecticut	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Florida	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Georgia	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Idaho	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Indiana	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Missouri	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	1	0	0	0	0	2
North Carolina	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	1	1
Ohio	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Oregon	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Tennessee	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	1	0
Texas	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2
	2019	2	2	0	0	0	0	4
Washington	2017	0	0	0	0	0	0	0

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	1	1
Alberta, Canada	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	1	0
US Totals	2017	0	1	0	0	0	0	1
	2018	1	5	0	0	0	0	6
	2019	6	18	0	0	0	3	21
Canada	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	1	0
Total	2017	0	1	0	0	0	0	1
	2018	1	5	0	0	0	0	6
	2019	6	19	0	0	0	4	21

As of the Issuance Date, some of our franchised outlets have temporarily ceased operations as a result of the COVID-19 pandemic. We do not know when or if they will be able to resume operations.

Table No. 4

Status of Company-Owned Outlets
For Years 2017 - 2019

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Colorado	2017	2	0	0	0	0	2
	2018	2	1	0	0	0	3
	2019	3	0	0	0	0	3
Total Outlets	2017	2	0	0	0	0	2
	2018	2	1	0	0	0	3
	2019	3	0	0	0	0	3

As of the Issuance Date, some of our company-owned outlets have temporarily ceased operations as a result of the COVID-19 pandemic. We do not know when or if they will be able to resume operations.

Table No. 5

Projected Openings as of
December 31, 2019

State	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
Arkansas	1	1	0
Arizona	1	1	0
California	2	1	0
Colorado	1	0	0
Connecticut	2	1	0
Florida	2	1	0
Georgia	1	1	0
Idaho	1	0	0
Indiana	2	1	0
Michigan	1	1	0
Minnesota	1	1	0
Missouri	1	0	0
North Carolina	2	2	0
Ohio	2	1	0
Oregon	2	0	0
South Carolina	1	1	0
Texas	4	2	0
Utah	1	1	0
Virginia	2	2	0
Washington	1	0	0
Washington, DC	1	1	0
Total	32	19	0

The names, addresses and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit E. The name and last known address and telephone number of every current franchisee and every franchisee who has had a Rush Bowls Franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the one-year period ending December 31, 2019, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document, is listed in Exhibit E. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experiences with Rush Bowls. You may wish to speak with current and former franchisees, but know that not all such franchisees can communicate with you. During the last three fiscal years, certain current and former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in the Rush Bowls Franchise System. If you buy a Rush Bowls Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific franchisee organizations.

ITEM 21
FINANCIAL STATEMENTS

Exhibit B contains the financial statements required to be included with this Franchise Disclosure Document: audited financial statements for the fiscal year ended December 31, 2019, December 31, 2018 and December 31, 2017. Our fiscal year end is December 31.

ITEM 22
CONTRACTS

Exhibit C	Franchise Agreement
Exhibit D	Area Development Agreement
Exhibit F	State Addenda and Agreement Riders
Exhibit H	Contracts for use with the Rush Bowls Franchise
Exhibit H-1	Sample General Release Agreement
Exhibit I	Franchise Disclosure Questionnaire

ITEM 23
RECEIPT

The last pages of this Franchise Disclosure Document, Exhibit K, are a detachable document, in duplicate. Please detach, sign, date and return one copy of the Receipt to us, acknowledging you received this Franchise Disclosure Document. Please keep the second copy for your records.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

State Administrator and Agent for Service of Process:

Commissioner
Department of Business Oversight
320 W. 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
(866) 275-2677

HAWAII

Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Agent for Service of Process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General
Chief, Franchise Division
500 S. Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA

Secretary of State
Securities Division
Room E-018
302 W. Washington Street
Indianapolis, IN 46204
(317) 232-6681

MARYLAND

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

Agent for Service of Process:

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

MICHIGAN

Michigan Department of Attorney General
Consumer Protection Division
525 W. Ottawa Street
Lansing, MI 48913
(517) 373-7117

MINNESOTA

Department of Commerce
Commissioner of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101-3165
(651) 539-1600

NEW YORK

Administrator:

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236

Agent for Service of Process:

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

NORTH DAKOTA

North Dakota Securities Department
State Capitol, Fifth Floor, Dept. 414
600 E. Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-4712

RHODE ISLAND

Department of Business Regulation
1511 Pontiac Avenue, Bldg. 68-2
Cranston, RI 02920
(401) 462-9527

SOUTH DAKOTA

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

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Agent for Service of Process:

Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

WASHINGTON

State Administrator:

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

Agent for Service for Process:

Director of Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501

WISCONSIN

Department of Financial Institutions
Division of Securities
201 W. Washington Avenue
Madison, WI 53703
(608) 266-3364

Rev. 092019

EXHIBIT B

FINANCIAL STATEMENTS

O'Kelly & Associates, Inc.
Certified Public Accountants

RUSH BOWLS FRANCHISING, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2019 and 2018

www.okellycpa.com
p 303-438-1040
f 303-993-3126

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O'Kelly & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To Management and Members
of Rush Bowls Franchising, LLC

We have audited the accompanying financial statements of Rush Bowls Franchising, LLC, which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of operations and members' equity, and cash flows for the years then ended, and 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 controls 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 judgement, 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 opinion.

Opinion

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

O'Kelly & Associates, Inc.

O'KELLY & ASSOCIATES, INC.
Broomfield, CO
April 20, 2020

RUSH BOWLS FRANCHISING, LLC
Balance Sheet
December 31, 2019 and 2018

ASSETS

	2019	2018
CURRENT ASSETS		
Cash	$ 63,094	$ 144,372
Accounts Receivable	18,556	102,312
Due from Rush Holdings, LLC	-	48,331
Prepaid Expenses	11,134	8,266
Work in Process - Mobile App	42,163	19,448
Deferred Commission Costs - Current	30,810	-
TOTAL CURRENT ASSETS	**$ 165,757**	**$ 322,729**
PROPERTY & EQUIPMENT		
Furniture & Equipment	$ 39,330	$ 7,172
Leasehold Improvements	394,897	335,825
Accumulated Depreciation	(78,478)	(20,406)
TOTAL PROPERTY & EQUIPMENT	**$ 355,749**	**$ 322,591**
OTHER ASSETS		
Deferred Commission Costs - LT	$ 609,450	$ -
License	1,000	1,000
TOTAL OTHER ASSETS	**$ 610,450**	**$ 1,000**
TOTAL ASSETS	**$ 1,131,956**	**$ 646,320**

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES		
Accounts Payable	$ 5,799	$ 146,999
Credit Card	5,667	-
Accrued Wages	10,240	5,104
Marketing Contribution Fund	28,268	12,354
Deferred Franchise Fees - Current	48,717	-
TOTAL OTHER ASSETS	**$ 98,691**	**$ 164,457**
OTHER LIABILITIES		
Deferred Franchise Fees - LT	**$ 986,508**	**$ -**
TOTAL LIABILITIES	**$ 1,085,199**	**$ 164,457**
MEMBERS' EQUITY	**46,757**	**481,863**
TOTAL LIABILITIES AND MEMBERS' EQUITY	**$ 1,131,956**	**$ 646,320**

See accompanying notes.

RUSH BOWLS FRANCHISING, LLC
Statement of Operations and Members' Equity
For the Years Ended December 31, 2019 and 2018

	2019	2018
REVENUE		
Franchise Fees	$ 774	$ 1,282,975
Franchise Royalties	176,995	39,076
Franchise Contributions for Marketing and Other Services	83,036	-
	$ 260,805	**$ 1,322,051**
COST OF REVENUES		
Franchise Commission Expenses	$ -	$ 701,838
Franchise Marketing and Other Services Expenses	83,505	
	$ 83,505	**$ 701,838**
GROSS PROFIT	**$ 177,300**	**$ 620,213**
GENERAL AND ADMINISTRATIVE EXPENSES		
Franchise Marketing and Development	$ 188,211	$ 244,745
Advertising	87,685	63,752
Computer Expense	41,325	25,167
Insurance	25,799	13,726
Legal	57,260	66,243
Office Rent and Occupancy Costs	54,102	29,078
Travel	25,368	27,291
Wages	314,036	166,849
Other	146,204	127,826
	$ 939,990	**$ 764,677**
DEPRECIATION EXPENSE	**$ 58,071**	**$ 20,406**
OTHER INCOME AND (EXPENSES)		
Other Income	6,500	-
State Taxes	(1,050)	-
	$ 5,450	**$ -**
NET INCOME (LOSS)	**$ (815,311)**	**$ (164,870)**
MEMBERS' EQUITY AT BEGINNING OF YEAR	**$ 481,863**	**$ (8,627)**
Contributions	528,986	868,048
Distributions	(148,781)	(212,688)
MEMBERS' EQUITY AT END OF YEAR	**$ 46,757**	**$ 481,863**

See accompanying notes.

RUSH BOWLS FRANCHISING, LLC
Statement of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018
NET INCOME (LOSS)	$ (815,311)	$ (164,870)
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH		
Depreciation Expense	58,071	20,406
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
Decrease in Accounts Receivable	83,756	(101,712)
Decrease in Prepaid Expenses	(2,868)	(4,619)
Decrease in Due from Rush Holdings, LLC	48,331	(48,331)
Increase in Deferred Commission Costs	(640,260)	-
Decrease in Accounts Payable	(141,200)	72,527
Increase in Credit Card Payable	5,667	-
Increase in Accrued Wages	5,136	5,104
Increase in Marketing Fund	15,914	12,354
Increase in Deferred Franchise Fees	1,035,225	-
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	**$ (347,538)**	**$ (209,141)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(91,230)	(339,452)
Work in Process - Mobile App	(22,715)	(19,448)
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	**$ (113,945)**	**$ (358,900)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Member Contributions	528,986	868,048
Member Distributions	(148,781)	(212,688)
NET CASH PROVIDED BY FINANCING ACTIVITIES	**$ 380,205**	**$ 655,360**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**$ (81,278)**	**$ 87,319**
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**$ 144,372**	**$ 57,053**
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 63,094**	**$ 144,372**
Supplemental Cash Flow Information:		
Cash paid for state taxes	$ 1,050	$ -

See accompanying notes.

NOTE 1: NATURE OF OPERATIONS

Rush Bowls Franchising, LLC (the "Company", "Franchisor", or "RBF") was organized on March 5, 2015, in the State of Colorado. The Company is engaged in the development of retail store franchises that operate under the name, "Rush Bowls". Rush Bowls is a retail store that offers wholesome, all-natural products that promote inner well-being while tasting more like sinful indulgences, which are devoted to honest ingredients and pure energy, and which serve only the most unadulterated and delectable products.

The Company provides two franchise models: the first, a single retail store concept, and the second model, an area development concept, where the franchisee commits to develop a defined number of stores over a specific time period. The retail stores are expected to range in size from 1,000 to 2,000 square feet and typically be located on an end cap or in in-line space within shopping centers.

Revenues are derived from initial franchise fees, royalties, and additional fees for training and support programs. The franchisor provides ongoing training and support in many areas critical to the success of the franchisee's business, including unit operations and maintenance, customer service techniques, product ordering, suggested pricing guidelines, and administrative procedures. Additional revenues are from the sale of proprietary products, nonproprietary products, and marketing.

The first "Rush Bowls" store is located in Boulder, CO. It was developed and is owned by LR Industries, Inc., which is owned by Andrew Pudalov, a member of Rush Bowls Franchising, LLC.

Currently, franchises are operating in Alberta, Canada, and the following states: Arizona, California, Colorado, Connecticut, Florida, Georgia, Idaho, Indiana, Missouri, North Carolina, Ohio, Oregon, Tennessee, Texas, and Washington.

Rush Holdings, LLC, a related party, operates two franchises located in Denver and Gunbarrel, CO.

The Company is registered as a limited liability company and no member, manager, agent, or employee of the Company shall be personal liable for the debts, obligations, or liabilities of the Company, whether arising in contract, tort, or otherwise, or for the acts or omissions of any other member, manager, agent, or employee of the Company, unless the individual has signed a specific personal guarantee. The duration of Rush Bowls Franchising, LLC is perpetual.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash & Cash Equivalents

The Company considers all liquid investments purchased with maturities of three months or less to be cash equivalents.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable is primarily comprised of receivables from franchisees, including royalties, marketing, and other miscellaneous franchising fees. There is no allowance for doubtful accounts as all are anticipated to be received.

Property & Equipment

Property and equipment are stated at cost. Maintenance and repairs are expensed as incurred.

Depreciation

Equipment, furniture, and leasehold improvements are depreciated using the straight-line method and estimated useful lives of the assets. Leasehold improvements are assigned a useful life of 7 years, and furniture and equipment are assigned a useful life of 5 years.

Depreciation expense totaled $58,071 and $20,406 for the years ended December 31, 2019 and 2018, respectively.

Use of Estimates

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

Advertising

The Company administers a marketing fund that includes contractual contributions. Franchisees contribute 2% of gross sales to the fund. Contributions to the fund, recognized as revenue, were $83,036 and $0 in 2019 and 2018, respectively. Marketing costs were $83,036 and $0 in 2019 and 2018, respectively. The 2018 balances were $0 because ASU 2014-09 was not adopted until January 1, 2019, resulting in gross reporting of the marketing contributions and expenditures beginning with the 2019 reporting year.

General and administrative advertising costs of the franchisor are charged to expense as incurred. Advertising costs of $87,685 and $63,752 were incurred for the year ending December 31, 2019 and 2018, respectively.

Income Taxes

The Company is a Limited Liability Company, treated as a Partnership for tax purposes and does not incur federal income taxes; instead, its earnings are included in the Members' income tax returns and taxed depending on their respective tax situations. The Company pays minimal states tax and fees that amounted to $1,050 and $0 in 2019 and 2018, respectively. The financial statements, therefore, do not include a provision for income taxes.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Company's revenue consists of franchise fees, franchise royalties, and marketing contributions. Franchise fees are established in the franchise agreement (single store and area development) and are paid for the use of the franchisor's brand license and support, including initial training, opening assistance, manuals, and other services to insure uniformity and quality standards. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation. Since the Company considers the licensing of the franchising right to be a single performance obligation, no allocation of the transaction price is required.

Franchise fees are recognized as revenue ratably on a straight-line basis over the term of the franchise agreement, usually 10 years, commencing with the restaurant opening date. As these fees are typically received in cash at or near the beginning of the franchise term, the cash received is initially recorded as a contract liability until recognized as revenue.

The Company is entitled to royalties and marketing contributions of 5% and 2%, respectively, of the franchisee's gross sales as defined in the franchise agreement. Royalty and marketing revenues are recognized when the franchisee's reported sales occur. Depending on timing, the recognition of revenue results in either a contract asset (unbilled receivable) or accounts receivable (billed receivable) on the balance sheet.

In determining the amount and timing of revenue from contracts with customers, the Company exercises significant judgement with respect to collectability of the amount; however, the timing of recognition does not require significant judgement as it is based on either the franchise term, or the month of sales as reported by the franchisee, neither of which require estimation.

Any excess or deficiency of marketing contributions compared to marketing costs, is recognized at year end. Any excess of revenue over expenditures is recognized only to the extent of previously recognized deficits. When marketing contributions exceed the related costs and there is no recovery of a previously recognized deficit of marketing contributions, marketing costs are accrued up to the amount of revenues.

Effect of new accounting pronouncements adopted in 2019

In May 2014, the FASB issued ASU 2014-09, Revenue Recognition - Revenue from Contracts with Customers (Topic 606), which provides a comprehensive new revenue recognition model that requires an entity to recognize revenue in an amount that reflects the consideration the entity expects to receive for the transfer of promised goods or services to its customers. The standard also requires additional disclosure regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the new standard on January 1, 2019, using the modified respective method (cumulative effect method), and the practical expedients that allow the new standard requirements to be applied to open contracts at the date of initial application. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Effect of new accounting pronouncements adopted in 2019 (CONTINUED)

The new revenue recognition standard does not impact the recognition of royalty fees from franchisees. The new pronouncement changed the way initial fees from franchisees for new restaurant openings, new area development agreements, or new franchise terms are recognized. The current accounting policy is to recognize initial franchise fees when received, as the amounts are non-refundable. In accordance with the new guidance, the initial franchise services are not distinct from the continuing rights and services offered during the term of the franchise agreement and will therefore be treated as a single performance obligation together with the continuing rights and services. As such, initial fees received will be recognized over the franchise term and any unamortized portion will be recorded as deferred revenue on the balance sheet.

The new standard also had an impact on transactions presented net and not included the Company's revenues and expenses such as franchise contributions to and expenditures from the marketing fund. The company determined that it is the principal in these arrangements, and as such, contributions to and expenditures from the marketing fund are now reported on a gross basis in the statements of operations. While this change materially impacted the gross amount of reported revenues and expenses, the impact was largely offsetting with no material impact to net earnings.

The following table summarizes the impacts of adopting ASC 606 on the financial statements as of and for the period ended December 31, 2019:

		Adjustments		
Statement of Operations	**As Reported**	**Franchise Fees & Exp**	**Marketing**	**Balances without Adoption**
Franchise Fees	$ 774	$1,035,226	$ -	$1,036,000
Franchise Royalties	176,995	-	-	176,995
Franchise Marketing Contributions	83,036	-	(83,036)	-
Total Revenues	$ 260,805	$1,035,226	$ (83,036)	$1,212,995
Franchise Commissions Expense	-	640,260	-	640,260
Franchise Marketing & Other Expenses	83,505	-	(83,036)	469
Total Cost of Sales	$ 83,505	$ 640,260	$ (83,036)	$ 640,729
General and Administrative Costs	998,060	-	-	998,060
Depreciation	58,071	-	-	58,071
Other Income and Expenses	$ (6,500)	$ -	$ -	$ (6,500)
Net Income (Loss)	$(821,810)	$ 394,996	$ -	$ (490,365)

		Adjustments		
Balance Sheet	**As Reported**	**Franchise Fees & Exp**	**Marketing**	**Balances without Adoption**
Current Assets	$ 165,757	$ (30,810)	$ -	$ 134,947
Fixed Assets, Net	355,749	-	-	355,749
Other Assets	$ 610,450	$ (609,450)	$ -	$ 1,000
Total Assets	$1,131,956	$ (640,260)	$ -	$ 491,696
Current Liabilities	$ 98,691	$ (48,717)	$ -	$ 49,974
Other Liabilities	986,508	(986,508)	-	-
Equity	$ 46,757	$ 394,965	$ -	$ 441,722
Total Liabilities and Equity	$1,131,956	$ (640,260)	$ -	$ 491,696

NOTE 3: REVENUE

Contract liabilities consist of deferred revenue resulting from initial franchise fees received, recognized over the franchise term beginning with the new store opening. Currently, the term of all agreements is 10 years. Deferred revenue is classified as "Deferred Franchise Fees" in current and long-term liabilities in the balance sheet.

A summary of significant changes in contract liabilities between the date of adoption and December 31, 2019 is presented below:

	Deferred Franchise Fees (Current and Long-term)
Deferred Franchise Fees at January 1, 2019	$ -
Additions during the period	1,036,000
Revenue Recognized during the period	(744)
Deferred franchise fees at December 31, 2019	$ 1,035,226

The balance of deferred franchise fees as of December 31, 2019 is expected to be recognized as follows:

2020	$ 48,717
2021	$ 103,600
2022	$ 103,600
2023	$ 103,600
2024	$ 103,600
Thereafter	$ 572,109
Total	**$1,035,226**

Contract assets consist of deferred commissions costs that are paid in relation to franchise agreement procurement. The costs are paid near the time when the agreement is signed, and the initial franchise fees are received. The costs are recognized over the franchise term beginning with the new store opening. Currently, the term of all agreements is 10 years. Deferred costs are classified as "Deferred Commission Costs" in current and long-term assets on the balance sheet.

A summary of significant changes in contract assets between the date of adoption and December 31, 2019 is presented below:

	Deferred Commission Costs (Current and Long-term)
Deferred Commission Costs at January 1, 2019	$ -
Additions during the period	640,260
Expenses Recognized during the period	-
Deferred Commission Costs at December 31, 2019	$ 640,260

The balance of deferred commission costs as of December 31, 2019 is expected to be recognized as follows:

2020	$ 30,810
2021	$ 64,026
2022	$ 64,026
2023	$ 64,026
2024	$ 64,026
Thereafter	$ 353,346
Total	**$ 640,260**

NOTE 4: LEASES

The Company leases office space in Boulder, CO. The space is shared with Rush Holdings, LLC and Kith and Kin, LLC. The Triple Net Lease is held by Rush Holdings, LLC, a related party, and the security deposit is reported on their balance sheet. Kith and Kin, LLC is a related party with the same members as Rush Bowls Franchising, LLC and Rush Holdings, LLC, with the exception of Andrew Pudalov. There is no sublease between Rush Holdings, LLC and the other occupants. The lease expires September 30, 2023 but allows the option to renew. Dewey Brown is the guarantor on the lease.

The lease expenses (rent, common area maintenance, etc.) are shared based on square feet as follows:

Rush Bowls Franchising, LLC	55%
Rush Holdings, LLC	27%
Kith & Kin, LLC	18%

The lease includes rent escalation, the monthly base rent for the period October 1, 2019 – September 30, 2020 is $5,237, of which Rush Bowls Franchising, LLC's 55% equals $2,880. Rush Bowls Franchising, LLC was released from this agreement in March 2020, as agreed upon according to the change in ownership, noted in subsequent events (NOTE 7).

NOTE 5: RELATED PARTIES

As mentioned in Note 1, Rush Holdings, LLC owns two Rush Bowls franchises, located in Denver and Gunbarrel, CO. Rush Holdings, LLC is a related party and is owned by the same members, with the same percentage interests as Rush Bowls Franchising, LLC. Rush Bowls Franchising, LLC does not collect royalties, marketing, or other franchisee related fees from the two stores owned by Rush Holdings, LLC.

As mentioned in Note 4, Rush Bowls Franchising, LLC pays rent and related expenses to Rush Holdings, LLC for office space.

In the past, Rush Bowls Franchising, LLC lent money to Rush Holdings, LLC to temporarily cover expenses, and was reimbursed. The net receivable from Rush Holdings, LLC was $0 and $48,331 for the years ended December 31, 2019 and 2018, respectively.

NOTE 6: INTANGIBLES

The License for Trade Name of $1,000 was the value assigned to the use of the trade name "Rush Bowls" permitted to Rush Bowls Franchising, LLC by Andrew Pudalov the creator of the original Rush Bowls.

NOTE 7: SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 20, 2020, the date which the financial statements were available to be issued. The following events were noted.

Ownership Change

Effective March 3, 2020, upon unanimous agreement, Dewey Brown purchased the lesser percentage members' interests for $1 and Andrew Pudalov purchased Mr. Brown's membership interest for $1. The entity is now a single member Limited Liability Company owned entirely by Andrew Pudalov.

NOTE 7: SUBSEQUENT EVENTS (CONTINUED)

Lease

Rush Bowls Franchising, LLC was released from the lease arrangement (NOTE 4) as agreed upon according to the equity purchase agreement, effective March 3, 2020. The lease arrangement ended with the relocation of the Company's office, late March 2020.

COVID

The COVID outbreak in the United States has resulted in several of the franchised stores being forced to close temporarily, affecting franchisee gross sales for the first quarter of 2020. Travel restrictions hinder procuring new franchises and franchisee store inspections. These recent developments will undoubtedly affect franchise sales and affect revenues that are based on franchisees' store gross sales. While the interruption is currently expected to be temporary, there is a considerable uncertainty around the duration. Though the Company expects this matter to negatively impact its financial results, the financial impact and duration cannot be reasonably estimated at this time.

NOTE 8: GOING CONCERN

As noted in subsequent events (NOTE 7), ownership of the company changed in March 2020, with that, the main contributing member, Dewey Brown, sold his interest to Mr. Pudalov. Mr. Brown contributed approximately $529,000 and $868,000 in years 2019 and 2018, respectively. Also, the COVID outbreak occurred (NOTE 7), affecting many businesses and the economy overall. The combination of these events created uncertainty and risks for the Company.

Management of the Company evaluated these conditions and determined that its plan for the future, along with sufficient funding from other sources, alleviates these risks. Management has reduced staff and cut spending in order to run the company more efficiently. Mr. Pudalov provided personal funding in 2020. In 2020, the Company obtained a Paycheck Protection Program Loan ("PPP"), a low interest loan provided through the Small Business Administration as a result of the effects of COVID. It is anticipated that some of the PPP loan will be forgiven. Funding in 2020 appears adequate which will enable the Company to meet its obligations for the twelve-month period from the date the financial statements are available to be issued.

RUSH BOWLS FRANCHISING, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2018 and 2017

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INDEPENDENT AUDITORS' REPORT

To Management and Members
of Rush Bowls Franchising, LLC

We have audited the accompanying financial statements of Rush Bowls Franchising, LLC, which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of operations and members' equity, and cash flows for the years then ended, and 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 controls 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 judgement, 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 opinion.

Opinion

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

O'Kelly & Associates, Inc.

O'KELLY & ASSOCIATES, INC.
Broomfield, CO
March 28, 2019

RUSH BOWLS FRANCHISING, LLC
Balance Sheet
December 31, 2018 and 2017

ASSETS

	2018	2017
CURRENT ASSETS		
Cash	$ 144,372	$ 57,053
Accounts Receivable	102,312	600
Due from Rush Holdings, LLC	48,331	-
Prepaid Expenses	8,266	3,647
Work in Process - Mobile App	19,448	-
TOTAL CURRENT ASSETS	**$ 322,729**	**$ 61,300**
PROPERTY & EQUIPMENT		
Furniture & Equipment	7,172	-
Leasehold Improvements	335,825	-
Accumulated Depreciation	(20,406)	
TOTAL PROPERTY & EQUIPMENT	**$ 322,591**	**$ -**
OTHER ASSETS		
License	1,000	1,000
Construction in Progress	-	3,545
TOTAL OTHER ASSETS	**$ 1,000**	**$ 4,545**
TOTAL ASSETS	**$ 646,320**	**$ 65,845**

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	$ 146,999	74,472
Accrued Wages	5,104	-
Marketing Contribution Fund	$ 12,354	$ -
TOTAL LIABILITIES	**164,457**	**74,472**
MEMBERS' EQUITY	**481,863**	**(8,627)**
TOTAL LIABILITIES AND MEMBERS' EQUITY	**$ 646,320**	**$ 65,845**

See accompanying notes.

RUSH BOWLS FRANCHISING, LLC
Statement of Operations and Members' Equity
For the Years Ended December 31, 2018 and 2017

	2018	2017
REVENUE		
Franchise Fees (Initial)	$ 1,282,975	751,993
Royalty Income	39,076	4,136
Advertising Income	-	2,026
	$ 1,322,051	**$ 758,155**
COST OF SALES		
Franchise Commissions	701,838	553,116
GROSS PROFIT	**$ 620,213**	**$ 205,039**
GENERAL AND ADMINISTRATIVE EXPENSES		
Franchise Marketing and Development	$ 244,745	170,158
Advertising	63,752	27,975
Computer Expense	25,167	8,399
Insurance	13,726	14,126
Legal	66,243	30,370
Office Rent and Occupancy Costs	29,078	-
Travel	27,291	27,843
Wages	166,849	21,923
Other	127,826	33,778
	$ 764,677	**$ 334,572**
DEPRECIATION EXPENSE	**$ 20,406**	**$ -**
NET INCOME (LOSS)	**$ (164,870)**	**$ (129,533)**
MEMBERS' EQUITY AT BEGINNING OF YEAR	**$ (8,627)**	**$ 3,822**
Contributions	868,048	313,918
Distributions	(212,688)	(196,834)
MEMBERS' EQUITY AT END OF YEAR	**$ 481,863**	**$ (8,627)**

See accompanying notes.

RUSH BOWLS FRANCHISING, LLC
Statement of Cash Flows
For the Year Ended December 31, 2018 and 2017

	2018	2017
NET INCOME (LOSS)	$ (164,870)	$ (129,533)
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH		
DEPRECIATION EXPENSE	20,406	-
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
Increase in Accounts Receivable	(101,712)	(600)
Increase in Prepaid Expenses	(4,619)	2,875
Increase in Due from Rush Holdings, LLC	(48,331)	-
Increase in Accounts Payable	72,527	66,924
Increase in Accrued Wages	5,104	-
Increase in Marketing Fund	12,354	-
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	**$ (209,141)**	**$ (60,334)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(339,452)	-
Construction in Progress	0	(3,545)
Work in Process - Mobile App	(19,448)	-
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	**$ (358,900)**	**$ (3,545)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Member Contributions	868,048	313,918
Member Distributions	(212,688)	(196,834)
NET CASH PRVODIED BY FINANCING ACTIVITIES	**$ 655,360**	**$ 117,084**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**$ 87,319**	**$ 53,205**
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**$ 57,053**	**$ 3,848**
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 144,372**	**$ 57,053**

See accompanying notes.

NOTE 1: NATURE OF OPERATIONS

Rush Bowls Franchising, LLC (the "Company", "Franchisor", or "RBF") was organized on March 5, 2015, in the State of Colorado. The Company is engaged in the development of retail store franchises that operate under the name, "Rush Bowls". Rush Bowls is a retail store that offers wholesome, all-natural products that promote inner well-being while tasting more like sinful indulgences, which are devoted to honest ingredients and pure energy, and which serve only the most unadulterated and delectable products.

The Company provides two franchise models: the first, a single retail store concept, and the second model, an area development concept, where the franchisee commits to develop a defined number of stores over a specific time period. The retail stores are expected to range in size from 1,000 to 2,000 square feet and typically be located on an end cap or in in-line space within shopping centers.

Revenues are derived from initial franchise fees, royalties, and additional fees for training and support programs. The franchisor provides ongoing training and support in many areas critical to the success of the franchisee's business, including unit operations and maintenance, customer service techniques, product ordering, suggested pricing guidelines, and administrative procedures. Additional revenues are expected to be derived from the sale of proprietary products, nonproprietary products, and marketing.

The first "Rush Bowls" store is located in Boulder, CO. It was developed and is owned by LR Industries, Inc., which is owned by Andrew Pudalov, a member of Rush Bowls Franchising, LLC.

At the end of 2018, the Company had eight operating franchise locations in California, Colorado, Missouri, Tennessee, and Texas. The Company has agreements for franchises to open in Arizona, Connecticut, Florida, Georgia, Indiana, Ohio, Michigan, North Carolina, Oregon, Utah, and additional locations in some of the states listed previously.

Two of the eight operating franchises are located in Denver and Gunbarrel, CO. These stores are owned by Rush Holdings, LLC, a related party whose members are also members of Rush Bowls Franchising, LLC.

The Company is registered as a limited liability company and no member, manager, agent, or employee of the Company shall be personal liable for the debts, obligations, or liabilities of the Company, whether arising in contract, tort, or otherwise, or for the acts or omissions of any other member, manager, agent, or employee of the Company, unless the individual has signed a specific personal guarantee. The duration of Rush Bowls Franchising, LLC is perpetual.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash & Cash Equivalents

The Company considers all liquid investments purchased with maturities of three months or less to be cash equivalents.

Property & Equipment

Property and equipment are stated at cost. Maintenance and repairs and expensed as incurred.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation

Equipment, furniture, and leasehold improvements are Depreciated based on the straight-line method, based on the estimated useful lives of the assets. Leasehold improvements are assigned a useful life of 7 years, and furniture and equipment are assigned a useful life of 5 years.

Depreciation expense totaled $20,407 and $0 for the years ended December 31, 2018 and 2017, respectively.

Use of Estimates

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

Revenue Recognition - Effect of new accounting pronouncements to be adopted in future periods

In May 2014, the FASB issued ASU 2014-09, Revenue Recognition - Revenue from Contracts with Customers (Topic 606), which provides a comprehensive new revenue recognition model that requires an entity to recognize revenue in an amount that reflects the consideration the entity expects to receive for the transfer of promised goods or services to its customers. The standard also requires additional disclosure regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Company will adopt these standards in the first quarter of 2019.

The new revenue recognition standard will not impact the recognition of royalty fees from franchisees. The new pronouncement will change the way initial fees from franchisees for new restaurant openings, new area development agreements, or new franchise terms are recognized. The current accounting policy is to recognize initial franchise fees when received, as the amounts are non-refundable. In accordance with the new guidance, the initial franchise services are not distinct from the continuing rights and services offered during the term of the franchise agreement and will therefore be treated as a single performance obligation together with the continuing rights and services. As such, initial fees received will be recognized over the franchise term and any unamortized portion will be recorded as deferred revenue on the balance sheet.

Advertising

The Company administers a marketing fund that includes contractual contributions. Franchisees contribute 2% of gross sales to the fund. To the extent contributions exceed marketing fund expenditures, the excess contributions are recorded as a liability in accrued liabilities on the balance sheet. To the extent expenditures temporarily exceed contributions, the difference is recorded as a receivable of the fund in accounts and other receivable, net, on the balance sheet. The contributions to the marketing fund are designated for sales driving and marketing-related initiatives and advertising, and the Company act as an agent for the franchisees with regard to these contributions. Therefore, the Company does not reflect franchisee contributions to the funds in their statements of operations and members' equity.

General and administrative advertising costs of the franchisor are charged to expense as incurred. Advertising costs of $63,752 and $27,975 were incurred for the year ending December 31, 2018 and 2017, respectively.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company is a Limited Liability Company, treated as a Partnership for tax purposes and does not incur federal income taxes; instead, its earnings are included in the Members' income tax returns and taxed depending on their respective tax situations. The financial statements, therefore, do not include a provision for income taxes.

NOTE 3: FRANCHISING

The Company executes franchise agreements that set the terms of its arrangement with each franchisee. The franchise agreement requires the franchisee to pay an initial, non-refundable fee of $39,000, or as otherwise agreed upon, for a single store and continuing fees based on a percentage of sales. Additional fees may be assessed depending on the types of services provided by the Company. The term of the franchise agreement is ten years. Franchisees may renew the agreement at a term being offered to new franchisees at that time.

When an individual franchise is sold, the Company agrees to provide certain services to the franchisee, including initial training, opening assistance, an operations manual and other services to insure the uniformity and quality standards. Initial fees are recognized upon the execution of the agreement. Continuing fees are recognized as earned, with an appropriate provision for estimated uncollectible amounts charged to general and administrative expenses.

The Company also offers certain prospective franchisees the right to develop multiple stores in a specific development territory. These rights are obtained through the execution of an Area Development Agreement which commits to the development of between three to ten stores over a specified period of time. The franchisee is required to pay an initial, non-refundable fee of between $69,999 and $150,000, or as otherwise agreed upon, depending on the level of stores committed to by the franchisee. Area Development fees are recognized upon the execution of the agreement.

Initial franchise fees, related to single store and area development agreements, included in revenue were $1,282,975 and $751,993 for the years ended December 31, 2018 and 2017, respectively.

NOTE 4: LEASES

The Company leases office space in Boulder, CO. The space is shared with Rush Holdings, LLC and Kith and Kin, LLC. The Triple Net Lease is held by Rush Holdings, LLC, a related party, and the security deposit is reported on their balance sheet. There is no sublease between Rush Holdings, LLC and the other occupants. The lease expires September 30, 2023 but allows the option to renew. Dewey Brown is the guarantor on the lease.

The lease expenses (rent, common area maintenance, etc.) are shared based on square feet as follows:

Rush Bowls Franchising, LLC	55%
Rush Holdings, LLC	27%
Kith & Kin, LLC	18%

The lease includes rent escalation, the monthly base rent is as follows:

Period	Base Rent	55%
October 1, 2018 – September 30, 2019	$5,110	$2,810
October 1, 2019 – September 30, 2020	$5,237	$2,880
October 1, 2020 – September 30, 2021	$5,368	$2,952
October 1, 2021 – September 30, 2022	$5,502	$3,026
October 1, 2022 – September 30, 2023	$5,640	$3,102

NOTE 5: RELATED PARTIES

As mentioned in Note 1, Rush Holdings, LLC owns two Rush Bowls franchises, located in Denver and Gunbarrel, CO. Rush Holdings, LLC is a related party and is owned by the same members, with the same percentage interests, as Rush Bowls Franchising, LLC. Rush Bowls Franchising, LLC does not collect royalties, marketing or other franchise related fees from the two stores owned by Rush Holdings, LLC.

As mentioned in Note 4, Rush Bowls Franchising, LLC pays rent and related expenses to Rush Holdings, LLC for office space.

Rush Bowls Franchising, LLC sometimes lends money to Rush Holdings, LLC to temporarily cover expenses, and is reimbursed by Rush Holdings, LLC. The net receivable from Rush Holdings, LLC was $48,331 and $0 for the years ended December 31, 2018 and 2017, respectively.

NOTE 6: INTANGIBLES

The License for Trade Name of $1,000 was the value assigned to the use of the trade name "Rush Bowls" permitted to Rush Bowls Franchising, LLC by Andrew Pudalov the creator of the original Rush Bowls, noted previously.

NOTE 7: SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 28, 2019, the date which the financial statements were issued.

EXHIBIT C

FRANCHISE AGREEMENT

EXHIBIT C

RUSH BOWLS FRANCHISING, LLC

FRANCHISE AGREEMENT

Franchise #:_____

Franchisee:_____

Date:_____

Location:_____

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ATTACHMENTS:

Attachment 1	Data Sheet
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Attachment 3	Ownership Interests In Franchise Owner

RUSH BOWLS FRANCHISING, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "**Agreement**" or "**Franchise Agreement**") is made, entered into and effective as of the "**Effective Date**" set forth in Attachment 1 to this Agreement, by and between **RUSH BOWLS FRANCHISING, LLC**, a Colorado Limited Liability Company (the "**Franchisor**"), and the franchisee set forth in Attachment 1 to this Agreement (the "**Franchisee**"). If more than one person or entity is listed as the Franchisee, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Franchise Agreement.

INTRODUCTION

Franchisor has developed a distinctive business system using ("**System**") for operating and franchising Rush Bowls restaurants ("**Restaurants**") which operate retail stores that offer wholesome, all-natural high-quality bowls and smoothies made from acai, fruit, organic granola and other ingredients.

Franchisor has the right and authority to license the use of the name "**Rush Bowls®**" and the other trademarks, trade names, service marks, logos, commercial symbols, phrases, slogans and tag lines designated by Franchisor in writing now owned, licensed to, or developed by Franchisor (the "**Marks**") for use in connection with the System to selected persons, businesses or entities that will comply with Franchisor's uniformity requirements and quality standards.

Franchisor will continue to develop, use and control the use of the Marks in order to identify for the public the source of the products and services and related services marketed under the System, and to represent to the public the System's high standards of quality, appearance, cleanliness and service.

Franchisee desires to develop, own and operate a Restaurant in conformity with the System and Franchisor's uniformity requirements and quality standards as established and promulgated from time to time by Franchisor.

Franchisee understands and acknowledges the importance of the high standards of quality, appearance, procedures, controls, cleanliness and service established by Franchisor, and the necessity of operating Franchisee's Restaurant in strict conformity with the standards and specifications established by Franchisor.

Pursuant to this Introduction and in consideration of the mutual promises and covenants set forth in this Agreement, Franchisor and Franchisee agree and contract as follows:

1. GRANT OF FRANCHISE

1.1. Franchised Location. Franchisor grants to Franchisee the personal right to operate one Restaurant in conformity with the System using the name "**Rush Bowls**" and other specified Marks only at the location identified in Attachment 1 ("**Franchised Location**").

1.2. Protected Area. Except as provided to the contrary in this Section, Franchisee will receive a Protected Area which is described in Attachment 1-1 ("**Protected Area**"). During the term of the Franchise Agreement, Franchisor will not establish or franchise others to establish another Restaurant within Franchisee's Protected Area. Otherwise, the Restaurant is nonexclusive. Franchisor, and Franchisor's affiliates, have the right to operate, and to license others to operate, Restaurants at any location outside the Protected Area, even if doing so will or might affect Franchisee's operation of

Franchisee's Restaurant. Franchisee may provide catering and delivery services, in accordance with Section 10.6, provided it does not do so in the protected areas of other franchisees.

Notwithstanding the foregoing, Franchisor retains the right, for itself and its affiliates, on any terms Franchisor deems advisable, and without granting Franchisee any rights:

(a) to own, franchise, acquire, operate, or license to others to operate Restaurants at any location outside of the Protected Area, regardless of the proximity to Franchisee's Restaurant;

(b) to develop other business concepts under other brand names, provided such concepts are not Competitive Businesses, even if the locations for the concepts are within the Protected Area and even if these businesses are in competition with Franchisee;

(c) to use the Marks and the System to sell any products or services, similar to those which Franchisee will sell, through any alternate channels of distribution within or outside of the Protected Area, including, but is not limited to, television, catalog sales, wholesale to unrelated retail outlets or over the Internet (even if these businesses are in competition with Franchisee). Franchisor exclusively reserves the Internet as a channel of distribution for Franchisor, and Franchisee may not independently market on the Internet or conduct e-commerce;

(d) to offer and sell food products, including frozen products and proprietary food products, under the Marks or any other marks, through grocery stores, convenience stores, hotel shops and kiosks, theatres, malls, airports, gas stations, college campuses, military facilities, sports venues, theme or entertainment parks, casinos or other retail locations within or outside of the Protected Area;

(e) to use and license the use of other proprietary and non-proprietary marks or methods, which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business offering wholesome, all-natural food bowls and related products and services, at any location, including within the Protected Area, which may be similar to or different from the Restaurant operated by Franchisee;

(f) to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with Franchisee's Restaurant, wherever located;

(g) to acquire and convert to the System operated by Franchisor, any businesses offering services and products similar to offered by Rush Bowls franchises, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Protected Area, provided that in such situations the newly acquired businesses may not operate under the Marks in the Protected Area; and

(h) to implement multi-area marketing programs, which may allow Franchisor or others to solicit or sell to customers anywhere. Franchisor also reserves the right to issue mandatory policies to coordinate such multi-area marketing programs.

1.3. Undetermined Franchised Location. If the Franchised Location has not yet been determined as of the Effective Date, then when the address of the Franchised Location is determined, the street address, city and state for the Franchised Location will be inserted in Attachment 1 to this Agreement and signed by both Franchisor and Franchisee.

1.4. Territory Revision and Franchised Location Relocation. Franchisee may not amend the Protected Area once it is agreed upon and set forth in Attachment 1-1 (a "**Territory Revision**") without Franchisor's express written consent, which Franchisor may approve or reject in Franchisor's sole discretion. Provided Franchisee is not in default of this Agreement, if Franchisee requests and Franchisor approves of a Territory Revision, Franchisee agrees to pay Franchisor a Territory Revision fee of $500. In addition to payment of the fee, Franchisor may condition of its approval to a Territory Revision on the fulfillment of any conditions that Franchisor deems reasonable.

Provided Franchisee is not in default of this Agreement, Franchisee may, at its sole expense and with the prior written approval of Franchisor, be authorized by Franchisor to relocate the Franchised Location if:

(a) The proposed new location is in Franchisee's Protected Area;

(b) The proposed new location meets Franchisor's requirements as set forth in this Agreement; and

(c) Franchisee's new Protected Area, based upon the proposed new location, does not infringe upon: (i) the market area of any existing or proposed Restaurant or any other Restaurant owned or operated by Franchisor or any of its Affiliates; or (ii) any protected area granted to any other franchisee, master franchisee, developer, area developer, or subfranchisee of Franchisor.

The new location of Franchisee's Restaurant, including the real estate and the building, must comply with Franchisor's then-current image, décor, standards and specifications. If Franchisor permits Franchisee to relocate its Restaurant, Franchisee will pay Franchisor a relocation fee equal to $4,000 prior to relocation of the Restaurant. Franchisee must pay Franchisor a nonrefundable $1,000 deposit that is due upon requesting Franchisor's review of a relocation site, and will pay the balance of these costs on the date Franchisor approves Franchisee's request for relocation.

1.5. Conditions. Franchisee will not have the right to franchise, subfranchise, license or sublicense its rights under this Agreement. Franchisee will not have the right to transfer this Agreement or its rights under this Agreement, except as specifically provided for in this Agreement.

2. TERM OF AGREEMENT

2.1. Term. The term (the "**Initial Term**") of this Agreement commences on the Effective Date and continues until ten years after the earlier of: (i) the Required Opening Date; and (ii) the date Franchisee's Restaurant is first open and operating. Notwithstanding the foregoing, if the Lease for the Franchised Location is effective after the Effective Date, then the Initial Term of this Agreement will be coextensive with the term of the Lease, not to exceed ten years from the effective date of the Lease.

2.2. Franchisee's Option to Reacquire Franchise for Successor Term. At the end of the Initial Term of this Agreement, Franchisee will have the right to up to three successor terms of five years each (each a "**Successor Term**"), as Franchisor is then offering to new franchisees, provided that at the time of each such renewal, Franchisee has timely complied with all terms and conditions of this Agreement including the timely payment of all Royalties, Brand Fund Contributions and other amounts due under this Agreement and further provided that:

(a) Franchisee has given Franchisor written notice at least 180 days, but no more than one year, prior to the end of the term of this Agreement of its request for an extension of its franchise rights;

(b) All monetary obligations owed by Franchisee to Franchisor have been paid or satisfied prior to the end of the Initial Term, Franchisee is not in default under this Agreement, Franchisee has not been in default under this Agreement more than two times in any 12 month period or more than six times during the term, and no default by Franchisee has remained uncured for longer than 60 days;

(c) Franchisee either owns or has the right to lease the Franchised Location for at least five years;

(d) Franchisee and its Management Staff have completed the required training designated by Franchisor;

(e) Franchisee agrees to execute Franchisor's then-current standard franchise agreement and ancillary documents, including Owners Agreement or other guaranty (collectively, the "**Successor Franchise Agreement**"), which may have terms materially different than those in the previous franchise agreement signed by Franchisee (including but not limited to higher royalty and advertising contributions and a modified or reduced Protected Area based on Franchisor's then-current standards);

(f) Franchisee has agreed in writing to make, within six months after the date of the Successor Franchise Agreement, reasonable capital expenditures necessary to Remodel the Franchised Location to comply with the then-current image, décor and specifications applicable to new Restaurants and has evidenced, to Franchisor's reasonable satisfaction, that Franchisee has received a written loan commitment from a commercial lender for the amount of the estimated cost of the Remodel or is financially capable of making such expenditures. Franchisor shall not require that the cost of the Remodel exceed $50,000, including Franchisee's costs of any Remodel of the Franchised Location by Franchisee under Section 9.18 that is completed within two years of the end of the Initial Term; and

(g) On or before the date Franchisee executes the Successor Franchise Agreement, Franchisee will pay Franchisor a renewal fee equal to $2,500.

2.3. Interim Term. If Franchisee does not sign a Successor Franchise Agreement after the expiration of the Initial Term and continues to accept the benefits of this Franchise Agreement, then at Franchisor's option, this Franchise Agreement may be treated either as: (i) expired as of the date of the expiration with Franchisee then operating without a franchise agreement to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis (the "**Interim Term**") until either party provides the other party with 30 days' prior written notice of the party's intention to terminate the Interim Term. In the latter case, all of Franchisee's obligations will remain in full force and effect during the Interim Term as if this Franchise Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon the expiration or termination of this Franchise Agreement will be deemed to take effect upon the termination of the Interim Term.

3. FEES

3.1. Initial Franchise Fee. Franchisee will pay Franchisor an Initial Franchise Fee of $45,000 on the date Franchisee signs this Agreement. If Franchisee or Franchisee's spouse is an honorably

discharged United States veteran, the Initial Franchise Fee shall be reduced to $40,500. The Initial Franchise Fee is fully earned upon execution of this Agreement by Franchisee and is nonrefundable for any reason. The Initial Franchise Fee is payment for all of the pre-opening assistance that Franchisor provides to allow Franchisee to open its Restaurant and also offsets some of Franchisor's franchisee recruitment expenses. If Franchisee: (i) has entered into an Area Development Agreement with Franchisor; (ii) paid the development fee due thereunder; and (iii) this Agreement is being signed pursuant to the Development Schedule under such Area Development Agreement; then, no Initial Franchise Fee is due to Franchisor.

3.2. Royalty. Franchisee will pay to Franchisor a continuing royalty (the "**Royalty**") equal to five percent (5%) of the Gross Sales generated by Franchisee's Restaurant during the preceding Week. The Royalty is an ongoing payment that allows Franchisee to use the Marks and the other intellectual property of the System and that pays for Franchisor's ongoing support and assistance. The Royalty will be payable by Franchisee on Friday of each Week (or such other day of the Week or time increment as may be designated by Franchisor) based upon the Gross Sales generated in the preceding Week. The Royalty will be paid by Franchisee by EFT as provided for in Section 6.2.

3.3. Payment Service Fee. If Franchisee makes payment to Franchisor or an affiliate by credit card for any fee required, Franchisor may charge a service charge of up to four percent (4%) of the total charge.

3.4. Technology Fee. Franchisor may, upon at least 30 days' advance written notice to Franchisee, assess a fee for website hosting by Franchisor, for central telephone services, future web-based System integration, and for other technology related services (the "**Technology Fee**") of up to $200 per month. Franchisor reserves the right to increase the Technology Fee by up to ten percent (10%) per year. Franchisor also reserves the right to periodically increase this fee if Franchisor offers updated or additional software or technology. If assessed by Franchisor, the Technology Fee will be payable at the same time as the Royalty.

4. BRAND FUND

Franchisor has established a system-wide brand fund for Franchisor's use in promoting and building the Rush Bowls brand (the "**Brand Fund**"). Franchisee must contribute two percent (2%) of its Gross Sales each Week to the Brand Fund (the "**Brand Fund Contribution**"). The Brand Fund Contribution is due at the same time and in the same manner as the Royalty. Franchisor reserves the right, upon at least 90 days' written notice, to periodically increase the Brand Fund Contribution up to a maximum of three percent (3%) of Gross Sales. The Brand Fund will be administered by Franchisor, Franchisor's affiliates or designees, at Franchisor's sole discretion. Franchisor will have the absolute and unilateral right to determine when, how and where the Brand Fund Contributions and other payments deposited into the Brand Fund will be spent. Rush Bowls businesses owned by Franchisor or Franchisor's affiliates, former affiliates, owners and former owners are not obligated to contribute to the Brand Fund but may do so on a voluntary basis. Franchisor may use the Brand Fund for local, regional or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for the System and any other purpose to promote the Marks. Franchisor may use any media for disseminating Brand Fund advertisements, including direct mail, print ads, the Internet, radio, billboards, and television. Franchisor may reimburse itself, as well as its authorized representatives or affiliates, from the Brand Fund for administrative and overhead costs, independent audits, reasonable accounting, bookkeeping, salaries related to the administration and operation of the Brand Fund, reporting and legal expenses, taxes and all other direct or indirect expenses associated with the programs funded by the Brand Fund. Franchisor is not obligated to spend any amount on advertising in the geographical area where Franchisee

is or will be located. Franchisor will not use the Brand Fund contributions for advertising that is principally a solicitation for the sale of franchises, but Franchisor reserves the right to include a notation in any advertisement or website indicating "Franchises Available" or similar phrasing. Franchisor assumes no fiduciary duty to any franchisee, master franchisee, developer, area developer, or subfranchisee of Franchisor, or other direct or indirect liability or obligation to collect amounts due to the Brand Fund or to maintain, direct or administer the Brand Fund. Any unused funds that were collected in any calendar year will be applied to the following year's funds, and Franchisor reserves the right to contribute or loan additional funds to the Brand Fund on any terms Franchisor deems reasonable. Franchisor may terminate or reinstate the Brand Fund; if Franchisor terminates the Brand Fund, Franchisor will distribute all unused contributions to contributing Franchisees, and to Franchisor or its affiliates, in proportion to respective contributions during the preceding 24-month period.

5. OTHER MARKETING, ADVERTISING AND PROMOTION

5.1. Approved Marketing and Advertising. Franchisee must order sales and marketing material from Franchisor or Franchisor's Approved Suppliers. It is a material breach of the Franchise Agreement to use other marketing material without obtaining Franchisor's prior written approval. If Franchisee desires to use its own advertising materials, including Franchisee's own website or social media account, Franchisee must obtain Franchisor's prior approval, which may be granted or denied in Franchisor's sole discretion. Franchisor will review Franchisee's request and Franchisor will respond in writing within 30 days from the date Franchisor receives all requested information. Franchisor's failure to notify Franchisee in the specified time frame will be deemed a disapproval of Franchisee's request. Use of logos, Marks and other name identification materials must follow Franchisor's approved standards. Franchisee may not use Franchisor's logos, Marks and other name identification materials on items to be sold or services to be provided without Franchisor's prior written approval. If Franchisee uses unauthorized advertising materials, Franchisee must pay a fee of $500 per occurrence to Franchisor, or if established, the Brand Fund. Franchisor reserves the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions, as allowed by law. Franchisee may not, without Franchisor's prior written approval, develop, maintain or authorize any website, social media account, crowdfunding campaigns or blogs that mentions or describes Franchisee, Franchisee's Restaurant, or displays any of the Marks. If Franchisor approves of Franchisee's use of a website, social media or other account, Franchisor will reserve the right to require Franchisee to obtain Franchisor's written approval of its initial content and as it is updated or modified from time to time. Franchisor will have the right to review and remove all online content on social media sites, blogs, in electronic communications, and on other online sites on which the Marks are used, to protect the reputation and high quality associated with the Marks and to maintain consistency within the System.

5.2. Local Advertising. Franchisee will, in addition to payment of the Brand Fund Contributions to Franchisor, spend an amount equal to at least two percent (2%) of Franchisee's Gross Sales each calendar quarter on approved local marketing and advertising as specified in the Franchise Operations Manual for its Restaurant ("**Local Advertising Requirement**"). Franchisee will furnish Franchisor with an accurate accounting of Franchisee's expenditures for local advertising payments each Accounting Period. If Franchisee fails to meet the minimum Local Advertising Requirement, Franchisee will pay Franchisor the difference between what it should have spent and what it actually spent, which amount will be deposited in the Brand Fund, if established. Franchisee agrees, at Franchisee's sole cost and expense, to issue and offer such rebates, giveaways, and other promotions in accordance with advertising programs established by Franchisor, and further agree to honor the rebates, giveaways, and other promotions issued by other Rush Bowls franchisees under any such program, so long as such compliance does not contravene any applicable law, rule, or regulation. Franchisee will not create or issue any gift cards/certificates and will only sell gift cards/certificates that have been issued or sponsored

by Franchisor and which are accepted at all Rush Bowls Restaurants, and Franchisee will not issue coupons or discounts of any type except as approved by Franchisor.

5.3. Local Advertising Cooperative. Franchisee may be required to participate in any local or regional advertising cooperative for Rush Bowls Restaurants that are established. The area of each local and regional advertising cooperative will be defined by Franchisor, based on Franchisor's assessment of the area. Franchisees in each cooperative will contribute an amount to the cooperative, not to exceed four percent (4%) of Gross Sales, for each Restaurant that the franchisee owns that exists within the cooperative's area. Each Restaurant Franchisor owns that exists within the cooperative's area, will contribute to the cooperative on the same basis as franchisees. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions from each member. Franchisor may require that each cooperative operate with governing documents and prepare annual unaudited financial statements. Franchisor reserves the right to form, change, dissolve or merge any advertising cooperative formed in the future. If Franchisor elects to form such cooperatives, or if such cooperatives already exist near Franchisee's Protected Area, Franchisee will be required to participate in compliance with the provisions of the Franchise Operations Manual, which Franchisor may periodically modify at Franchisor's discretion. Any contributions that Franchisee is required to make to any such cooperative may be applied towards the Local Advertising Requirement.

5.4. Grand Opening Marketing. Franchisee will spend between $3,000 and $6,500 on approved grand opening marketing, advertising and promotion for Franchisee's Restaurant during the period commencing 30 days prior to the opening of Franchisee's Restaurant and ending 90 days after the date on which Franchisee's Restaurant opens for business. Franchisee will provide Franchisor with an accurate accounting (in the form prescribed by Franchisor) of its expenditures for grand opening marketing, advertising and promotion within 120 days after the opening of Franchisee's Restaurant. All expenditures for grand opening marketing, advertising and promotion will be in addition to Franchisee's other marketing, advertising and promotion obligations under this Agreement.

5.5. Advisory Council. Franchisor has formed an advisory council to advise Franchisor on advertising policies and to provide input regarding the Brand Fund and to promote communications between Franchisor and all franchisees. Franchisor may appoint any Rush Bowls franchisee to the advisory council in its sole discretion. Franchisor reserves the right to grant to the advisory council any operation or decision-making powers that Franchisor deems appropriate. Franchisor reserves the right to form, change, or dissolve the advisory council, in its sole discretion.

6. PAYMENT OF FEES

6.1. Interest on Unpaid Fees. If Franchisee fails to timely remit any of payment due to Franchisor or its affiliates, then the amount of the past-due payment will bear interest at the lesser of the daily equivalent of twelve percent (12%) per year simple interest or the maximum legal rate allowable by applicable law. Interest accrues from the original due date until payment is received in full. Franchisee will also pay Franchisor an Administrative Fee of $100 per occurrence for each delinquent payment of any of the Fees within seven days after the delinquent payment was due. Franchisee will, immediately upon receipt of an invoice from Franchisor, reimburse Franchisor for the actual costs incurred by Franchisor in the collection of any past-due Fees from Franchisee, including attorneys' fees and costs.

6.2. Electronic Funds Transfers. Franchisee will, from time to time during the term of this Agreement, execute such documents as Franchisor may request, including the Automated Clearing House Payment Authorization Form, substantially in the form attached to the Franchise Disclosure Document in Exhibit H, authorizing and directing Franchisee's bank or financial institution to pay Franchisor or its affiliates directly by electronic funds transfer ("**EFT**") the full amount of the Fees payable by Franchisee

under this Agreement, and to charge to the account of Franchisee. If Franchisee fails at any time to provide the reports of its Gross Sales required under this Agreement, then Franchisor has the right to estimate the amount of Fees payable by Franchisee for that Week, and to withdraw the amount of the estimated Fees by EFT from Franchisee's bank account in accordance with the provisions of this Section. Franchisee will at all times maintain a balance in its account at its bank or financial institution sufficient to allow the appropriate amount to be withdrawn from Franchisee's account and paid directly to Franchisor for all current Fees payable by Franchisee. It will be a default under this Agreement if Franchisee fails to maintain an account balance sufficient to pay the Fees or if Franchisee closes the account designated to pay the Fees without first designating a new account and notifying Franchisor of the new account information. Franchisee will be responsible for all fees imposed by its bank or financial institution in connection with Franchisee's EFT payment of the Fees. Franchisee will pay Franchisor $100 per occurrence, if any check or electronic payment is not successful due to insufficient funds, stop payment, or any similar event. Franchisor reserves the right to require an alternative payment method or payment frequency for any fees or amounts owed to Franchisor or Franchisor's affiliates under this Agreement.

6.3. Franchisee's Obligation to Pay. Franchisee's obligation to pay Franchisor the Fees pursuant to the terms of this Agreement are absolute and unconditional, and will remain in full force and effect for the entire term of this Agreement. Franchisee will not have the "right of offset," and as a consequence, Franchisee will timely pay all Fees due to Franchisor under this Agreement regardless of any Claims or allegations Franchisee may allege against Franchisor.

7. REPORTS AND FINANCIAL STATEMENTS

7.1. Reports. Franchisee will maintain an accurate durable electronic or written record of the daily Gross Sales for Franchisee's Restaurant and other information specified by Franchisor, and will electronically submit Weekly reports for Franchisee's Restaurant using the forms, formats and procedures set forth in the Franchise Operations Manual. Franchisee's bank account will be debited $100 per occurrence and $100 per Week, if Franchisee fails to submit any report when due, and such fines collected are paid to the Brand Fund, if established, or Franchisor. Franchisee will continue to incur this fee until Franchisee submits the required report.

7.2. Financial Statements. Franchisee will adopt the Accounting Year for financial reporting purposes specified by Franchisor in the Franchise Operations Manual or otherwise in writing. Franchisee will, at its expense, prepare Financial Statements that will be delivered to Franchisor within ten days after the end of each Accounting Period and within 90 days after the end of Franchisee's Accounting Year. All Financial Statements will be prepared in accordance with generally accepted accounting principles in the form or forms prescribed by Franchisor and will conform to the Accounting Year and standard chart of accounts prescribed by Franchisor in this Agreement or the Franchise Operations Manual. An officer or Owner of Franchisee must verify the Financial Statements as to their accuracy and completeness.

7.3. Income Tax Returns. Within 120 days after Franchisee's Accounting Year end, Franchisee will furnish Franchisor with signed copies of all pages of its federal income tax returns pertaining to Franchisee's Restaurant for the Accounting Year or any other period requested by Franchisor. Franchisor will maintain the confidentiality of the information provided by Franchisee pursuant to this provision.

7.4. Audit Rights. Within three business days after receiving written notice from Franchisor, Franchisee and Franchisee's accountants will make all of their Financial Records available during business hours for Franchisor or its designees to review, copy and audit. The Financial Records for each Accounting Year will be maintained by Franchisee in a safe place for each of the last three Accounting

Years. The audit will be conducted at the location where Franchisee maintains the Financial Records and Franchisor will be provided with adequate facilities by Franchisee to conduct the audit. If an audit establishes that Franchisee's weekly Gross Sales were understated by more than two percent (2%) or Franchisee fails to submit required reports in any Accounting Period or Accounting Year, then Franchisee will, within ten days after receipt of an invoice, pay Franchisor for the cost of the audit and inspection, any understated amounts, and all accounting, legal and other costs and expenses incurred for the audit of Franchisee's Financial Records (including employee Salaries and Benefits, Travel Expenses, and audit fees).

8. DESIGNATED MANAGER; OPERATING PRINCIPAL

Franchisee must directly operate its Restaurant or designate a manager ("**Designated Manager**") who has been approved by Franchisor. The Designated Manager must successfully complete the Training Program. Franchisor may require that the Designated Manager have an ownership interest in Franchisee, if Franchisee is an Entity. If Franchisee replaces a Designated Manager, the new Designated Manager must satisfactorily complete the Training Program at Franchisee's own expense prior to assuming responsibility for the management of Franchisee's Restaurant. If Franchisee is not an individual, Franchisee must designate an "**Operating Principal**" acceptable to Franchisor who will be principally responsible for communicating with Franchisor about Franchisee's Restaurant, who will have the authority and responsibility for the day-to-day operations of the Restaurant, and who must have at least a ten percent (10%) ownership interest in Franchisee.

9. STANDARDS REQUIRED OF FRANCHISEE

9.1. Quality and Service Standards. Franchisor has developed and will continue to develop uniform standards of quality, cleanliness and service applicable to all Restaurants, including Franchisee's Restaurant, to protect and maintain for the benefit of Franchisor and all of its franchisees and developers the distinction, valuable goodwill and uniformity represented and symbolized by the Marks and the System. Franchisee agrees to maintain the uniformity and quality standards required by Franchisor for all Products and Services, and the services associated with the Marks and the System, and agrees to the terms and conditions contained in this Section to assure the public that all Restaurants will be uniform in nature and will sell and dispense quality Products and Services.

9.2. Identification of Restaurant. Franchisee will operate its Restaurant so that it is clearly identified and advertised as a Rush Bowls Restaurant. The style and form of "**Rush Bowls®**" and the other Marks used in any advertising, marketing, public relations or promotional program must have the prior written approval of Franchisor. Franchisee will use the name "**Rush Bowls®**," the approved logos and all graphics commonly associated with the System and the Marks on all materials in the manner prescribed by Franchisor.

9.3. Compliance with Standards. Franchisee will use the Marks and the System in strict compliance with the moral and ethical standards, quality standards, health standards, operating procedures, specifications, requirements and instructions required by Franchisor. Franchisee must operate Franchisee's Restaurant according to Franchisor's System and specifications. This includes purchasing, leasing, or using all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, and real estate related to establishing and operating the Restaurant under Franchisor's specifications, which may include purchasing these items from: (i) Franchisor's designees; (ii) Approved Suppliers; and/or (iii) Franchisor or Franchisor's affiliates. Franchisee must not deviate from these methods, standards and specifications without Franchisor's prior written consent, or otherwise operate in any manner which reflects adversely on the Marks or the System.

9.4. Franchisee's Name. Franchisee will not use any of the words "**Rush Bowls**," the Mark "**Rush Bowls®**" or any name that is confusingly similar to any of the words used in any of the other Marks in the name of any Entity formed by Franchisee or any affiliate of Franchisee. Franchisee will at all times hold itself out to the public as an independent contractor operating its Restaurant pursuant to a Franchise Agreement with Franchisor. Franchisee will file for a certificate of assumed name in the manner required by applicable state law to notify the public that Franchisee is operating its Restaurant as an independent contractor.

9.5. Interests of Franchisee. If Franchisee it an Entity, it will be dedicated solely to the operation of the Rush Bowls Restaurant(s) and will not hold any interest in, operate, or manage any other business of any kind without the prior written approval of Franchisor. If Franchisee is an individual, he or she will not hold any interest in, operate, or manage any Competitive Business without the prior written approval of Franchisor.

9.6. Default Notices and Significant Correspondence; Crisis Management Events. Franchisee will deliver to Franchisor, immediately upon receipt by Franchisee or delivery at the Franchised Location, an exact copy of all:

(a) Notices of default received from the landlord of the Franchised Location or any mortgagee, trustee under any deed of trust, contract for deed holder, lessor, or any other party;

(b) Notifications or other correspondence relating to any legal proceeding for any Claim in excess of $10,000 relating in any way to Franchisee's Restaurant or to the Franchised Location; and

(c) Inspection reports or any other notices, warnings or citations from any Governmental Authority, including any health and safety, taxing and/or licensing authorities.

Franchisee will notify Franchisor in writing within five days of the commencement of any proceeding and/or of the issuance of any governmental order or action impacting Franchisee and/or the operation of Franchisee's Restaurant. Franchisee will provide Franchisor with a written summary of all written (including electronic) consumer and employee complaints within ten days after the end of each Accounting Period in such method and format as Franchisor may designate from time to time. Franchisee will provide all additional information requested by Franchisor relating to any of these matters. Franchisee will reimburse Franchisor for reasonable costs Franchisor incurs for responding to customer complaints if a customer of the Restaurant contacts Franchisor with a complaint and Franchisor provides a gift card, refund, or other value to the customer as part of addressing the issue.

Franchisee will without delay inform Franchisor by telephone and email upon the occurrence of a Crisis Management Event. "Crisis Management Event" means any event that occurs at or about the Restaurant that has or may cause harm or injury to customers or employees. Examples include, but are not limited to, food contamination, food spoilage/poisoning, food tampering, contagious diseases, natural disasters, terrorist acts, shootings, or any other circumstance which may damage the System, Marks, or image or reputation of the Restaurant, the System or Franchisor. Franchisee will cooperate fully with Franchisor with respect to Franchisor's response to the Crisis Management Event. In the event of the occurrence of a Crisis Management Event, Franchisor may establish emergency procedures which may require Franchisee to temporarily close the Restaurant to the public, in which event Franchisor shall not be liable to Franchisee for any loss or costs, including consequential damages or lost profits occasioned thereby.

9.7. Catastrophes. If the Franchised Location is either partially or completely destroyed by fire or any catastrophe and the term of this Agreement and underlying Lease for the Franchised Location has a remaining term of at least five years, then Franchisee will:

(a) Use the building insurance proceeds to repair or reconstruct the Franchised Location as set forth herein;

(b) Within 30 days thereafter, initiate the process to commence the repairs and reconstruction necessary to restore the Restaurant to its original condition prior to such casualty; and

(c) Recommence the Restaurant's business operations as soon as reasonably possible. If the Restaurant cannot be restored to its original condition, then Franchisee will relocate the Restaurant as provided for in Section 1.4 (except Franchisee will not be required to pay a Relocation Fee).

In any event, the term of this Agreement will be extended for the period from the date the Restaurant closed as a result of the casualty until the date it re-opens if Franchisee elects to extend the term. Franchisee will relocate the Restaurant as provided in Section 1.4 or repair or reconstruct the premises of the Restaurant in conformance of the then-current standard décor specifications and will open the Restaurant or the relocated Restaurant for business within 18 months after the date of such casualty.

9.8. Vending and Gaming Machines; Tickets. Franchisee will not, except with the written permission of Franchisor, permit any jukeboxes, electronic games, vending machines (including cigarette, gum and candy machines), ATM machines, newspaper racks, entertainment devices, coin- or token-operated machines, gambling devices or other concessions to be used on the Restaurant premises and will not sell or allow employees to sell any tickets, subscriptions, chances, raffles, lottery tickets or pull tabs.

9.9. Compliance with Applicable Law. Franchisee will be responsible for the operation of its Restaurant, and will control, supervise and manage all the employees, agents and independent contractors who work for or with Franchisee. Franchisor will not have any right, obligation or responsibility to control, train, supervise or manage Franchisee's employees, agents or independent contractors. Franchisee will comply with all applicable federal, state, city, local and municipal laws, statutes, ordinances, rules and regulations pertaining to the construction or remodeling of the Franchised Location and/or the operation of Franchisee's Restaurant.

Franchisee will, at its expense, be solely and exclusively responsible for determining the licenses and permits required by law for Franchisee's Restaurant, for obtaining and qualifying for all licenses and permits (including but not limited to, liquor licenses and food service permits), and for compliance with all applicable laws by its employees, Executive Management, agents and independent contractors. Franchisor makes no representations or assurances as to what (if any) licenses, permits, authorizations or otherwise may be required in connection with the Restaurant. It is Franchisee's sole responsibility to identify and obtain all authorizations necessary to operate the Restaurant.

9.10. Tax Laws. Franchisee will be responsible for and will timely pay all federal, state and local taxes imposed by law in connection with the operation of the Restaurant, and will timely file all returns, notices and other forms required to comply with all applicable tax laws. Franchisor will have no liability for any taxes that arise out of or result from Franchisee's Restaurant, and Franchisee will indemnify Franchisor for any such taxes that may be assessed or levied against Franchisor which arise out of or result from the operation of Franchisee's Restaurant. If any franchise or other tax which is based upon the revenues, receipts, sales, business activities or operation of Franchisee's Restaurant is imposed

upon Franchisor by any taxing authority, then Franchisee will reimburse Franchisor for all such taxes paid by Franchisor within 15 days after receiving an invoice from Franchisor for such taxes.

9.11. Other Laws. Franchisee will comply and/or assist Franchisor in its compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to anti-terrorist activities including, without limitation, the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations. In connection with such compliance efforts, Franchisee will not enter into any prohibited transactions and will properly perform any currency reporting and other activities relating to the Restaurant as may be required by Franchisor or by law. Franchisee confirms that it is not listed in the Annex to Executive Order 13224 (http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html), and agrees not to hire any person so listed or have any dealing with a person so listed. Franchisee is solely responsible for ascertaining what actions must be taken by it to comply with all such laws, orders and/or regulations, and specifically acknowledges and agrees that its indemnification responsibilities as provided in Section 25 of this Agreement pertain to its obligations hereunder.

9.12. Restaurant Hours; Personnel. Franchisee's Restaurant will be open during the hours specified in the Franchise Operations Manual. During business hours, Franchisee will have Management Staff on duty responsible for supervising the Restaurant's employees and operations. Franchisee will have a sufficient number of adequately trained and competent service, kitchen and other personnel on duty to guarantee efficient service to the customers of the Restaurant. Franchisee will require its employees to meet the appearance standards and to wear the standard attire or uniforms described in the Franchise Operations Manual. Franchisee will be responsible for training its employees and independent contractors. Franchisee will be responsible for hiring, training, directing, scheduling, and supervising Franchisee's employees and independent contractors in the day-to-day operations of the Restaurant.

9.13. Inspection Rights. Franchisee will permit Franchisor or its representatives to enter, remain on, and inspect the Restaurant without prior notice. Franchisee agrees that Franchisor may:

(a) Interview Franchisee's employees and customers;

(b) Take photographs and videotapes of the interior and exterior of the Franchised Location;

(c) Examine and remove samples of the Products and Services and other products sold or used at Franchisee's Restaurant; and

(d) Evaluate the quality of the Products and Services, and the services provided by Franchisee to its customers.

Franchisor will have the right to use all interviews, photographs and videotapes of Franchisee's Restaurant for such purposes as Franchisor deems appropriate, including use in advertising, marketing and promotional materials, without any approval of or any compensation to Franchisee.

9.14. Security Interest in Franchise Agreement. This Agreement and the Franchise granted to Franchisee hereunder may not be used by Franchisee as collateral or be the subject of a security interest, lien, levy, attachment or execution by Franchisee's creditors, any financial institution, or any other party, except with the prior written approval of Franchisor.

9.15. Credit Cards. Franchisee will use any credit card vendors and accept all credit and debit cards, other payment systems, and check verification services and compliance programs and systems relating to the same. The term "credit card vendors" includes, among other things, companies that

provide services for electronic payment, such as near field communication vendors, including "Apple Pay" and "Google Wallet." To the extent Franchisee will store, process, transmit or otherwise access or possess cardholder data in connection with the sale of the Products and Services provided under this Agreement, Franchisee will maintain the security of cardholder data and adhere to the then-current Payment Card Industry Data Security Standards ("**PCI DSS**"), currently found at www.pcisecuritystandards.org, for the protection of cardholder data or to any other standard that Franchisor specifies. Franchisee further understands it is responsible for the security of cardholder data in the possession or control of any subcontractors it engages to perform under this Agreement. Franchisee will, if requested to do so by Franchisor, provide appropriate documentation to Franchisor to demonstrate compliance with applicable PCI DSS standards or other requirements by Franchisee and all identified subcontractors.

9.16. Gift Cards; Guest Loyalty Programs. Franchisee will not create or issue any gift certificates or gift cards and will only sell gift certificates or gift cards that have been issued by Franchisor that are accepted at all Rush Bowls Restaurants. Franchisee will participate in all gift certificate and/or gift card administration programs as may be designated by Franchisor from time to time. Franchisee will honor all coupons, gift certificates, gift cards and other programs or promotions as directed by Franchisor. Franchisee will fully participate in all guest loyalty or frequent customer programs approved by Franchisor. Franchisee will not issue coupons or discounts of any type for use at its Restaurant except as approved by Franchisor in writing, which approval Franchisor has the right to grant or deny.

9.17. Maintenance. Franchisee will, at its expense, repair and maintain the Restaurant in a clean and sanitary condition consistent with Franchisor's then-current operating standards and will replace all décor items and FF&E (as defined in Section 32.16) as they become worn-out, soiled or in disrepair. All food preparation, mechanical, service, and other equipment must be kept in good working order and repair by Franchisee. All replacement FF&E and décor items used in the Restaurant must comply with the standards and specifications in the Franchise Operations Manual.

9.18. Remodeling of Restaurant Premises. Franchisee will make the reasonable capital expenditures necessary to extensively remodel, modernize, redecorate and renovate Franchisee's Restaurant and to replace and modernize the FF&E so that Franchisee's Restaurant will reflect the then-current image of a Rush Bowls Restaurant and conform to Franchisor's then-current specifications (collectively, "**Remodel**" or "**Remodeling**"). Franchisee acknowledges and agrees that the requirements to remodel as set forth in this provision are reasonable and necessary to maintain uniformity among all Rush Bowls Restaurants, to update the image of Rush Bowls Restaurants and to avoid the deterioration of the appearance and operation of Franchisee's Restaurant. Franchisee will complete Remodeling the Restaurant within nine months after receiving written notice from Franchisor specifying the required Remodeling. Except for repairs and maintenance as provided for in Section 9.17 of this Agreement, Franchisee will not be required to remodel the Restaurant, or to replace and modernize its FF&E, more than once every five years from the Effective Date, and will not be required to spend more than $50,000 for each such Remodeling.

9.19. Required Opening Date. Franchisee must open the Restaurant for business and commence operations on or before 12 months from the Effective Date.

9.20. Other Restaurant. Franchisee will use the Franchised Location solely for the operation of a Rush Bowls Restaurant and will not directly or indirectly operate or engage in any other business or activity from the Franchised Location. Franchisee will not participate in any dual branding program, or in any other program, promotion or business pursuant to which another trademark, service mark, trade name, or commercial symbol is used in connection with Franchisee's Restaurant or at the Franchised Location.

9.21. Annual Conventions. Franchisee (or any Operating Principal, if the Franchisee is an Entity), Franchisee's Designated Manager, and such other persons as may be required by Franchisor, will attend the annual conventions, meetings, seminars and other gatherings or group sessions (collectively, "**Conventions**") held by Franchisor. Franchisor has the right to determine the topics covered, duration, date and location of all Conventions held by Franchisor. Franchisee will pay the then-current convention fee established by Franchisor for each person attending a Convention ("**Convention Fee**"), and will also pay the Travel Expenses and all other expenses incurred by the persons attending the Convention on Franchisee's behalf. The Convention Fee is payable to Franchisor to help defray the cost of attendance at any Convention that Franchisor chooses to hold and this fee is due regardless of whether or not Franchisee attends the Convention in any given year.

9.22. Quality Assurance Programs. Franchisee will participate, at its expense, in any quality assurance monitoring programs specified by Franchisor, including telephonic or electronic customer polling or onsite "**secret shopper**" programs, and will share the results of such programs with Franchisor.

9.23. Disclosure. Franchisor will have the right to disclose in its Franchise Disclosure Document as required by law, and in other documents and places as determined by Franchisor, any information relating to the Restaurant, including Franchisee's name, any address and/or telephone number(s), revenues, expenses, results of operations and/or other information. Any disclosure by Franchisor will be for reasonable business purposes, and its rights under this provision will survive the Transfer, termination or expiration of this Agreement.

9.24. Music and Music Selection. Franchisee will play only the music and music selections that have been approved by Franchisor as set forth in the Franchise Operations Manual or otherwise in writing. Franchisee will install the equipment necessary to receive and play the approved music.

9.25. Force Majeure. Neither Franchisor nor Franchisee shall be liable for any delay in the fulfilment of or failure to fulfil its obligations in whole or in part (other than the payment of money as may be owed by a party) under this Franchise Agreement where the delay or failure is solely due to Force Majeure. In the event of Force Majeure, the parties' obligations shall be extended or relieved only to the extent the parties are respectively necessarily prevented or delayed in such performance during the period of such Force Majeure. As used in this Franchise Agreement, the term "**Force Majeure**" shall mean any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), terrorist event, riot, epidemic, fire or other catastrophe, act of any government and any other similar cause which is beyond the party's control and cannot be overcome by use of normal commercial measures. Force Majeure should be construed narrowly and does not include general economic, market or societal conditions, or any changes thereto, even those that are the direct or indirect result of the Force Majeure event. So, for example, in the event of a temporary government-imposed closure of the Restaurant due to a Force Majeure event, Franchisee may only be relieved of its obligations as necessary to comply with the government mandate or order, but not due to the economic or market conditions that result from that action. The party whose performance is affected by an event of Force Majeure shall give prompt notice of such Force Majeure event to the other party, which in no case shall be more than 48 hours after the event, setting forth the nature thereof and an estimate as to its duration, and the affected party shall furnish the other party with periodic reports regarding the progress of the Force Majeure event. Each party must use its best efforts to mitigate the effect of the event of Force Majeure upon its performance of the Franchise Agreement and to fulfill its obligations under the Franchise Agreement. Upon completion of the event of Force Majeure, the party affected must as soon as reasonably practicable recommence the performance of its obligations under this Franchise Agreement. However, in the event the Force Majeure continues for a period of six months or more, then the unaffected party may, at its option, terminate this Franchise Agreement by 30 days' written notice to the party asserting such Force Majeure. An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence

of the Force Majeure event, nor does that event affect any obligation to pay money owed under the Franchise Agreement or to indemnify Franchisor, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect Franchisee's obligations to comply with any restrictive covenants in this Franchise Agreement during or after the Force Majeure event.

10. PRODUCTS AND SERVICES

10.1. Limitations on Products and Services. Franchisee's Restaurant must strictly conform to Franchisor's specifications and quality standards. Certain products such as plates, cups, boxes and containers bearing the Marks must be purchased by Franchisee from Approved Suppliers who are authorized to manufacture these products. Franchisee will only sell the Products and Services specified in writing by Franchisor or in the Franchise Operations Manual, and will offer and sell all of the Products and Services specified by Franchisor in writing or in the Franchise Operations Manual. Franchisee will maintain sufficient inventories of approved food products, beverages, ingredients and other products to realize the full potential of the Restaurant and will conform to all customer service standards prescribed by Franchisor in writing. Franchisee will only sell the Products and Services on a retail basis and will not offer or sell the Products and Services on any other basis or through any other method of distribution not approved by Franchisor.

Franchisor does not represent that any of the Products and Services will be available to Franchisee in any particular market area or that any pricing or payment terms extended by any supplier to Franchisor or any of its Affiliates will be offered to Franchisee. Franchisee will comply with Franchisor's requirements for the retail prices charged to consumers by Franchisee for certain Products and Services as designated by Franchisor from time to time.

10.2. Approved Suppliers. Franchisee will purchase certain Products and Services that will be used or sold by Franchisee at its Restaurant only from Approved Suppliers. Franchisor or an Affiliate may be an Approved Supplier for the foods, food items, products and services used or sold in Franchisee's Restaurant. If Franchisee wants to use or sell a product or service that Franchisor has not yet evaluated, or if Franchisee wants to purchase or lease a product or service from a supplier or provider that Franchisor has not yet approved (for services and products that require supplier approval), Franchisee must notify Franchisor and submit to Franchisor the information, specifications and samples Franchisor requests. Franchisor will use commercially reasonable efforts to notify Franchisee within 30 days after receiving all requested information and materials whether Franchisee is authorized to purchase or lease the product or service from that supplier or provider. Franchisee will reimburse Franchisor for the costs and expenses incurred to conduct the evaluation. Franchisor may periodically re-inspect Approved Suppliers' facilities and products and Franchisor reserves the right to revoke its approval of any supplier, product or service that does not continue to meet Franchisor's specifications.

10.3. Brand Name Products. Franchisee will purchase and use in the operations of its Restaurant all of the brand name Products and Services specified in the Franchise Operations Manual or otherwise in writing by Franchisor.

10.4. Branding of Foods, Beverages or Products. Franchisee will not have the right to:

(a) Use or display the Marks on or in connection with any foods, beverages or products that have not been approved by Franchisor;

(b) Acquire, develop or manufacture any food, beverage or product using the name "**Rush Bowls®**" or any of the Marks, or direct any other person or Entity to do so;

(c) Acquire, develop or manufacture any Foods, Beverages or Products that have been developed or manufactured by or for Franchisor for use in conjunction with the operations of the Restaurant and which are sold under any of the Marks, or direct any other person or Entity to do so; or

(d) Use, have access to, or have any rights to any proprietary formulas, ingredients, or recipes for any Foods, Beverages or Products created by or at the direction of Franchisor and sold under any of the Marks.

10.5. Payments by Suppliers. Franchisee acknowledges that Franchisor and/or its Affiliates will have the right to receive commissions, volume discounts, purchase discounts, performance payments, bonuses, rebates, marketing and advertising allowances, co-op advertising, administrative fees, enhancements, price discounts, economic benefits and other payments ("**Payments**") based upon the actual purchases of the Products and Services by Franchisee, Franchisor, its Affiliates, other franchisees and developers from Approved Suppliers, Franchisor, and/or other suppliers, vendors and distributors ("**Suppliers**"). Franchisee's right to receive Payments made to Franchisor or an Affiliate of Franchisor as a result of or based on Franchisee's purchases from Suppliers will be subject to the policies or practices that Franchisor has the right to establish from time to time or by agreement with a Supplier. All Payments made by Franchisee to Franchisor or an Affiliate as a result of direct purchases by Franchisee from Franchisor or the Affiliate for Foods, Beverages or Products will be retained by Franchisor or the Affiliate.

10.6. Catering and Delivery. Franchisee may provide catering and delivery services, provided it does not do so in the protected areas of other franchisees. Franchisor may impose restrictions in the future that prevent Franchisee from providing catering and delivery services. Franchisor will have the absolute right to withdraw its approval for Franchisee to offer catering and delivery services on 30 days prior written notice. All catering and delivery services must comply with Franchisor's standards, policies and requirements set forth in the Franchise Operations Manual or otherwise in writing by Franchisor.

11. CONFIDENTIAL FRANCHISE OPERATIONS MANUAL; CONFIDENTIAL INFORMATION

11.1. Compliance with Franchise Operations Manual. Franchisor will loan Franchisee one copy of the Franchise Operations Manual, which may be provided electronically to Franchisee. If Franchisor provides Franchisee with a written Franchise Operations Manual and the Franchise Operations Manual is lost, destroyed, or significantly damaged, Franchisee shall pay Franchisor $500 for each such lost, destroyed, or damaged Franchise Operations Manual. Franchisee will conform to the common image and identity created by the Products and Services, music, recipes, ingredients, cooking techniques and processes, cleanliness, sanitation, and services associated with Rush Bowls Restaurants which are portrayed and described by the Franchise Operations Manual. Franchisee will not use the Franchise Operations Manual or any information contained therein for any purpose other than the operation of Franchisee's Restaurant.

11.2. Revisions to Franchise Operations Manual. The Franchise Operations Manual will at all times remain the sole and exclusive property of Franchisor. Franchisor may, from time to time, revise and update the Franchise Operations Manual to address changes or improvements to the System, and Franchisee expressly agrees to operate its Restaurant in accordance with all such revisions and updates. Franchisee will at all times keep its copy of the Franchise Operations Manual current and up-to-date, and in the event of any dispute regarding the Franchise Operations Manual, the terms of the master copy of the Franchise Operations Manual maintained by Franchisor will be controlling in all respects. Franchisor

will have the option of providing the revisions and updates to the Franchise Operations Manual to Franchisee electronically.

11.3. Confidential Information. Franchisor and Franchisee expressly understand and agree that Franchisor will be disclosing and providing Franchisee and its employees and agents with Confidential Information. Franchisee, its existing and future Owners, and its employees and agents will not, during the term of this Agreement or thereafter, reveal, communicate, sell, use, employ, copy, reverse engineer, lecture upon, rewrite, reproduce, disseminate, publish, disclose, or divulge any Confidential Information of Franchisor, or any abstracts thereof, to any person or Entity except as expressly authorized by this Agreement or by Franchisor in writing. Franchisee will only disclose or provide Franchisor's Confidential Information to its employees who must have access to it to properly execute their job functions and to operate Franchisee's Restaurant. All Confidential Information is and will remain the sole and absolute property of Franchisor and Franchisee will have no rights or interests in any Confidential Information, except the right to use the Confidential Information in the operations of the Restaurant as provided in this Agreement. Any additions, changes, modifications and/or improvements made to any of Franchisor's Confidential Information by Franchisee or its employees and agents will be the sole and exclusive property of Franchisor. Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; (iii) made in cases of suit for retaliation based on the reporting of a suspected violation of law, disclosure of Confidential Information to an attorney and for use of the Confidential Information in such court proceeding, so long as any document containing the Confidential Information is filed under seal and Confidential Information is not otherwise disclosed except pursuant to court order.

11.4. Confidentiality of Franchise Operations Manual. Franchisee will treat the Franchise Operations Manual and any other manuals created for or approved for use in the operation of Franchisee's Restaurant as Confidential Information. Franchisee will use all reasonable means to keep the contents of the Franchise Operations Manual secret and will only grant access to the Franchise Operations Manual to those employees who must use the Franchise Operations Manual in the performance of their employment duties in Franchisee's Restaurant.

11.5. Confidentiality and Noncompetition Agreements. If Franchisee is an Entity, any officer that does not own equity in Franchisee, must sign Franchisor's "**System Protection Agreement**", the current form of which is attached to Franchisor's Franchise Disclosure Document in Exhibit H. All of Franchisee's Designated Managers, employees, managers, independent contractors, agents and representatives that may have access to Franchisor's Confidential Information must sign Franchisor's confidentiality agreement, the current form of which is attached to Franchisor's Franchise Disclosure Document in Exhibit H (unless such persons have already signed a System Protection Agreement). In addition, if Franchisee is an Entity, each person holding a direct or indirect ownership interest in the Franchisee Entity, and his or her spouse, must sign the "Owners Agreement" which is attached hereto as Attachment 2.

12. SITE SELECTION; CONSTRUCTION; SIGNS

12.1. Site Selection; Purchase or Lease of Site. Franchisee may operate the Restaurant only at the location approved by Franchisor. Franchisee is not guaranteed any specific approved location and Franchisee may not be able to obtain Franchisee's top choice as Franchisee's approved location. Franchisor recommends that Franchisee retain an experienced attorney to provide advice and counsel on the terms, conditions and economics of the legal and other documents required to lease or purchase the

site for the Franchised Location. Franchisee will provide Franchisor with a copy of the proposed Lease for the site selected by Franchisee at least four Weeks before the date the Lease is to be signed. Franchisor's review of the Lease will be only to determine whether the terms of the Lease comply with the terms and conditions of this Agreement, and not to provide any business, economic, legal or real estate advice or analysis. Franchisee will be solely responsible for all terms of the Lease, including the enforceability, economics and legality of all provisions in the Lease. The enforceability of the Lease must be conditioned upon the approval of Franchisee by Franchisor and the enforceability of this Agreement. Franchisee will not sign the Lease until this Agreement has been signed by both Franchisee and Franchisor and the Lease contains the terms required under this Section which are more specifically set forth in the Form of Lease Addendum, attached to Franchisor's Franchise Disclosure Document in Exhibit H, and Franchisee further agrees to enter into the Collateral Assignment of Lease attached thereto in connection with any Lease that is entered. Franchisee shall obtain the signature of the landlord for the site on such Lease Addendum. In addition, the terms of the Lease must also give Franchisor the right to enter the premises of the Franchised Location to conduct inspections during regular business hours.

12.2. Site Information. Franchisee will provide to Franchisor the information specified by Franchisor in writing for the proposed site (the "**Site Information**"). Franchisor will have 30 days after it receives the Site Information to evaluate the proposed site. If Franchisor disapproves of the proposed site, Franchisee must select another site, subject to Franchisor's consent. Franchisee must purchase or lease the site for Franchisee's Restaurant within 180 days after signing the Franchise Agreement. Franchisor will have the right to require that Franchisee obtain, at Franchisee's expense, an economic feasibility study for the proposed site for the Franchised Location. An expert mutually agreed upon by Franchisor and Franchisee in writing will complete any such feasibility study required by Franchisor. Franchisor will visit the site proposed by Franchisee and review the site submittal package. Franchisee will not purchase or lease a proposed site until Franchisee has provided the Site Information to Franchisor, Franchisor has reviewed the proposed site, and Franchisor has provided Franchisee with a no-objection letter for the proposed site. Franchisee will provide executed copies of the Lease or purchase closing documents for the Franchised Location within ten days after their execution. The review of any Site Information, any visits by Franchisor to a proposed site, the review of the site, and/or the issuance of a no-objection letter by Franchisor will not constitute an approval of the site by Franchisor or a warranty or representation by Franchisor or any other party that the site for the Franchised Location chosen by Franchisee will be a financial or operational success. The issuance of a no-objection letter by Franchisor means only that it has received the Site Information provided by Franchisee and reviewed the site, and will not be deemed to be an approval of the site by Franchisor.

12.3. Site Release. Franchisor will have no duty or obligation to assist Franchisee in the selection of a site for the Franchised Location, or to provide any assistance to Franchisee in the purchase or lease of the Franchised Location. Franchisor has informed Franchisee that it does not have any experience or expertise in selecting real estate sites in the geographic area where Franchisee's Restaurant will be located and therefore, Franchisor will not have any obligation, duty or liability to Franchisee as a result of the site selected by Franchisee and/or the purchase or lease of the Franchised Location. Franchisee releases Franchisor and its Affiliates and their respective Executive Management, agents and employees, in their corporate and individual capacities, from any and all Claims by Franchisee arising from, in connection with, or as a result of Franchisee's purchase or lease of the site selected by Franchisee for the Franchised Location.

12.4. Standard Plans and Specifications. Franchisor will, at its expense, provide Franchisee with a set of the plans and specifications for an existing Rush Bowls Restaurant. Franchisee acknowledges that unique aspects of each real estate site may require significant modifications to the standard plans. Consequently, Franchisee will, at its cost, retain a licensed architect and will be responsible for the preparation of working drawings and construction and architectural plans and

specifications for Franchisee's Restaurant. Franchisee will be responsible for the accuracy of all drawings, plans and specifications for its Restaurant, subject to Franchisor's review and approval.

12.5. Compliance with Specifications and Standards. The Franchised Location and Franchisee's Restaurant will conform to all standards, specifications and other requirements (the "**Design Standards**") established by Franchisor for the design, decoration, layout, FF&E and other items of the Restaurant. Any changes or modifications to the Design Standards must be submitted to Franchisor for its prior approval. Compliance with the Design Standards does not release Franchisee from its obligation to ensure that the Restaurant is designed and constructed in compliance with all federal, state, and local laws including, without limitation, the Americans with Disabilities Act. Franchisee will purchase and install the FF&E specified in the Franchise Operations Manual or otherwise in writing by Franchisor for Franchisee's Restaurant in compliance with the Design Standards.

12.6. Construction Costs. Franchisee will retain a licensed and bonded contractor with experience in Restaurant construction for the construction or renovation of Franchisee's Restaurant. Franchisee will be solely responsible for all costs and expenses incurred for the construction or renovation of Franchisee's Restaurant at the Franchised Location.

12.7. Inspection. Franchisee will be solely responsible for inspections during construction or renovation to confirm that the Franchised Location and Restaurant are being constructed or renovated in a workmanlike manner and according to the specifications established by Franchisor. Franchisee will be solely responsible for complying with all federal, state and local laws, ordinances, statutes and building codes, and for acquiring all licenses and building and other permits required by law in connection with the construction or renovation of Franchisee's Restaurant at the Franchised Location. Franchisee will not open its Restaurant for business without the prior written approval of Franchisor.

12.8. Approved Signs. All exterior and interior signs at the Franchised Location (the "**Signs**") must comply with the standard sign plans and specifications established by Franchisor and provided to Franchisee and must be purchased from an Approved Supplier. Franchisee will, at its expense, prepare or cause the preparation of complete and detailed plans and specifications for the Signs and will submit them to Franchisor for written approval. Franchisee will be responsible for any and all installation costs, sign costs, and other fees and Franchisee will comply with all federal, state and local laws, regulations, building codes and ordinances, related to the construction, erection, maintenance and use of the Signs. Franchisee may not alter, remove, change, modify, or redesign the Signs unless approved by Franchisor in writing. Franchisor will have the right to redesign the specifications for the Signs without the approval or consent of Franchisee. Within 90 days after receipt of written notice from Franchisor, Franchisee will, at its expense, either modify or replace the Signs so that the Signs displayed at the Franchised Location will comply with the new specifications. Franchisee will not be required to modify or replace the Signs more than once every five years from the Effective Date.

12.9. Ownership of Franchised Location. If Franchisee, any of the Owners, or an Entity owned by Franchisee and/or any of the Owners, owns, leases or otherwise controls the Franchised Location, including the land, building and related real estate, or owns fifty-one percent (51%) or more of an Entity that owns, leases or otherwise controls the Franchised Location, then Franchisee will, as the lessee, enter into a Lease for the Franchised Location for a term coextensive with the term of this Agreement. The Lease will be deemed to be a Major Asset of Franchisee. This provision will not apply if Franchisee owns the Franchised Location, and the Franchised Location is reflected as an asset on Franchisee's Financial Statements, in which event, the Franchised Location will be deemed a Major Asset of Franchisee.

13. EQUIPMENT; COMPUTER HARDWARE AND SOFTWARE

13.1. Computer Hardware and Software; Point-of-Sale System. Franchisee will, at its sole expense, lease, license, use and purchase the computer hardware, high speed Internet connections, communication and transmission equipment and systems, computer software, peripheral devices and point-of-sale, cash register and operating systems and maintenance and support services (the "**Computer System**") that meet the standards, specifications and requirements periodically established by Franchisor as set forth in the Franchise Operations Manual or otherwise in writing, from the suppliers Franchisor specifies. Franchisee will, upon written notice from Franchisor, modify, enhance, update and upgrade the Computer System, at its sole expense, to the standards, specifications and requirements specified by Franchisor. The Computer System will manage the daily workflow of the Restaurant, coordinate the customer ordering experience, track inventory, food costs, labor and other information. Franchisee must record all Gross Sales on the Computer System. Franchisee must store all data and information in the Computer System that Franchisor designates, and allow Franchisor to access and/or report data and information in the manner Franchisor specifies. The Computer System will generate reports on the Gross Sales of Franchisee's Restaurant. Franchisee must also maintain a high-speed Internet connection at the Restaurant. Franchisor is not required to provide Franchisee with any ongoing maintenance, repairs, upgrades, updates or support for the Computer System. Franchisee must arrange for installation, maintenance and support of the Computer System at Franchisee's cost. There is no limitation on the frequency and cost of this obligation. Franchisor will have the right at any time to retrieve data and other information from Franchisee's point-of-sale systems and Computer System as Franchisor, in its sole discretion, deems necessary or desirable. Franchisee shall ensure that Franchisor has access at all times to Franchisee's point-of-sale systems, at Franchisee's cost. Franchisee must provide Franchisor with any and all codes, passwords and information necessary to access Franchisee's Computer System and point-of-sale systems and must receive Franchisor's prior written approval before changing such codes, passwords and other necessary information.

13.2. Internet Provider; E-Mail Address. Franchisee will, at Franchisee's expense, have access to the Internet and will maintain an e-mail address on the Internet. Franchisee will not transmit any confidential information, documents or data without complying with the security measures adopted by Franchisor. Franchisee will not make any derogatory, defamatory or libelous statements in any transmission made via the Internet, through an Intranet network or by any other means. Franchisor (or its designee) has the right to independently access the electronic information and data relating to Franchisee's Restaurant and to collect and use Franchisee's electronic information and data in any manner, including promoting the System and the sale of Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on Franchisor's right to receive or use information through Franchisor's proprietary data management and intranet system. Franchisor may access the electronic information and data from Franchisee's Computer System remotely, in Franchisee's Restaurant or from other locations.

13.3. Rush Bowls Website. Franchisor has the right to establish and maintain a website (the "**Rush Bowls Website**") to advertise and promote the Rush Bowls Restaurants, including Franchisee's Rush Bowls Restaurant. Franchisor has the sole right to determine all features of the Rush Bowls Website. Franchisor reserves the right to charge the Brand Fund for the costs associated with the maintenance or enhancement of the Rush Bowls Website.

13.4. Online Advertising. If Franchisee wishes to advertise online, Franchisee must follow Franchisor's then-current online policy, which is contained in the Franchise Operations Manual. Franchisee may not establish an account or participate in any social networking sites or mention or discuss the franchise, Franchisor or any of Franchisor's affiliates, without Franchisor's prior written consent and as subject to Franchisor's online policy.

13.5. Upgrades and System Changes. Franchisee will be responsible for any increase in fees that result from any upgrades, modifications or additional systems or software and for any increases in fees from suppliers. Franchisor reserves the right to: (i) change or add approved suppliers or vendors of these services at any time, in Franchisor's sole discretion; (ii) enter into a master license agreement with any software or technology supplier and sublicense the software or technology to Franchisee, in which case Franchisor may charge Franchisee for all amounts that Franchisor must pay to the licensor based on Franchisee's use of the software or technology; (iii) create proprietary software or technology that must be used by Rush Bowls franchisees, in which case Franchisor may require that Franchisee enter into a license agreement with Franchisor and pay Franchisor reasonable initial and ongoing licensing, support and maintenance fees; and (iv) increase or decrease the Technology Fee and other technology and licensing and expenses that Franchisee is required to pay under this Franchise Agreement at any time, upon 30 days' written notice to Franchisee.

14. TRAINING

14.1. Initial Training. Franchisor will provide Franchisee (or its Operating Principal, if Franchisee is an Entity) and, if applicable, its Designated Manager with an initial training program (the "**Training Program**") in Boulder, Colorado (or at another location designated by Franchisor). Franchisee (or its Operating Principal, if Franchisee is an Entity) and, if applicable, its Designated Manager must complete the Training Program to Franchisor's satisfaction before Franchisee opens its Restaurant. Franchisor provides initial training at no cost for up to two people, provided they attend initial training at the same time. Franchisee must pay Franchisor's then-current fee (currently $500 per additional person) for training each additional person that Franchisee elects to bring to the Training Program. Franchisee is responsible for all Travel Expenses, Salaries, and Benefits for all persons attending the Training Program on Franchisee's behalf. Franchisee will not receive any compensation or reimbursement for services or expenses for participation in the Training Program.

14.2. Ongoing Training. From time to time, Franchisor may require that Franchisee (or its Operating Principal, if Franchisee is an Entity), any Designated Managers and other employees attend system-wide refresher or additional training courses. Some of these courses may be optional while others may be required. If Franchisor conducts an inspection of Franchisee's Restaurant and determines Franchisee is not operating in compliance with this Agreement, Franchisor may require that Franchisee attend remedial training that addresses Franchisee's operational deficiencies. Franchisee may also request that Franchisor provide additional training (either at corporate headquarters or at Franchisee's Restaurant). Franchisee is responsible for all Travel Expenses and the Salaries and Benefits for all employees of Franchisee who attend any Rush Bowls training program on behalf of Franchisee, and Franchisee must also pay Franchisor the then-current fee (currently up to $500 per attendee per day for additional training) for such training.

14.3. Grand Opening Assistance. Franchisor will provide certain on-site assistance for the opening of Franchisee's Rush Bowls Restaurant for which Franchisee must pay Franchisor a "**Grand Opening Assistance Fee**" of $4,000 at least seven days prior to opening Franchisee's Rush Bowls Restaurant. The Grand Opening Assistance Fee will pay for up to five days of on-site assistance before and during Franchisee's Rush Bowls Restaurant's opening. The Grand Opening Assistance Fee does not include Franchisor's Travel Expenses and Franchisee shall reimburse Franchisor its Travel Expenses related to on-site assistance provided by Franchisor within 30 days of invoice. If Franchisor requires, or if Franchisee requests that Franchisor provide, more than five days of assistance or additional trips to Franchisee's Rush Bowl Restaurant, Franchisee must pay Franchisor its then-current fee together with Travel Expenses for each additional day of assistance each representative of Franchisor provides. The Grand Opening Assistance Fee and all additional costs and fees Franchisee pays to Franchisor are non-refundable. Grand opening assistance and payment of the Grand Opening Assistance Fee is required for

Franchisee's first and second Rush Bowls Restaurants. If this Agreement is for Franchisee's third or subsequent Rush Bowls Restaurant, Franchisor will not be required to provide the grand opening assistance described in this Section, but reserves the right to do so in Franchisor's sole discretion, in which case Franchisee must pay Franchisor in accordance with this Section 14.3.

14.4. Release and Indemnification. Franchisee and its Owners waive any right to sue for Damages or other relief, and release all known and unknown Claims they may allegedly have against Franchisor and/or any of its Affiliates and their employees, agents, officers and directors, arising out of the adequacy or accuracy of the information provided at or any activities occurring during any training program, additional training and/or opening assistance (collectively referred to as "**Training**" in this provision), or any harm or injury any attendee or participant suffers during and as a result of his/her attendance at or participation in the Training. Franchisee and the Owners agree to hold Franchisor, its Affiliates and their employees, agents, officers and directors harmless for any Claims or Damages incurred by Franchisee, the Owners or any of their Affiliates, employees, agents, officers and directors arising out of, in any way connected with or as a result of attendance at or participation in the Training. Franchisee, the Owners and all persons who attend and participate in the Training on behalf of Franchisee will sign the documentation required by Franchisor or an Affiliate as a condition to their attendance at, participation in and successful completion of the Training.

15. INSURANCE

Franchisee will procure and maintain in full force and effect, at its sole cost and expense, insurance in the types and amounts specified by Franchisor in the Franchise Operations Manual, which Franchisor may modify or increase at any time. All insurance companies providing coverage to Franchisee must be acceptable to and approved by Franchisor, must be licensed in the state where coverage is provided, and must carry a rating from A.M. Best & Company, Inc. of "A" or better. Franchisee will provide Franchisor with copies of all insurance policies issued to Franchisee together with certificates of insurance evidencing the insurance coverage required of Franchisee pursuant to this Section no later than the date Franchisee opens for business. Franchisee will immediately provide, upon expiration, change or cancellation of a required insurance policy, a new certificate of insurance to Franchisor. Nothing in this Agreement will prevent Franchisee from purchasing insurance with coverage amounts in excess of the coverage amounts required by Franchisor herein. All insurance policies procured and maintained by Franchisee pursuant to this Section, except for employment liability insurance policies, will name Franchisor, and any affiliates Franchisor designates, as an additional named insured party, will contain endorsements by the insurance companies waiving all rights of subrogation against Franchisor, and will stipulate that Franchisor will receive copies of all notices of cancellation, non-renewal or elimination at least 30 days prior to the effective date of such cancellation, non-renewal or coverage elimination. Franchisee will provide prior written notification to Franchisor of any reduction in the insurance coverages maintained by Franchisee pursuant to this Section. If Franchisee fails to obtain or maintain the insurance Franchisor specifies, Franchisor may (but need not) obtain such insurance on Franchisee's behalf and, in such event, Franchisee will reimburse Franchisor for the cost of the insurance plus an administrative fee equal to twenty percent (20%) of the premium**.**

16. LICENSING OF MARKS AND SYSTEM

16.1. Right to License Marks. Franchisor warrants that, except as otherwise provided for herein, it has the right to grant the Franchise and to license the Marks and the System to Franchisee. Any and all improvements made by Franchisee to the Marks or the System will be the sole and absolute property of Franchisor, which will have the exclusive right to register and protect all such improvements in its name in accordance with applicable law. Franchisee's right to use and identify with the Marks and

the System will exist concurrently with the term of this Agreement and such use by Franchisee will inure exclusively to the benefit of Franchisor.

16.2. Conditions to License of Marks. Franchisor grants to Franchisee the nonexclusive personal right to use the Marks and the System in accordance with the provisions of this Agreement. Franchisee's nonexclusive personal right to use "**Rush Bowls®**" as the name of Franchisee's Restaurant and its right to use the Marks and the System applies only to Franchisee's Restaurant at the Franchised Location and such rights will exist only so long as Franchisee fully performs and complies with all of the conditions, terms and covenants of this Agreement. "**Nonexclusive**," for the purposes of this Section, means that Franchisor has or will grant franchises to other developers, franchisees, Entities or persons authorizing them to own and operate Rush Bowls Restaurants in conformity with the System using the name "**Rush Bowls®**" and the other Marks, and that Franchisor and Affiliates have operated and may continue to own and operate Rush Bowls Restaurants.

16.3. Franchisee's Authorized Use. Franchisee will only use the Marks designated by Franchisor and only in the manner authorized and permitted by Franchisor. Franchisee's right to use the Marks is limited to the uses set forth in this Agreement and any unauthorized use will constitute an infringement of the rights of Franchisor under this Agreement and under the Lanham Act (15 U.S.C. §1051, et seq.). Franchisee will not have or acquire any rights in any of the Marks or the System other than the right of use as provided herein. Franchisee must indicate to the public in any contract, advertisement and with a conspicuous sign in Franchisee's Restaurant that Franchisee is an independently owned and operated licensed franchisee of Rush Bowls. Franchisee may not use the Marks in the sale of unauthorized services or products or in any manner Franchisor does not authorize. Franchisee may not use the Marks in any advertising for the transfer, sale or other disposition of the Rush Bowls Restaurant, or any interest in the franchise. All rights and goodwill from the use of the Marks accrue to Franchisor. If it becomes advisable, at any time, for Franchisor and/or Franchisee to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, Franchisee must comply with Franchisor's directions within a reasonable time after receiving notice. Franchisor will not reimburse Franchisee for Franchisee's direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Mark, or for Franchisee's expenses of promoting a modified or substituted trademark or service mark.

16.4. Improvements. If Franchisee or the Owners develop any new or revised concept, product, recipe, trademark, service mark, branding concept, process or improvement in or related to the operation or promotion of the Rush Bowls Restaurant or the System ("**Improvements**"), then Franchisee will promptly provide Franchisor with a detailed summary of the Improvements. Franchisee and the Owners acknowledge and agree that:

(a) All Improvements made by Franchisee and the Owners are the property of Franchisor;

(b) Franchisee will execute and deliver any documents or instruments required by Franchisor to memorialize or evidence Franchisor's ownership of the Improvements;

(c) Franchisor will have the right to incorporate any or all of the Improvements into the System and/or the Marks; and

(d) Franchisor will have the right to use and authorize its Affiliates, franchisees and developers to use any or all Improvements in the operations of any or all Rush Bowls Restaurants owned, operated, licensed or franchised by Franchisor or its Affiliates without any compensation to Franchisee.

16.5. Adverse Claims to Marks. If there are any Claims by any party that its rights to any or all of the Marks are superior to those of Franchisor and if the attorneys for Franchisor are of the opinion that such Claims by a party is legally meritorious, or if there is an adjudication by a court of competent jurisdiction that any party's rights to the Marks are superior to those of Franchisor, then upon receiving written notice from Franchisor, Franchisee will, at its sole expense, immediately adopt and use the changes and amendments to the Marks that are specified by Franchisor. If so specified, Franchisee will immediately cease using the Marks specified by Franchisor, and will, as soon as reasonably possible, commence using the new trademarks, trade names, service marks, logos, designs and commercial symbols designated by Franchisor in writing at the Franchised Location, and in connection with all advertising, marketing and promotion of Franchisee's Restaurant. Franchisee will not make any changes or amendments whatsoever to the Marks or the System without the written approval of Franchisor.

16.6. Defense or Enforcement of Rights to Marks. Franchisee will give Franchisor immediate written notice of any and all Claims or complaints made against or associated with the Marks and the System and will, without compensation for its time and at its expense, cooperate in all respects with Franchisor in any lawsuits or other proceedings involving the Marks and the System. Franchisor will have the sole and absolute right to determine whether it will commence or defend any litigation involving the Marks and/or the System, and the cost and expense of all litigation incurred by Franchisor, including attorneys' fees, specifically relating to the Marks or the System will be paid by Franchisor.

16.7. Tender of Defense. If Franchisee is named as a defendant or party in any action involving the Marks or the System solely because the plaintiff or claimant is alleging that Franchisee does not have the right to use the Marks or the System, then Franchisee will have the right to tender the defense of the action to Franchisor, and Franchisor will, at its expense, defend Franchisee in the action provided that Franchisee has tendered defense of the action to Franchisor within seven days after receiving service of the pleadings or the summons and complaint relating to the action. Franchisor will indemnify and hold Franchisee harmless from any Damages assessed against Franchisee in any actions resulting solely from Franchisee's use of the Marks or the System at the Franchised Location if Franchisee has timely tendered defense of the action to Franchisor.

16.8. Franchisee's Right to Participate in Litigation. Franchisee may, at its expense, retain an attorney to represent it individually in all litigation and court proceedings involving the Marks or the System, and may do so with respect to matters involving only Franchisee (i.e., not involving Franchisor or its interests); however, Franchisor and its attorneys will control and conduct all litigation involving the Marks or the System and the rights of Franchisor. Except as expressly provided for herein, Franchisor will have no liability for any costs that Franchisee may incur in any litigation involving the Marks or the System, and Franchisee will pay for all costs, including attorneys' fees, that it may incur in any litigation or proceeding arising as a result of matters referred to under this Section, if Franchisee has not timely tendered the defense to Franchisor in accordance with Section 16.7.

16.9. Notice. If Franchisee believes Franchisor has failed to adequately provide pre-opening and opening services to Franchisee as provided in this Agreement, Franchisee will notify Franchisor in writing within 30 days following Franchisor's provision of such services. Without the timely provision of such notice to Franchisor, Franchisee will be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by Franchisor were sufficient and satisfactory in Franchisee's judgment.

17. TRANSFER

17.1. Transfer of Agreement by Franchisor. Franchisor has the right to Transfer this Agreement to any person or Entity without the approval of Franchisee and any such Transfer will inure to

the benefit of the successors and assigns of Franchisor. Franchisor will provide Franchisee with written notice after the Transfer has been completed, and the assignee will be required to fully perform all obligations of Franchisor under this Agreement.

17.2. Transfer of Agreement to Beneficiary or Entity. If Franchisee is an individual and has personally signed this Agreement, then in the event of the death or permanent disability of Franchisee, this Agreement may be transferred to any designated person or beneficiary (the "**Beneficiary**") without the payment of any Transfer Fee and without complying with Section 21. However, the Transfer of this Agreement to Franchisee's Beneficiary will be subject to the applicable provisions of Sections 17.3(b) through 17.3(i) and will not be valid or effective until Franchisor has received the properly executed legal documents which its attorneys deem necessary to document the Transfer of this Agreement to the Beneficiary. The Beneficiary must agree to be unconditionally bound by the terms and conditions of this Agreement and must successfully complete the Training Program. There will be no charge to the Beneficiary for attending the Training Program; however, the Beneficiary will pay the Salary and Benefits and the Travel Expenses of the Beneficiary. In addition, Franchisee has the right to Transfer this Agreement to an Entity without the payment of a Transfer Fee and without complying with Section 21 if Franchisee is an individual or a general partnership, provided that: (i) the Owner or Owners of the Entity are the same person or persons who signed this Agreement; and (ii) Franchisee (or the Entity to which Franchisee is transferring ownership) pay Franchisor a fee of $500 on or prior to the Transfer.

17.3. Conditions to Transfer by Franchisee. Subject to the provisions of Section 21, Franchisee will not Transfer any interest in or any part of this Agreement, the Franchise or the Restaurant to any person or Entity without the prior written approval of Franchisor, the current form of which is attached to Franchisor's Franchise Disclosure Document. Franchisor will not withhold its written consent to the Transfer by Franchisee if the Transfer does not violate any of the terms of this Agreement, if Franchisor does not exercise its rights under Section 21 of this Agreement, and if Franchisee and/or the transferee are in full compliance with the following terms and conditions:

(a) Franchisee has provided written notice to Franchisor of the proposed Transfer of this Agreement at least 45 days prior to the transaction;

(b) all of Franchisee's monetary obligations due to Franchisor have been paid in full, and Franchisee is not otherwise in default under this Agreement;

(c) Franchisee has agreed in writing to observe all applicable provisions of this Agreement, including the covenants not to compete contained in this Agreement;

(d) Franchisee has executed a general release, the current form of which is attached to Franchisor's Franchise Disclosure Document as Exhibit H, of any and all Claims against Franchisor and its respective Executive Management, Owners, agents and employees, in their corporate and individual capacities, arising from, in connection with, or as a result of this Agreement, the operation of the Restaurant or Franchisee's purchase of the Franchise including, without limitation, all Claims arising under any federal or state franchising laws or any other federal, state or local law, rule or ordinance;

(e) the transferee has demonstrated to the satisfaction of Franchisor that he, she or it meets the managerial, financial and business standards required by Franchisor for new franchisees or developers, possesses a good business reputation and credit rating, and that its management possesses the aptitude and ability to operate the Restaurant in an economic and businesslike manner (as may be evidenced by prior related business experience or otherwise);

(f) the transferee and all of the transferee Franchisee's Owners execute the legal agreements required by Franchisor or its legal counsel including, but not limited to, Franchisor's then-current standard Franchise Agreement and any related documents, including Franchisor's then-current form of Owners Agreement or other guaranty;

(g) the transferee has purchased or leased the Franchised Location for a term consistent with the remaining term of this Agreement or, if applicable, the term of the then-current standard Franchise Agreement;

(h) the transferee has purchased or otherwise acquired a food service license for the Restaurant at the Franchised Location;

(i) the transferee and its Management Staff have successfully completed the Training Program required under this Agreement; and

(j) Franchisee will reimburse Franchisor upon receipt of Franchisor's invoice for any broker or other placement fees that Franchisor incurs as a result of the Transfer.

17.4. Transfer of Ownership Interest. No Owner will have the right to Transfer an Ownership Interest in Franchisee without the prior written approval of Franchisor. Franchisor will not withhold its written consent if the Transfer of the Ownership Interest by the if Owner complies in all respects with the terms of this Agreement, and if Franchisor does not exercise its right of first refusal to acquire the Owner's Ownership Interest in Franchisee pursuant to Section 21.8. A Transfer by an Owner of Franchisee to: (a) a relative (husband, wife, children, grandchildren, mother, father, brothers and sisters) of the Owner; or (b) one of the existing Owners of Franchisee, will not be subject to the provisions of Sections 17.6 and 21.8, provided that: (i) the Transfer has been approved in writing by Franchisor; and (ii) Franchisee's Owner has complied with all of the provisions of this Agreement applicable to an Owner.

17.5. Acknowledgment of Restrictions. Franchisee and Owners acknowledge and agree that the restrictions on Transfer imposed herein are reasonable and necessary to protect the System and the Marks, as well as the reputation and image of Franchisor, and are for the protection of Franchisor, Franchisee and all other franchisees and developers who own and operate Rush Bowls Restaurants. Any Transfer permitted by this Section will not be effective until Franchisor receives a completely executed copy of all Transfer documents and Franchisor consents to the Transfer in writing. Any attempted Transfer made without complying with the requirements of this Section will be void.

17.6. Transfer Fee. If this Agreement is Transferred to another person or Entity, or if any of the Owners Transfer any Ownership Interest in Franchisee to a third party, then except as provided for in Sections 17.2 and 17.4, Franchisee will pay Franchisor a fee equal to: (i) $2,000 for a Transfer to an existing franchisee of Franchisor; or (ii) thirty percent (30%) of Franchisor's then-current initial franchise fee for a Transfer to any other person or Entity (the "**Transfer Fee**"). Franchisee will pay a $1,000 non-refundable deposit with Franchisee's request for approval of the Transfer, and will pay the balance of the Transfer Fee upon approval of the Transfer. The Transfer Fee is to cover the costs incurred by Franchisor in connection with the Transfer. Franchisor also reserves the right to charge the transferee Franchisee the Per-Diem Training Fee to cover the costs of providing the Training Program to the transferee Franchisee and its Management Staff. The transferee Franchisee will also be responsible for all Salaries and Benefits, Travel Expenses and other expenses incurred by all personnel attending the Training Program on behalf of the transferee Franchisee.

18. TERMINATION RIGHTS OF FRANCHISOR

18.1. Termination; Conditions of Breach. In addition to its other rights of termination contained in this Agreement, Franchisor will have the right to terminate this Agreement if:

(a) Franchisor determines that any required or other financial, personal or other information provided by Franchisee to Franchisor is materially false, misleading, incomplete or inaccurate;

(b) Franchisee has not purchased or leased a site for the Franchised Location within 180 days after the Effective Date;

(c) Franchisee has not obtained all licenses, permits, and certifications required for the service of food for its Restaurant from the appropriate Governmental Authorities at least ten days before the Required Opening Date;

(d) Franchisee or any member of the Management Staff has not completed the Training Program required under this Agreement at least 20 days prior to the Required Opening Date;

(e) Franchisee materially violates any federal, state or municipal law, rule, code or regulation applicable to Franchisee's Restaurant operations, including a violation of any health department rules or regulations relating to any food safety standards that would in any way endanger the health or well-being of any guest of Franchisee's Restaurant;

(f) Franchisee breaches any material provision, term or condition of this Agreement including, but not limited to, the failure to timely pay any Fees, rents or any other monetary obligations due and payable to Franchisor or an Affiliate pursuant to this Agreement or any other agreement (provided, however, that a default or termination of any area development agreement with Franchisor due to failure to meet the development schedule shall not be grounds for default or termination of this Agreement);

(g) Franchisee, the Designated Manager, or any of its Executive Management or Owners are convicted of, or plead guilty to a violation of any federal or state law that has a material adverse effect on the operations of Franchisee's Restaurant or a crime involving dishonesty, fraud, or moral turpitude;

(h) Franchisee fails to timely pay any of its uncontested obligations or liabilities due and owing to Franchisor, any Affiliate, suppliers, banks, purveyors, other creditors or to any federal, state or municipal government;

(i) Franchisee is determined to be insolvent within the meaning of applicable state or federal law, any involuntary petition for bankruptcy is filed against Franchisee, or Franchisee files for bankruptcy or is adjudicated a bankrupt under applicable state or federal law;

(j) Franchisee makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors;

(k) Franchisee voluntarily or otherwise abandons the Restaurant;

(l) Franchisee is involved in any act or conduct which materially impairs the goodwill associated with the name "**Rush Bowls®**," any other Marks or the System;

(m) the Lease for the Franchised Location is terminated or canceled for non-payment of rent or other legal reasons or Franchisee is evicted from the Franchised Location;

(n) any license, permit, or certification required for food service at Franchisee's Restaurant is canceled for any reason;

(o) Franchisee fails to provide the Financial Records requested by Franchisor to substantiate the Financial Statements or to produce and permit Franchisor to audit Franchisee's Financial Records in accordance with this Agreement;

(p) Franchisee fails to open the Restaurant and commence business operations by the Required Opening Date;

(q) Franchisee fails to designate a duly qualified replacement Designated Manager within 30 days after the former Designated Manager ceases to serve in that capacity; and

(r) Franchisee, an affiliated Entity or an Owner breaches any other agreement between such person or Entity and Franchisor or an Affiliate.

Franchisor has the right (but not the obligation), under the circumstances described above, to enter Franchisee's Restaurant and assume the Restaurant management (or to appoint a third party to assume its management). If Franchisor (or a third party) assumes the management of Franchisee's Restaurant, Franchisee agrees to pay Franchisor (in addition to the Royalty Fees and Brand Fund Contributions and other amounts due Franchisor or its Affiliates) three hundred dollars ($300) per day that Franchisor or a third party manages the Restaurant management, plus Franchisor's (or the third party's) costs and expenses. If Franchisor exercises its rights of management under this Section, it will not affect Franchisor's right to terminate this Franchise Agreement.

18.2. Notice of Breach. Except as provided in Sections 18.4 and 18.5, Franchisor will not have the right to terminate this Agreement until: (a) written notice setting forth the alleged breach in detail has been delivered to Franchisee by Franchisor; and (b) Franchisee fails to correct the alleged breach 30 days after receipt (or deemed receipt) of the written notice to correct the alleged breach, except where the written notice states that Franchisee is delinquent in the payment of any of the Fees, rents or other monetary obligations payable to Franchisor or an Affiliate pursuant to this Agreement or any other agreement, in which case Franchisee will have five days after receipt of written notice to correct the breach by making full payment to Franchisor, together with interest on the past-due obligations at the rate of eighteen percent (18%) per annum and the applicable Administrative Fees. If Franchisee fails to correct the alleged breach set forth in the written notice within the required period of time, then this Agreement may be terminated by Franchisor as provided for herein.

18.3. Notice of Termination. Except as provided in Sections 18.4 and 18.5 of this Agreement, if Franchisor has complied with the provisions of this Section 18.3 and Franchisee has not corrected the alleged breach set forth in the written notice of breach within the applicable time period specified in this Agreement, then Franchisor will have the absolute right to terminate this Agreement by giving Franchisee written notice of termination and, in that event, the effective date of termination of this Agreement will be the day the written notice of termination is received by Franchisee.

18.4. Immediate Termination Rights of Franchisor. Notwithstanding Section 18.2, Franchisor will have the absolute right, unless precluded by applicable law, to immediately terminate this Agreement if:

(a) Franchisee, the Designated Manager or any of its Executive Management or Owners are convicted of, or plead guilty to a charge of violating any law relating to Franchisee's Restaurant;

(b) Franchisee is deemed insolvent within the meaning of applicable state or federal law, any involuntary petition for bankruptcy is filed against Franchisee and Franchisee is unable within a period of 60 days from such filing to obtain the dismissal of the bankruptcy petition, or Franchisee files for bankruptcy or is adjudicated a bankrupt under applicable state or federal law;

(c) Franchisee makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors;

(d) Franchisee voluntarily or otherwise abandons the Restaurant;

(e) Franchisee fails or refuses to provide the Financial Records and other materials requested by Franchisor to substantiate Franchisee's Financial Statements or to produce and permit Franchisor to audit Franchisee's Financial Records;

(f) Franchisee is involved in any act or conduct which materially impairs the goodwill associated with the Marks or the System, and Franchisee fails to correct the breach within 24 hours after receipt of written notice of the breach from Franchisor;

(g) Franchisee breaches any provision, term or condition of this Agreement: (i) three or more times during any 12-month period; or (ii) six or more times during the term of this Agreement, without regard to whether the breaches were of a similar or different nature or whether the breaches were corrected within the prescribed cure period after receipt of written notice of the breaches; or

(h) Franchisee fails to open its Restaurant and commence business operations by the Required Opening Date.

18.5. Notice of Immediate Termination. Except as provided below, if this Agreement is terminated by Franchisor pursuant to Section 18.4, then Franchisor will give Franchisee written notice that this Agreement is terminated and, in that event, the effective date of termination of this Agreement will be the day the written notice of termination is received (or deemed received) by Franchisee. If notice of termination is given to Franchisee by Franchisor pursuant to Section 18.4(f), then this Agreement will terminate on the first minute of the 25th hour after receipt of the written notice of termination if Franchisee fails to correct the alleged breach within 24 hours after receiving the written notice of termination.

18.6. Liquidated Damages. Upon termination of this Franchise Agreement by Franchisor under Section 18 or upon termination by Franchisee without legal cause, Franchisee agrees to pay to Franchisor within 15 days after the effective date of this Franchise Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly Royalty Fees and Brand Fund Contributions (without regard to any fee waivers or other reductions) payable beginning with date Franchisee opens its Restaurant through the date of early termination, multiplied by the lesser of: (i) 36; or (ii) the number of full months remaining in the term of the Franchise Agreement, except that liquidated

damages will not, under any circumstances, be less than thirty thousand dollars ($30,000). The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages Franchisor would incur from this Franchise Agreement's termination and the loss of cash flow from Royalties and Brand Fund Contributions due to, among other things, the complications of determining what costs, if any, Franchisor might have saved and how much the Royalties and Brand Fund Contributions would have grown over what would have been this Franchise Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

18.7. Other Remedies. Nothing in this Section will preclude Franchisor from seeking other remedies or Damages under any state or federal law, common law, or under this Agreement against Franchisee including, but not limited to, attorneys' fees and injunctive relief. If this Agreement is terminated by Franchisor pursuant to this Section, or if Franchisee breaches this Agreement by a wrongful termination or a termination that is not in strict compliance with the terms and conditions of this Agreement, then Franchisor will be entitled to seek recovery of all Damages that Franchisor has sustained and will sustain in the future as a result of Franchisee's breach of this Agreement. Franchisee must reimburse Franchisor for any legal and accounting fees Franchisor incurs enforcing Franchisor's rights under the Franchise Agreement or as a result of any breach or termination of the Franchise Agreement by Franchisee.

18.8. No Equity upon Termination. The provisions of this Agreement will control Franchisee's rights regarding the Franchise for the Restaurant. Franchisee will have no equity or any other continuing interest in the Franchise, any goodwill associated with the Restaurant or the Marks, or any right to compensation or refunds upon the expiration and/or termination of this Agreement.

18.9. Continuing Obligations. If this Agreement is terminated because of a default by Franchisee, Franchisee will not be released or discharged from its obligations, including payment of all Fees then due and other amounts that would have become due under this Agreement if Franchisee had continued the operation of the Restaurant for the full term of this Agreement. Franchisor's remedies will include (but are not limited to) the right to collect the present value of these amounts and to receive the benefit of its bargain with Franchisee, as well as to accelerate the balances of any promissory notes owed and to receive any other unpaid amounts owed to Franchisor or any Affiliates of Franchisor. It would be commercially unreasonable and damaging to the integrity of the System if a franchisee or developer could default and then escape the financial consequences of its contractual commitment to meet payment obligations for the term of a franchise agreement. Franchisee will sign a general release if Franchisor chooses to waive its rights to collect any amounts that would have become due if Franchisee had continued in business for the term of this Agreement.

19. FRANCHISEE'S TERMINATION RIGHTS

Franchisee will have the right to terminate this Agreement if Franchisee is in full compliance with this Agreement, and Franchisor breaches any material provision, term or condition of this Agreement, and fails to either: (i) cure such breach within 30 days after Franchisor receives written notice setting for the alleged breach in detail; or (ii) fails to begin to correct such breach within 30 days after Franchisor receives written notice setting for the alleged breach in detail, if such breach cannot be cured within this 30-day period. Notwithstanding the foregoing, if Franchisee fails to give written notice to Franchisor of the alleged breach within 12 months from the first day the alleged breach of this Agreement by Franchisor actually occurred, including any breach of this Agreement by Franchisor based upon any state law, federal law or common law, then the alleged breach by Franchisor will be deemed to be waived by Franchisee, and the alleged breach by Franchisor will not be deemed to be a breach of this Agreement by

Franchisor and Franchisee will be barred from commencing any action against Franchisor or from recovering any Damages from Franchisor for that specific alleged breach of this Agreement.

20. FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

20.1. Termination of Use of Marks; Other Obligations. If this Agreement is canceled or terminated for any reason or this Agreement expires, then Franchisee will:

(a) Within five days after termination, pay all Fees to Franchisor;

(b) Immediately return to Franchisor the Franchise Operations Manual, Confidential Information, menus, advertising materials and all other printed materials and records pertaining to the Restaurant by first class prepaid United States mail; and

(c) Comply with all other applicable provisions of this Agreement. Upon termination or expiration of this Agreement for any reason, Franchisee's right to use "**Rush Bowls®**," the other Marks and the System will terminate immediately in all respects, and Franchisee will not thereafter conduct or promote any business under any name or in any manner that might tend to give the general public the impression that Franchisee is continuing to operate as a Rush Bowls franchisee.

Without limiting the generality of the foregoing, Franchisee will immediately cease all marketing or advertising which includes any of the Marks, will delete all content containing the Marks or any references to Franchisor or Franchisee's Restaurant from any home page maintained by Franchisee, and will cease using any and all items or materials which bear or include any of the Marks.

20.2. Alteration of Franchised Location. If this Agreement expires or is terminated for any reason or if the Franchised Location ever ceases to be used for Franchisee's Restaurant, then within 30 days after the date of the expiration or termination of this Agreement, Franchisee will, at its expense, alter, modify and change both the exterior and interior appearance of the building and the Franchised Location so that it will be clearly distinguished from the standard appearance of a Rush Bowls Restaurant. At a minimum, such changes and modifications to the Franchised Location will include, but not be limited to:

(a) Repainting and, where applicable, recovering both the exterior and interior walls of the Franchised Location with totally different colors, including removing any distinctive colors and designs from the walls;

(b) Removing all furniture, fixtures and other decor items associated with Rush Bowls Restaurants and replacing them with other decor items not of the general type and appearance customarily used in Rush Bowls Restaurants;

(c) Removing all exterior and interior Rush Bowls signs; and

(d) Immediately discontinuing use of the approved wall decor items and window decals, and refraining from using any items that may be confusingly similar to those used in Rush Bowls Restaurants.

20.3. Telephone Listings. Upon termination or expiration of this Agreement, or if Franchisor acquires Franchisee's Restaurant pursuant to this Agreement, Franchisor will have the absolute right to notify the telephone company and all listing agencies of the termination or expiration of Franchisee's

right to use all telephone numbers and any classified or other directory listings for the Restaurant and to authorize the telephone company and all listing agencies to transfer to Franchisor or its assignee all telephone numbers and directory listings of Franchisee's Restaurant. Franchisee acknowledges and agrees that Franchisor has the absolute right and interest in and to all telephone numbers and directory listings associated with the Marks, and Franchisee authorizes Franchisor to direct the telephone company and all listing agencies to transfer Franchisee's telephone numbers and directory listings to Franchisor or to an assignee of Franchisor, if this Agreement expires or is terminated or if Franchisor acquires Franchisee's Restaurant. The telephone company and all listing agencies may accept this Agreement as evidence of the exclusive rights of Franchisor to such telephone numbers and directory listings and this Agreement will constitute the authority from Franchisee for the telephone company and listing agency to transfer all such telephone numbers and directory listings to Franchisor. This Agreement will constitute a release of the telephone company and listing agencies by Franchisee from any and all Claims and Damages that Franchisee may at any time have the right to allege against them in connection with this Section. Franchisee will execute such documents as Franchisor may require for completing the transfer of the telephone numbers as contemplated herein.

20.4. Continuation of Obligations. The indemnities, conditions, requirements and covenants contained in this Agreement will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

21. OPTION OF FRANCHISOR TO PURCHASE

21.1. Terms of Option. Franchisee will not Transfer or otherwise dispose of any interest in or any part of the Major Assets to any purchaser without first offering the same to Franchisor in a written offer that contains the purchase price, payment terms, and all other material terms and conditions of the proposed transaction with the third party, including price and payment terms (the "**Franchisee's Offer**"). Franchisor will have 30 days after receipt of Franchisee's Offer to give Franchisee written notice which will either waive its option to purchase (the "**Waiver Notice**") or will state that it intends to exercise its rights to purchase or acquire the Major Assets according to the terms contained in Franchisee's Offer (the "**Notice of Intent to Purchase**").

21.2. Due Diligence Review. If Franchisor provides Franchisee with a Notice of Intent to Purchase within 30 days after receipt of Franchisee's Offer, then Franchisor will have 90 days after the date the Notice of Intent to Purchase is received by Franchisee (the "**Notice Date**") to conduct a "**due diligence**" review. Franchisee will promptly provide Franchisor with all Financial Information, Financial Records, and other information requested by Franchisor or its representatives to conduct its "**due diligence**" review. Franchisor will have the absolute and unconditional right to terminate the Notice of Intent to Purchase and any obligation to purchase the Major Assets from Franchisee for any reason and at any time during the 90-day "**due diligence**" review period by giving Franchisee written notice.

21.3. Good Faith Negotiations. Unless Franchisor terminates its Notice of Intent to Purchase as provided in Section 21.2, then Franchisee and Franchisor will act in good faith to agree on the terms and conditions of the definitive agreement or agreements for the purchase of the Major Assets (other than those objective terms and conditions contained in Franchisee's Offer) and the closing date for the sale of the Major Assets to Franchisor will take place at the offices of Franchisor within 120 days after the Notice Date.

21.4. Sale to Purchaser. Franchisee will have the right to complete the transaction for the sale of the Major Assets to a purchaser according to the terms and conditions contained in Franchisee's Offer to Franchisor if:

(a) Franchisor delivers a Waiver Notice to Franchisee;

(b) Franchisor fails to deliver either a Waiver Notice or the Notice of Intent to Purchase to Franchisee within 30 days after receiving Franchisee's Offer;

(c) Franchisor terminates its Notice of Intent to Purchase during the due diligence period pursuant to the provisions of Section 21.2; or

(d) Franchisee and Franchisor fail to agree on the terms and conditions for the definitive agreement or agreements for the purchase of the Major Assets by Franchisor from Franchisee (other than those objective terms and conditions contained in Franchisee's Offer) on or before the 120th day after the Notice Date.

21.5. Negotiated Changes with Purchaser. If Franchisor does not purchase the Major Assets from Franchisee under the terms and conditions contained in Franchisee's Offer, then if during any negotiations with the purchaser Franchisee agrees to negotiate, change, delete, or modify any of the terms and conditions contained in Franchisee's Offer or the terms and conditions contained in the most recent version of the definitive agreement or agreements proposed by Franchisee during negotiations that were not acceptable to Franchisor, then Franchisee will be required to re-offer to sell the Major Assets to Franchisor under the new terms and conditions offered to the purchaser in accordance with the provisions of this Section, and Franchisee's failure to do so will be a material breach of this Agreement.

21.6. Financing Exception. This Section will not apply to the Transfer of any of the Major Assets (with the exception of this Agreement) by Franchisee to a bank, financial institution or other lender in connection with Franchisee's financing of:

(a) The real estate or leasehold improvements for the Franchised Location;

(b) The FF&E for Franchisee's Restaurant;

(c) Inventory or supplies for the Restaurant; or

(d) Working capital required by the Restaurant.

21.7. Compliance with Agreement. Franchisee's obligations under this Agreement including, but not limited to, its obligations to pay all Fees and to operate the business as a Rush Bowls Restaurant, will in no way be affected or changed because of non-acceptance by Franchisor of Franchisee's Offer and as a consequence, the terms and conditions of this Agreement will remain in full force and effect. The decision by Franchisor not to exercise the option to purchase granted to it pursuant to this Section will not, in any way, be deemed to grant Franchisee the right to terminate this Agreement and will not affect the term of this Agreement. Moreover, if Franchisor does not exercise the option to purchase granted to it pursuant to this Section and if Franchisee sells or otherwise disposes of its Major Assets to a third party, then both Franchisee and the purchaser will be required to comply in all respects with the terms and conditions of Section 17 of this Agreement. Any Transfer of the Major Assets of Franchisee's Restaurant that does not include a Transfer of this Agreement to the transferee will constitute a wrongful termination of this Agreement by Franchisee.

21.8. Transfer of Ownership Interest. Franchisee and the Owners of Franchisee will not Transfer any Ownership Interests owned by them until the Ownership Interests are first offered to Franchisor in writing under the same terms and conditions as those being offered to any other party. Franchisor will have 30 days from receipt of the offer to accept any offer to purchase the Owner's

Ownership Interest in Franchisee. Any Owner will be required to comply with the provisions of Section 17.4 if Franchisor does not exercise its right to purchase such Owner's Ownership Interest.

21.9. Acknowledgment of Restrictions. Franchisee and Owners acknowledge and agree that the restrictions on Transfer imposed herein are reasonable and are necessary to protect the System and the Marks, as well as the reputation and image of Franchisor, and are for the protection of Franchisor, Franchisee and all other franchisees and developers who own and operate Rush Bowls Restaurants. Any Transfer permitted by this Agreement will not be effective until Franchisor receives a completely executed copy of all Transfer documents and Franchisor consents to the Transfer in writing.

21.10. Right of Franchisor to Purchase Major Assets. If this Agreement expires or is terminated by either Franchisor or Franchisee for any reason whatsoever; if Franchisee wrongfully terminates this Agreement by failing to comply with Section 18; or, if Franchisee at any time ceases to do business as a Rush Bowls Restaurant; then, Franchisor will have the right, but not the obligation, to purchase from Franchisee any or all of the Major Assets. Within two business days after this Agreement expires or is terminated by either party, is wrongfully terminated by Franchisee, or Franchisee ceases to do business as a Rush Bowls Restaurant, Franchisee must give Franchisor written notice of Franchisee's asking price for each of the Major Assets. If Franchisee fails to give Franchisor written notice of the asking price for the Major Assets or if Franchisor and Franchisee cannot agree on the price of the Major Assets, then either party will have the right to demand that the price of the Major Assets be determined by arbitration conducted in in accordance with Section 27.2. The arbitration hearing will be held as soon as possible, but in no event later than 15 days after the date either party demands arbitration. The Arbitrator will not consider any value for goodwill associated with the name "**Rush Bowls®**" in determining the fair market value of the Major Assets since the right of purchase granted to Franchisor pursuant to this provision applies only after this Agreement has expired or been terminated or Franchisee has ceased doing business. The Arbitrator may not include the value of the Lease for the Franchised Location if Franchisor gives the Arbitrator written notice that it intends to exercise its right to assume the Lease under Section 26 of this Agreement. If the Arbitrator is unable to determine the fair market value of any of the Major Assets, then they will be valued at book value as determined by generally accepted accounting principles (cost less depreciation). Franchisor will have the right, but not the obligation, to purchase any or all of the Major Assets from Franchisee for cash within 20 days after the fair market value of the Major Assets has been established by the Arbitrator in writing. Nothing in this provision may be construed to prohibit Franchisor from enforcing the post-term obligations and conditions of this Agreement, including the covenants not to compete contained in Section 23.

21.11. Bankruptcy Issues. If Franchisee or any person or Entity holding any Ownership Interests (direct or indirect) in Franchisee becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any Transfer of Franchisee's obligations and/or rights hereunder, any material assets of Franchisee, or any indirect or direct interest in Franchisee will be subject to all of the provisions of this Section.

22. REPRESENTATIONS, WARRANTIES AND COVENANTS OF FRANCHISEE

22.1. Organization. If Franchisee is an Entity, then Franchisee and the Owners represent, warrant and covenant that:

(a) Franchisee is duly organized and validly existing under the law of the state or territory where formed;

(b) Franchisee is duly qualified and is authorized to do business in the jurisdiction where the Rush Bowls Restaurant is located and in each jurisdiction where it conducts business, maintains offices, owns real estate or where qualification is required;

(c) Franchisee's articles of incorporation, by-laws, operating agreement, member control agreement, partnership agreement or other organizational documents (the "**Organizational Documents**") will at all times provide that Franchisee's business activities will be confined exclusively to the ownership and operation of the Rush Bowls Restaurant, unless otherwise consented to in writing by Franchisor;

(d) The execution of this Agreement and the consummation of the transactions contemplated by this Agreement and the Franchise Operations Manual are within the powers granted to Franchisee by the Organizational Documents and have been duly authorized and approved by Franchisee or by the board of directors, board of governors, managing partner or other governing body of Franchisee;

(e) Copies of all Organizational Documents and any other documents, agreements or resolutions in Franchisee's possession will be provided to Franchisor upon written request;

(f) Attachment 3 to this Franchise Agreement completely and accurately describes all Franchisee's Owners and their interests in Franchisee as of the Effective Date. Franchisee and Franchisee's Owners agree to sign and deliver to Franchisor revised versions of Attachment 3 periodically to reflect any permitted changes in the information that Attachment 3 now contains;

(g) Franchisee will at all times maintain a current schedule of the Owners of Franchisee and their Ownership Interests, and Franchisee will immediately provide Franchisor with a copy of the updated Ownership schedule whenever there is any change of Ownership. The Ownership schedule will contain the name, address, telephone number and e-mail address of each Owner of Franchisee and will state the percentage of Ownership that each Owner has in Franchisee;

(h) If any person or Entity ceases to be one of Franchisee's Owners, or if any individual or Entity becomes an Owner of Franchisee, then Franchisee will notify Franchisor in writing and within five days Franchisee will require the new Owner (and the new Owner's spouse) to execute all documents required by Franchisor, including an Owners Agreement;

(i) Franchisee's Organizational Documents and any documents representing Ownership in Franchisee will provide that no Ownership Interest in Franchisee may be assigned or transferred to any person or Entity unless it is in strict compliance with the terms, conditions and restrictions contained in this Agreement;

(j) Franchisee has no material liabilities, adverse claims, commitments or obligations of any nature as of the Effective Date, whether accrued, unliquidated, absolute, contingent or otherwise, except as disclosed to Franchisor in writing or set forth in the financial statements of Franchisee that have been provided to Franchisor;

(k) Each of Franchisee's Owners who owns at least ten percent (10%) of the issued and outstanding Ownership Interests in Franchisee will execute the Owners Agreement attached hereto as Attachment 2;

(l) Franchisee will, at all times, maintain sufficient working capital to operate the Rush Bowls Restaurant and to fulfill its obligations under this Agreement, and will take steps to ensure availability of capital to fulfill Franchisee's obligations to maintain and Remodel the Rush Bowls Restaurant premises as required under this Agreement;

(m) The representations, warranties and covenants contained in this Section are continuing obligations of Franchisee and the Owners and that any failure to comply with such representations, warranties and covenants will constitute a material breach of this Agreement;

22.2. Compliance with Agreement. Franchisee and the Owners represent, warrant and covenant that they will comply with all requirements and will perform all obligations in accordance with the terms and conditions of this Agreement.

23. FRANCHISEE'S COVENANTS NOT TO COMPETE

23.1. Consideration. Franchisee and the Owners acknowledge that Franchisee, the Designated Manager, its Executive Management and employees will receive specialized training, marketing and advertising plans, business strategies, confidential recipe, cooking and food preparation information, and trade secrets from Franchisor pertaining to the System and the operation of the Rush Bowls Restaurant. In consideration for this information, Franchisee and the Owners will comply in all respects with the provisions of this Section. Franchisor has advised Franchisee that this is a material provision of this Agreement and that Franchisor will not sell a Franchise to any person or Entity that owns or intends to own, operate or be involved in any Competitive Business; however, Franchisor may, under certain circumstances, exclude from the coverage of Sections 23.2 and 23.3 existing operational Restaurant(s) owned and operated by Franchisee on the Effective Date, and Franchisee may, with the written consent of Franchisor, continue to own and operate such Restaurants during the term of this Agreement and thereafter. Franchisee warrants and represents that it does not, except as disclosed to and approved by Franchisor pursuant to this Section 23.1, own, operate or have any involvement with or interest in any Competitive Business.

23.2. In-Term Covenant Not to Compete. Franchisee and the Owners will not, during the term of this Agreement, on their own account or as an employee, principal, agent, Franchisee, independent contractor, consultant, affiliate, licensee, partner, officer, director, shareholder, member, manager, governor or Owner of any other person or Entity, own, operate, lease, franchise, conduct, engage in, be connected with, finance or loan money to, have any interest in, or perform services for or assist any person or Entity engaged in any Competitive Business, except with the prior written consent of Franchisor.

23.3. Post-Term Covenant Not to Compete. Except as provided to the contrary in Section 23.1, for a period of 24 months after the termination or expiration of this Agreement, Franchisee and the Owners will not, on their own account or as an employee, principal, agent, Franchisee, independent contractor, consultant, affiliate, licensee, partner, officer, director, shareholder, member, manager, governor or Owner of any other person or Entity, own, operate, lease, franchise, conduct, engage in, be connected with, finance or loan money to, have any interest in, or perform services for or assist any person or Entity engaged in any Competitive Business which is located within ten miles of the Franchised Location, within ten miles of any other Rush Bowls Restaurant, or within any protected area or territory granted by Franchisor pursuant to an area development agreement or other territorial agreement. Franchisee and the Owners expressly agree that the time and geographical limitations set forth in this provision are reasonable and necessary to protect Franchisor and its other franchisees and developers if this Agreement expires or is terminated by either party for any reason, and that this covenant not to

compete is necessary to give Franchisor the opportunity to resell and/or develop a new Rush Bowls Restaurant at or in the area near the Franchised Location.

23.4. Ownership of Public Companies. Notwithstanding the provisions of Sections 23.2 and 23.3, Franchisee and the Owners will have the right to own up to five percent (5%) of any publicly-held company or mutual fund that owns, operates, has an interest in, or controls any Competitive Business, provided that such company has a class of securities that is publicly traded on a national exchange or quotation system and is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended.

23.5. Injunctive Relief. Franchisee and the Owners agree that the provisions of this Section are necessary to protect the legitimate business interest of Franchisor and its franchisees and developers including, without limitation, preventing the unauthorized dissemination of marketing, promotional and other Confidential Information to competitors of Franchisor and its franchisees and developers, protecting recipes, cooking and food preparation techniques and other trade secrets, protecting the integrity of the franchise system, preventing duplication of the System by unauthorized third parties, preventing damage to and/or loss of goodwill associated with the Marks and protecting Franchisor's intellectual property rights. Franchisee and the Owners also agree that Damages alone cannot adequately compensate Franchisor if there is a breach of this Section by Franchisee or the Owners, and that injunctive relief against Franchisee is essential for the protection of Franchisor and its franchisees and developers. Franchisee and the Owners agree therefore, that if Franchisor alleges that Franchisee or the Owners have breached this Section, then Franchisor will have the right to petition a court with jurisdiction in the city where Franchisor's principal place of business is located (currently Westminster, Colorado), or any other competent jurisdiction for injunctive relief against Franchisee and the Owners, in addition to all other remedies that may be available to Franchisor. Franchisor will not be required to post a bond or other security for any injunctive proceeding. If Franchisor is granted ex parte injunctive relief against Franchisee or Franchisee's Owners, then Franchisee or the Owners will have the right to petition the court for a hearing on the merits at the earliest time convenient to the court.

24. INDEPENDENT CONTRACTORS

24.1. Independent Contractors. Franchisor and Franchisee are each independent contractors and, as a consequence, there is no employer-employee or principal-agent relationship between Franchisor and Franchisee. Franchisee will not have the right to and will not make any agreements, representations or warranties in the name of or on behalf of Franchisor or represent that their relationship is other than that of franchisor and franchisee. Neither Franchisor nor Franchisee will be obligated by or have any liability to the other under any agreements or representations made by the other to any third parties.

24.2. Operation of Restaurant. Franchisee will be totally and solely responsible for the operation of its Rush Bowls Restaurant, and will control, supervise and manage all the employees, agents and independent contractors who work for or with Franchisee, including the right to hire and fire its employees. Within seven days of Franchisor's request, Franchisee and each of its employees will sign an employment relationship acknowledgement form stating that Franchisee alone is the employer's employer and that Franchisee alone operates the Restaurant. Franchisee will use its legal name on all documents for use with employees and contractors, including but not limited to, employment applications, time cards, pay checks, and employment and independent contractor agreements and will not use the Marks on any of these documents. Franchisee will be responsible for the acts of its employees, agents and independent contractors, and will take all reasonable business actions necessary to ensure that its employees, agents and independent contractors comply with all federal, state and local laws, rules and regulations including, but not limited to, all discrimination laws, sexual harassment laws and laws relating to the disabled. Franchisor will not have any right, obligation or responsibility to control, supervise or manage

Franchisee's employees, agents or independent contractors, and will no way be involved in the day-to-day operations of Franchisee's Restaurant.

25. INDEMNIFICATION

25.1. Indemnification. Franchisor and its Affiliates and their respective employees, Executive Management, shareholders, members, Owners, attorneys, accountants and agents (individually and collectively, the "**Indemnified Parties**") will not be obligated to any person or Entity for any Damages arising out of, from, in connection with, or as a result of Franchisee's negligence, Franchisee's wrongdoing or the operation of Franchisee's Restaurant. Except as provided for in Section 16.7, Franchisee will indemnify and hold harmless the Indemnified Parties against, and will reimburse the Indemnified Parties for, all Damages that the Indemnified Parties incur in the defense of or as a result of any Claim brought against the Indemnified Parties arising from, in connection with, arising out of, or as a result of Franchisee's negligence, Franchisee's wrongdoing or the operation of Franchisee's Restaurant. Franchisee will indemnify the Indemnified Parties, without limitation, for all Damages arising from, out of, in connection with, or as a result of any and all Claims including, but not limited to:

(a) any personal injury, property damage, commercial loss or environmental contamination resulting from any act or omission of Franchisee or its Executive Management, employees, agents or representatives;

(b) any failure on the part of Franchisee to comply with any requirement of any federal or state laws or any rules or regulations of any Governmental Authority;

(c) any failure of Franchisee to pay any of its obligations to any person or Entity;

(d) any failure of Franchisee to comply with any requirement or condition of this Agreement or any other agreement with Franchisor and/or the Indemnified Parties;

(e) any misfeasance or malfeasance by Franchisee or its Executive Management, employees, agents or representatives;

(f) any tort committed by Franchisee or its Executive Management, employees, agents or representatives;

(g) Franchisee's employment or other contractual relationship with its employees, workers, managers, or independent contractors, including but limited to any allegation, claim, finding, or ruling that Franchisor is an employer or joint employer of Franchisee's employees;

(h) any fees, costs, or liabilities incurred by Franchisor on Franchisee's behalf, including fees and costs incurred by Franchisor to recover amounts due to Franchisee on Franchisee's behalf; or

(i) any other Claims brought against any of the Indemnified Parties. Franchisee will not be obligated to indemnify the Indemnified Parties for any Damages attributable to, arising out of, from, in connection with, or as a result of any negligence or wrongdoing by the Indemnified Parties. Any of the Indemnified Parties will have the right to defend any Claim made against it arising from, as a result of, in connection with or out of the operation of Franchisee's Rush Bowls Restaurant.

25.2. Payment of Costs and Expenses. Franchisee will pay all attorneys' fees, costs and expenses incurred by the Indemnified Parties to defend any action brought by a third party against any of the Indemnified Parties as set forth in Section 25.1. These indemnification provisions under this Section and the other obligations contained in this Agreement will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

26. LEASE AS SECURITY; TERMINATION OF LEASE

26.1. Franchisee's Assignment of the Lease. If an Event of Default occurs, then Franchisor will have the right and option, but not the obligation, to take and assume the Lease for the remaining term of the Lease under the same terms and conditions, including rental, as originally contracted for by Franchisee as specified in the Lease Addendum referenced in Section 12.1. An "**Event of Default**," for the purposes of this Section, will occur if:

(a) this Agreement is terminated by either Franchisor or Franchisee for any reason whatsoever,

(b) Franchisee wrongfully terminates this Agreement,

(c) Franchisee at any time ceases to do business at the Franchised Location as a Rush Bowls Restaurant,

(d) this Agreement expires and Franchisee does not reacquire the Franchise as provided for in Section 2.2,

(e) the Lease for the Franchised Location is terminated by either the Landlord or Franchisee for any reason whatever, or

(f) this Agreement expires and Franchisee fails to renew the Lease pursuant to any renewal provisions.

This right granted by Franchisee to Franchisor to assume Franchisee's position as the tenant under the Lease will be at Franchisor's sole election, and Franchisor will bear no responsibility for any of Franchisee's past-due obligations under the Lease.

26.2. Perfected Assignment; Notice. This assignment will constitute a perfected, absolute and present assignment; provided, however, Franchisor will have no right under this assignment to enforce the provisions of the Lease until an Event of Default has occurred. After an Event of Default has occurred, Franchisor will have the right, but not the obligation, to enforce the provisions of this assignment and to take possession of the Franchised Location by giving Franchisee and the Landlord written notice that it has affirmatively exercised its rights under this assignment. The written notice will state:

(a) That Franchisor is taking and assuming the Lease from Franchisee;

(b) The date that Franchisor will take physical possession of the Franchised Location; and

(c) That Franchisor agrees to be bound by the terms and conditions of the Lease being assumed for the remaining term of the Lease.

Franchisor will execute the appropriate documents at the time it gives written notice to Franchisee and the Landlord of its assumption of the Lease.

26.3. No Prior Assignment; Estoppel. Franchisee represents and warrants that:

(a) There has been no prior assignment of the Lease to a third party;

(b) It has the right to assign the Lease to Franchisor;

(c) The Lease is a valid and enforceable agreement;

(d) Neither the Landlord nor Franchisee is in default to the other thereunder; and

(e) All covenants, conditions and agreements have been performed as required by the Lease.

No change in the terms of the Lease will be valid without the written approval of Franchisor. Franchisee will not assign the Lease to a third party or encumber its interest in the Lease so long as this assignment is in effect. During the term of this Agreement, Franchisee will not lease or sublease all or any part of the Franchised Location without Franchisor's prior written consent.

26.4. Enforcement of Franchisee's Rights. Franchisee irrevocably constitutes and appoints Franchisor as its attorney-in-fact to demand, receive and enforce Franchisee's rights with respect to the Lease, to make payments under the Lease and to give appropriate receipts, releases and satisfactions for and on behalf of and in the name of Franchisee or, at the option of Franchisor, in the name of Franchisor, with the same force and effect as Franchisee could do if this assignment had not been made. This appointment is coupled with an interest and is irrevocable.

26.5. Franchisor's Rights and Remedies. If Franchisor elects not to take physical possession of the Franchised Location following termination or expiration of this Agreement, it will have the right to enter upon the premises to ensure that the alterations required pursuant to Section 20.2 are made.

26.6. Proration of Rents and Expenses. At the time Franchisor takes physical possession of the Franchised Location, all charges, real estate taxes, utilities and rentals will be prorated between Franchisor and Franchisee. Franchisor will have no obligation to pay any past-due obligations or arrearages of Franchisee to any person or Entity, including the Landlord.

26.7. Possession; Obligations of Franchisor and Franchisee. Franchisor will hold Franchisee harmless from any and all obligations to the Landlord, including rental payments, arising out of the use of the Franchised Location from the date that Franchisor takes physical possession of the Franchised Location. Franchisee will pay all amounts due to the Landlord and other parties under the Lease including, but not limited to, rentals, insurance, rental overrides, real estate taxes, repairs and maintenance, up to and including the date that Franchisor takes physical possession of the Franchised Location. With the specific and limited exception of rental payments and other obligations to the Landlord arising from Franchisor's use of the Franchised Location after taking physical possession of the premises, Franchisee will indemnify and hold Franchisor harmless from and against any and all Claims and Damages to which Franchisor may become exposed, or which Franchisor may incur, in exercising any of its rights under this assignment.

26.8. Assignment by Franchisor. Franchisor will have the right to assign its right, title and interest in the Lease to any persons or Entities upon giving written notice to Franchisee and the Landlord

without any consent whatsoever from Franchisee or the Landlord, and any such assignment to any person or Entity will be valid and binding upon Franchisee and the Landlord as fully as if each had expressly approved the same. Subject to the limitation on further assignment by Franchisee contained in Section 26.3, this assignment will be binding upon and inure to the benefit of the heirs, legal representatives, assigns and successors in interest of Franchisee, Franchisor and the Landlord.

26.9. Lease Not Yet Executed. In the event that Franchisee has not yet entered into the Lease for the Franchised Location at the time this Agreement is executed, the provisions of Section 26 of this Agreement will take effect immediately upon the execution of the Lease. The representations of Franchisee contained in Section 26.3 will be true and complete as of, and will be deemed to have been made at, the time the Lease is executed. Franchisee will execute all additional documents required by Franchisor's attorneys to perfect the assignment of the Lease.

27. DISPUTE RESOLUTION AND ENFORCEMENT

27.1. Negotiation of Disputes. Except as provided in Section 27.9, if any dispute, controversy or claim between Franchisor Franchisee and the Designated Manager, and any of Franchisor's or Franchisee's affiliates, officers, directors, shareholders, members, guarantors, employees or owners, arising under, out of, in connection with or in relation to this Agreement, any loan or other finance arrangement between Franchisor or its affiliates and Franchisee, the parties' relationship, the Restaurant, or any System Standard; or, the scope of validity of the arbitration obligation under this Section (a "**Dispute**"), the parties will attempt to settle the Dispute as follows.

(a) The parties will first attempt to resolve the Dispute through good faith negotiation in accordance with Sections 27.1(b) and 27.1(c) below. Failure of a party to adhere to Sections 27.1(b) and 27.1(c) will constitute a waiver by such party of any right, remedy or relief claimed by the other party or provided by this Agreement or by law to otherwise accrues as a result of such Dispute.

(b) If a party claims that a Dispute exists, such party will notify the other party in writing that a Dispute exists, specifying the nature and extent of the Dispute (the "**Dispute Notice**"). The parties will meet, within 30 days after the date of delivery of such Dispute Notice, at a place designated by Franchisor in Westminster, Colorado, or at such other location as directed by Franchisor, for such attempted resolution.

(c) Persons representing Franchisor and Franchisee, who are authorized to settle the Dispute, must attend the meeting required by Section 27.1(b). Legal counsel may also represent a party at such meeting. The parties will then make a good faith attempt to resolve the Dispute. If the Dispute is not resolved at such meeting or a party fails to appear at a scheduled meeting, the parties are free to pursue arbitration as set forth in Section 27.2. Each party will bear its own costs in connection with such meeting. The meeting and any negotiations and results thereof will be treated as a compromise settlement negotiation and the entire process is confidential.

27.2. Arbitration. Except as provided in Section 27.9, Franchisor and Franchisee agree that any Dispute not resolved pursuant to Section 27.1 must be submitted to binding arbitration in accordance with the Federal Arbitration Act, in accordance with the following procedures:

(a) The American Arbitration Association ("**AAA**") will administer the arbitration pursuant to its then-current Commercial Arbitration Rules by one arbitrator. If AAA or any successor is no longer in existence at the time arbitration commences, Franchisor and Franchisee will agree on another arbitration organization to conduct the arbitration proceeding.

(b) Franchisor and Franchisee will submit or file any claim that would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim that is not submitted or filed in such proceeding will be barred.

(c) Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties. If a court or arbitrator determines that this limitation on joinder of or class action certification of claims is unenforceable, then the agreement to arbitrate the Dispute will be null and void and the parties must submit all claims to the jurisdiction of the courts, in accordance with Section 27.6.

(d) The arbitration must take place in the city where Franchisor's principal place of business (currently Westminster, Colorado) is located at the time of the Dispute.

(e) The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator may not consider any settlement discussions or offers that might have been made by either Franchisor or Franchisee. The arbitrator will also have the right to make a determination as to any procedural matters as would a court of competent jurisdiction be permitted to make in the state in which the main office of Franchisor is located. The arbitrator will also decide any factual, procedural, or legal questions relating in any way to the Dispute between the parties, including, but not limited to: any decision as to whether forum and venues provision is applicable and enforceable as against the parties, subject matter, timeliness, scope, remedies, unconscionability, and any alleged fraud in the inducement. The arbitrator may issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. The arbitrator will have subpoena powers limited only by the laws of the state in which the main office of Franchisor is located.

(f) The parties to the Dispute will have the same discovery rights as are available in civil actions under the laws of the state in which Franchisor's principal place of business is then located. All other procedural matters will be determined by applying the statutory, common laws, and rules of procedure that control a court of competent jurisdiction in which the Franchisor's principal place of business is then located (currently Westminster, Colorado).

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

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

(i) Franchisor reserves the right, but has no obligation, to advance Franchisee's share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished Franchisor's right to seek recovery of those costs in accordance with Section 27.3.

27.3. Fees and Costs. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement will be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrators' fees and expert witness fees, costs of investigation and proof of facts, court costs, and other arbitration or litigation expenses) incurred in connection with the claims on which it prevailed. For the purposes of this Agreement in general and this Section specifically, the "**Prevailing Party**" will be deemed to be that party which has obtained the greatest net judgment in terms of money or money equivalent. If money or money equivalent has not been awarded, then the Prevailing Party will be that party which has prevailed on a majority of the material issues decided. The "**net judgment**" is determined by subtracting the smallest award of money or money equivalent from the largest award. If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator will award the above fees to the party that it deems has prevailed over the other party using reasonable business and arbitrator's judgment.

27.4. Binding on Third Parties. The provisions of this Section are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. All applicable statutes of limitation and defenses based on the passage of time are tolled while the Dispute resolution procedures in this Section are pending. The parties will take such action, if any, required to effectuate such tolling. Each party must continue to perform its obligations under this Agreement pending final resolution of any Dispute pursuant to this Section, unless to do so would be impossible or impracticable under the circumstances.

27.5. U.S. Federal Arbitration Act. Notwithstanding any choice of law provision of this Agreement, all issues relating to arbitration or the enforcement of the agreement to arbitrate contained in this Agreement are governed by the U.S. Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the U.S. federal common law of arbitration. This federal act preempts any state rules on arbitration, including those relating to the site of arbitration. Judgment on an arbitration award, or on any award for interim relief, may be entered in any court having jurisdiction, and will be binding.

27.6. Governing Law and Venue. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement will be interpreted under the laws of the State of Colorado and any Dispute between the parties shall be governed by and determined in accordance with the substantive laws of the State of Colorado, which laws shall prevail in the event of any conflict of law. Franchisee and Franchisor have negotiated regarding a forum in which to resolve any Disputes that may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving Franchisee, its officers, directors, managers, partners or Owners (collectively, "**Franchisee Affiliates**"), and Franchisor, its parent, subsidiaries or affiliates and their respective officers, directors and sales employees (collectively, "**Franchisor Affiliates**"), the parties agree that the exclusive venue for Disputes between them shall be in the state and federal courts with jurisdiction in the city of Franchisor's principal place of business (currently Westminster, Colorado) or the Denver, Colorado office of the AAA and each party waives any objection it may have to the personal jurisdiction of or venue in the state and federal courts of Colorado or the Denver, Colorado office of the AAA. FRANCHISOR, FRANCHISOR AFFILIATES, FRANCHISEE AND FRANCHISEE AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY.

27.7. Limitation on Action. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or arbitration proceeding brought or instituted with respect to any Dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two years from the date of discovery of the conduct or event that forms the basis of the legal action or proceeding.

27.8. No Bar to Termination. The provisions of this Section 27 will not bar, override, delay or in any way restrict the right of Franchisor to terminate this Agreement pursuant to Section 18 or Section 19, or to obtain any legal relief for a breach of this Agreement by Franchisee including by way of temporary or permanent injunction.

27.9. Injunctive Relief. Notwithstanding Sections 27.1 and 27.2, the parties agree that the following claims will not be subject to arbitration or negotiation: (a) any action for equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity, concerning an allegation by Franchisor that Franchisee has violated (or threatened to violate, or poses an imminent risk of violating): (a) the use of the Marks or the System by Franchisor or Franchisee; (b) the obligations of Franchisee upon termination or expiration of this Agreement; and (c) any breaches of the provisions of this Agreement by Franchisee relating to Confidential Information and the provisions of Section 23 relating to the interpretation, construction or enforcement of the restrictive covenants thereunder; and (d) to enjoin any harm or threat of harm to Franchisor's tangible or intangible property; and/or (e) any action in ejectment or for possession of any interest in real or personal property. Such actions may be brought at any time, including without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder.

27.10. Payments to Franchisor. Franchisee will not, on grounds of the alleged nonperformance by Franchisor of any of its obligations under this Agreement, any other contract between Franchisor and Franchisee, or for any other reason, withhold the payment of any Fees due to Franchisor. Franchisee will not have the right to "**offset**" or withhold any liquidated or unliquidated amounts, Damages or other funds allegedly due to Franchisee by Franchisor against any Fees due to Franchisor by Franchisee. Franchisor will have the right to deduct from amounts payable to Franchisee by Franchisor or an Affiliate any Fees or other payments owed to Franchisor, an Affiliate or a third party. Franchisor will also have the right to apply the Fees and other payments made to Franchisor by Franchisee in such order as Franchisor may designate from time to time. As to Franchisee and its Affiliates, Franchisor will have the right to:

(a) Apply any payments received to any past due, current, future or other indebtedness of any kind, no matter how payment is designated by Franchisee, except that Brand Fund Contributions may only be credited to the Brand Fund;

(b) Set off, from any amounts that may be owed by Franchisor, any amount owed to Franchisor, the Brand Fund or any other fund or account; and

(c) Retain any amounts received for Franchisee's account (and/or that of any Affiliate of Franchisee), whether rebates from suppliers or otherwise, as a payment against any Fee owed to Franchisor.

Franchisor will have the right to exercise any of the foregoing rights in connection with amounts owed to or from Franchisor or any Affiliate. Unless expressly provided otherwise, all fees or payments made by Franchisee to Franchisor under this Franchise Agreement are non-refundable under any circumstances.

27.11. Effect of Wrongful Termination. If either Franchisor or Franchisee takes any action to terminate this Agreement or Franchisee takes any action to convert its Restaurant to another business, and such actions were taken without first complying with the terms and conditions of this Agreement, including Section 18 or Section 19, as applicable, then:

(a) Such actions will not relieve either party of, or release either party from, any of its obligations under this Agreement;

(b) The terms and conditions of this Agreement will remain in full force and effect; and

(c) The parties will be obligated to fully perform all terms and conditions of this Agreement until such time as this Agreement expires or is terminated in accordance with the provisions of this Agreement and applicable law.

28. MISCELLANEOUS

28.1. Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder or the taking of some other action not required hereunder, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable under applicable law, then the prior notice or other action required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision, specification, standard or operating procedure will be modified to the extent required to be valid and enforceable. Such modifications to this Agreement will be effective only in such jurisdiction.

28.2. Waiver. Franchisor and Franchisee may, by written instrument signed by Franchisor and Franchisee, waive any obligation of or restriction upon the other under this Agreement. Acceptance by Franchisor of any payment by Franchisee and the failure, refusal or neglect of Franchisor to exercise any right under this Agreement or to insist upon full compliance by Franchisee of its obligations hereunder will not constitute a waiver by Franchisor of any provision of this Agreement. Franchisor will have the absolute right to waive obligations or restrictions for other franchisees and developers under their franchise agreements without waiving those obligations or restrictions for Franchisee and, except to the extent provided by law, Franchisor will have the right to negotiate terms and conditions, grant concessions and waive obligations for other franchisees and developers without granting those same rights to Franchisee and without incurring any liability to Franchisee whatsoever.

28.3. No Oral Modification. No modification, change, addition, rescission, release, amendment or waiver of this Agreement and no approval, consent or authorization required by any provision of this Agreement may be made by any person except by a written agreement signed by a duly authorized officer or partner of Franchisee and the Chief Executive Officer or Chief Financial Officer of Franchisor.

28.4. Entire Agreement. This Agreement supersedes and terminates all prior agreements, either oral or in writing, between the parties involving the franchise relationship and therefore, representations, inducements, promises or agreements alleged by either Franchisor or Franchisee that are not contained in this Agreement will not be enforceable. The Introduction is part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. This Agreement will not supersede any written agreements or contracts that are signed concurrently with this Agreement. In addition, any Area Development Agreement between the parties, as well as any other Franchise Agreement(s), will remain in full force and effect in accordance with the terms and conditions thereof, and will not be superseded by this Agreement. The parties acknowledge that this provision will not act as a disclaimer of the representations made by Franchisor in the Franchise Disclosure Document provided to Franchisee prior to the execution of this Agreement by Franchisee.

28.5. Headings; Terms. The headings of the Sections are for convenience only and do not in any way define, limit or construe the contents of such Sections. The term "**Franchisee**" as used herein is applicable to one or more individuals or an Entity, as the case may be, and the singular usage includes the plural, the masculine usage includes the neuter and the feminine, and the neuter usage includes the masculine and the feminine. References to "**Franchisee**," "**assignee**" and "**transferee**" which are applicable to an individual or individuals means the Owner or Owners of the equity or operating control of Franchisee or any such assignee or transferee if Franchisee or such assignee or transferee is an Entity.

28.6. Miscellaneous. The rights of Franchisor hereunder are cumulative and no exercise or enforcement by Franchisor of any right or remedy hereunder will preclude the exercise or enforcement by Franchisor of any other right or remedy hereunder or which Franchisor is entitled by law to enforce. This Agreement is binding upon the parties hereto and their executors, administrators, heirs, assigns and successors in interest. If Franchisee consists of more than one person or Entity, their liability under this Agreement will be deemed to be joint and several.

28.7 Operation in the Event of Absence or Disability; Step-In Rights. In order to prevent any interruption of the Franchise operations which would cause harm to the Franchise, thereby depreciating the value thereof, Franchisor has the right, but not the obligation, to step-in and designate an individual of Franchisor's choosing (an "**Interim Manager**") for so long as Franchisor deems necessary and practical to temporarily manage Franchisee's Restaurant: (i) if Franchisee fails to comply with any provision of this Agreement and does not cure the failure within the time period specified by the Agreement or by Franchisor; (ii) if Franchisor determines in its sole judgment that the operation of the Restaurant is in jeopardy; (iii) if Franchisor determines in its sole discretion that operational problems require that Franchisor operates the Restaurant; (iv) if Franchisee abandons or fails to actively operate the Restaurant; (v) upon Franchisee or the Designated Manager's absence, termination, illness, death, incapacity, or disability; or (vi) if Franchisor deems Franchisee or the Designated Manager incapable of operating the Restaurant ("**Step-in Rights**"). If Franchisor exercises the Step-In Rights:

(a) Franchisee agrees to pay Franchisor, in addition to all other amounts due under this Agreement, an amount equal to $300 per day that the Interim Manager manages the Restaurant, plus the Interim Manager's direct out-of-pocket costs and expenses;

(b) All monies from the operation of the Restaurant during such period of operation by Franchisor shall be kept in a separate account, and the expenses of the Restaurant, including the fee paid to the Interim Manager, shall be charged to said account;

(c) Franchisee acknowledges that the Interim Manager will have a duty to utilize only reasonable efforts and will not be liable to Franchisee or its owners for any debts, losses, or obligations the Restaurant incurs, or to any of Franchisee's creditors for any supplies, products, or other assets or services the Restaurant purchases, while Interim Manager manages it;

(d) the Interim Manager will have no liability to Franchisee except to the extent directly caused by its gross negligence or willful misconduct. Franchisor will have no liability to Franchisee for the activities of an Interim Manager unless Franchisor is grossly negligent in appointing the Interim Manager, and Franchisee agrees to indemnify and hold harmless Franchisor, the Interim Manager, and any representative of Franchisor who may act hereunder, from any and all acts which Franchisor may perform or omissions, as regards the interests of Franchisee or third parties; and

(e) Franchisee agrees to pay all of Franchisor's reasonable attorney fees and costs incurred as a consequence of Franchisor's exercise of the Step-In Rights.

Nothing contained herein shall prevent Franchisor from exercising any other right which it may have under this Agreement, including, without limitation, termination.

29. NOTICES

All notices to a party will be in writing and will be made by personal service upon such party or sent by prepaid certified mail addressed to the party at the following address:

To Franchisor:	Rush Bowls Franchising, LLC 11031 Sheridan Blvd., Suite 1 Westminster, CO 80020 Attention: Andrew Pudalov, Chairman
To Franchisee:	Address set forth in Attachment 1

or such other address as a party may designate in writing to the other party. For the purposes of this Agreement, personal service will include service by a recognized overnight delivery service (such as Federal Express, Airborne Express or UPS) that requires a written confirmation of delivery to the addressee. Any notice delivered in the manner specified herein will be deemed delivered and received, regardless of whether the recipient refuses or fails to sign for the notice, if addressed to the recipient at the address set forth above or the last designated or last known address of the recipient, and will be deemed effective upon written confirmation of delivery to the recipient or three business days after being mailed, whichever is applicable.

30. ACKNOWLEDGMENTS; DISCLAIMER

30.1. Disclaimer. Franchisor does not warrant or guarantee that Franchisee will derive income or profit from its Restaurant, or that Franchisor will refund all or part of the Initial Franchise Fee paid by Franchisee or repurchase any of the Products and Services, technology, or FF&E supplied or sold by Franchisor or by an Approved Supplier if Franchisee is in any way unsatisfied with its Restaurant. Franchisor expressly disclaims the making of any express or implied representations or warranties regarding the sales, earnings, income, profits, revenues, economics, business or financial success, or value of Franchisee's Restaurant except as specifically contained in the Franchise Disclosure Document received by Franchisee.

30.2. Acknowledgments by Franchisee. Franchisee acknowledges that it has conducted an independent investigation of the Franchise and recognizes that the business venture contemplated by this Agreement and the operation of the Restaurant involves business and economic risks. Franchisee acknowledges that the financial, business and economic success of Franchisee's Restaurant will be primarily dependent upon the personal efforts of Franchisee, its management and employees, on economic conditions in the area where the Franchised Location is located, and economic conditions in general. Franchisee acknowledges and agrees that the officers, directors, employees, and agents of Franchisor act only in a representative capacity and not in an individual capacity, and that no other persons and/or Entities other than Franchisor has or will have any duties or obligations to Franchisee under this Agreement. Franchisee acknowledges that it has not received any estimates, projections, representations, warranties or guaranties, expressed or implied, regarding potential sales, revenues, income, profits, earnings, expenses, financial or business success, value of the Restaurant, or other economic matters pertaining to Franchisee's Restaurant from Franchisor or any of its agents that were not expressly set forth in the Franchise Disclosure Document received by Franchisee from Franchisor ("**Representations**"). Franchisee further acknowledges that if it had received any such Representations, it would have not executed this Agreement, promptly notified the Chief Executive Officer of Franchisor in writing of the person or persons making such Representations, and provided to Franchisor a specific written statement detailing the Representations made.

30.3. Other Franchisees. Franchisee acknowledges that other Rush Bowls franchisees and developers have or will be granted franchises at different times, different locations, under different economic conditions and in different situations, and further acknowledges that the economics and terms and conditions of such other franchises may vary substantially in form and in substance from those contained in this Agreement.

30.4. Receipt of Agreement and Franchise Disclosure Document. Franchisee acknowledges that it received a copy of this Agreement with all material blanks fully completed at least seven calendar days prior to the date that this Agreement was executed by Franchisee. Franchisee further acknowledges that it received a copy of Franchisor's Franchise Disclosure Document at least 14 calendar days prior to the date on which this Agreement was executed. Franchisee confirms receiving the Franchise Disclosure Document on the date Franchisee signed the acknowledgment of receipt page (the "**Receipt Page**") attached to the Franchise Disclosure Document. Franchisee and Franchisor each acknowledge receiving a signed and dated copy of the Receipt Page.

30.5. Franchisor's Consent. Except where expressly provided to the contrary, Franchisor has the right to determine if any consent, approval, authorization, clearance, exemption, waiver, or similar affirmation required from or by Franchisor will be granted or withheld.

31. FRANCHISEE'S LEGAL COUNSEL

Franchisee acknowledges that this Agreement constitutes a legal document that grants certain rights to and imposes certain obligations upon Franchisee. Franchisee has been advised by Franchisor to retain an attorney or advisor prior to the execution of this Agreement to review the Rush Bowls Franchising, LLC Franchise Disclosure Document, to review this Agreement in detail, to review all legal documents, including the Lease, all purchase agreements and architectural and construction contracts, to review the economics, operations and other business aspects of the Rush Bowls Restaurant, to determine compliance with applicable laws, to advise Franchisee on economic risks, liabilities, obligations and rights under this Agreement, and to advise Franchisee on tax issues, financing matters, applicable state and federal laws, health and safety laws, environmental laws, employee issues, insurance, structure of the Restaurant, and other legal and business matters. The name and telephone number of Franchisee's attorney or other advisor will be included in the Addendum to this Agreement.

32. DEFINITIONS

For purposes of this Agreement, the following words will have the following definitions:

32.1. "**Abandon**" means the conduct of Franchisee indicating the willingness, desire or intent of Franchisee to discontinue operating its Rush Bowls Restaurant in accordance with the quality standards, uniformity requirements and the System as described in this Agreement and the Franchise Operations Manual including, but not limited to, the failure of Franchisee to operate the Restaurant during the business hours specified in the Franchise Operations Manual for two or more consecutive days without the prior written approval of Franchisor or the failure to remain open for business during the specified business hours.

32.2. "**Accounting Year**" means Franchisee's fiscal year consisting of 13 four Week "**Accounting Periods**." The definition of Accounting Year may be further defined in the Franchise Operations Manual, and may in the future be changed by Franchisor as specified in the Franchise Operations Manual or otherwise in writing by Franchisor to address business practices and/or changes in the Internal Revenue Code.

32.3. "**Affiliate**" means any Entity or individual that, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with Franchisor.

32.4. "**Approved Supplier**" means a supplier, vendor or distributor that has been approved in writing by Franchisor to supply certain products and/or services to Franchisee because its products and/or services conform to the standards and specifications established by Franchisor.

32.5. "**Area Development Agreement**" means the agreement entered into between Franchisor and Franchisee granting Franchisee, or an Entity owned by Franchisee and/or the Owners of Franchisee (referred to as the Area Franchisee in the Area Development Agreement), the right to develop the Restaurant at the Franchised Location pursuant to the terms of this Agreement.

32.6. "**Brand Fund**" means the fund maintained by Franchisor to account for the Brand Fund Contributions received by Franchisor pursuant to Section 4 and the expenditure of the Brand Fund Contributions.

32.7. "**Franchise Operations Manual**" means the confidential and copyrighted standard Franchise Operations Manual developed by Franchisor for the day-to-day operations of Franchisee's Rush Bowls Restaurant.

32.8. "**Claims**" means any and all demands, complaints, filings, assertions, requests for payment or compensation, challenges, allegations of liability, causes of action, and/or lawsuits.

32.9. "**Competitive Business**" means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by Franchisee in and/or from the Franchised Business (including, but not limited to, the products Franchisor authorizes); or (ii) provides or offers to provide services the same as or similar to the type of services sold by Franchisee in and/or from the Franchised Business (including, but not limited to, the services Franchisor authorizes), but excludes a Rush Bowls business operating pursuant to a franchise agreement with Franchisor.

32.10. "**Confidential Information**" means and includes all of the business, technology, marketing, operational, and proprietary information developed, created, owned or licensed by Franchisor including, but not limited to, the any of the following:

(a) Plans and specifications relating to the construction of any Rush Bowls Restaurant, drawings and renderings, FF&E specifications and pricing, the names of all Approved Suppliers, pricing information for any Products and Services sold to any Rush Bowls Restaurant, unpublished menus and menu designs, and all food recipes and cooking techniques;

(b) Restaurant information, practices, procedures, processes, "know how" and business and operational systems of Franchisor;

(c) Marketing strategies, programs, and concepts, training programs, Franchise Operations Manual and materials, and operational and business development concepts;

(d) Exclusive sales and marketing processes taught to Franchisee's personnel during any training programs;

(e) Training programs and materials;

(f) Trade secrets, intellectual property, proprietary databases, computer processes, computer systems, computer software programs and all source codes for all computer software programs (excluding commercially available off-the-shelf third-party software programs);

(g) Copyrighted materials that have not been publicly disclosed by Franchisor which are marked as "confidential;"

(h) Patents of Franchisor, including pending patents;

(i) Password-protected websites designed, created and developed by Franchisor, including all passwords, text, content, color schemes, images, graphics, information, look and feel, layout, methodology, metrics, graphical interfaces and functionality; and

(j) Other written materials disclosed to Franchisee which have been designated as "confidential" by Franchisor. Franchisee and its employees and agents will not disclose to any person or Entity the name, addresses or any other information relating to any customers or guests of any Rush Bowls Restaurant, including Franchisee's Restaurant, except as authorized electronically or in writing by the customer or guest.

Confidential Information shall not include information which: (i) at or prior to the time of receipt was in the public domain; (ii) at or prior to the time of receipt by Franchisee or the signing of this Agreement, whichever occurred first, was known to Franchisee and in actual commercial use by Franchisee or generally within the industry, in the manner and combination disclosed; or (c) is subsequently received by Franchisee from an independent third party not in breach of any duty of nondisclosure, secrecy, nonuse or similar duty, but only to the extent and in the form, manner and combination so disclosed.

32.11. "**Damages**" means all judgments, losses, injuries, awards, reparations, penalties, interest, punitive damages, lost profits, pecuniary compensation, court costs, attorneys' fees, arbitration or litigation out-of-pocket costs, settlement payments, deposition and pre-trial costs, mileage, Travel Expenses, investigation fees, and all other amounts paid or incurred as a result of any Claims.

32.12. "**EFT**" means the process relating to the electronic transfer of Fees directly from Franchisee's bank account to Franchisor's bank account, as further described in Section 6.2 of this Agreement.

32.13. "**Entity**" means a corporation, limited liability company, partnership, limited partnership or any other type of legal entity formed in compliance with applicable law.

32.14. "**Executive Management**" means: (a) the officers and directors specified in the by-laws if Franchisee is a corporation; (b) the manager, chief manager, managers and/or governors specified in the operating agreement or by-laws if Franchisee is a limited liability company; or (c) the general partner(s) if Franchisee is a partnership or a limited partnership.

32.15. "**Fees**" collectively means and includes the Initial Franchise Fee, the Royalties, the Brand Fund Contributions, the Administrative Fees, and all other amounts then due and payable by Franchisee to Franchisor pursuant to this Agreement or any other agreement or for any products or services purchased by Franchisee from Franchisor or any of its Affiliates.

32.16. "**FF&E**" means the furniture, fixtures, supplies and equipment used in the operation of the Restaurant.

32.17. "**Financial Records**" means all accounting records and ledgers maintained in a written form, on a computer disk or hard drive, and in any other electronic or other form including, but not limited to, sales ledgers, work papers, general ledgers, summaries, schedules, bank statements, cancelled checks, bank deposit slips, federal and state income tax returns, state sales tax returns, Financial Statements, daily cash register tapes, and other financial information.

32.18. "**Financial Statements**" means a balance sheet, profit and loss statement, statement of cash flows, and explanatory footnotes prepared in accordance with generally-accepted accounting principles applied on a consistent basis.

32.19. "**Franchise**" means the right granted by Franchisor to Franchisee under this Agreement authorizing Franchisee to operate a Restaurant at the Franchised Location in conformity with the System using the name "**Rush Bowls®**" and the other Marks.

32.20. "**Franchised Location**" means the address, city and state set forth in Attachment 1 to this Agreement where the Rush Bowls Restaurant to be owned and operated under this Agreement by Franchisee will be physically located.

32.21. "**Governmental Authority**" means any governmental department, commission, board, bureau, agency, court or other instrumentality of the United States including, but not limited to, federal, state, district or commonwealth thereof, any foreign government or any jurisdiction, municipality or other political subdivision thereof.

32.22. "**Gross Sales**" means the total of all revenues and income from the sale of all Restaurant food products, beverages and other related merchandise, products, and services to Franchisee's customers whether or not sold or performed at or from the Restaurant, and whether received in cash, coupon, in services in kind, from barter and/or exchange, on credit (whether or not payment is received) or otherwise. If Franchisee offers any services, including catering or special events, all receipts from these services (including additional delivery charges) are included in Gross Sales. Gross Sales shall not include: (i) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority; or (ii) the amount of any documented refunds, chargebacks, credits, charged tips, and allowances Franchisee gives in good faith to Franchisee's customers. All barter and/or exchange transactions in which Franchisee furnishes services and/or products in exchange for goods and/or services provided to Franchisee by a vendor, supplier, or customer will, for the purpose of determining Gross Sales, be valued at the full retail value of the goods and/or services so provided to Franchisee.

32.23. "**Lease**" means the written lease agreement and related documents signed by Franchisee for the Franchised Location.

32.24. "**Major Assets**" means: (a) Franchisee's Restaurant; (b) the Franchised Location; (c) the Lease for the Franchised Location; (d) the FF&E, inventory, point-of-sale system, customer lists and all other assets used in Franchisee's Restaurant; (e) this Agreement; (f) any Ownership Interest in Franchisee; (g) all FF&E leases; and (h) the land, building and related real estate used for Franchisee's Restaurant, if the land, building and real estate are owned by Franchisee.

32.25. "**Management Staff**" means and includes Franchisee's Designated Manager designated in accordance with the provisions of this Agreement and one Manager.

32.26. "**Manager**" means the individual who will assist the Designated Manager with the management and operation of the Restaurant.

32.27. "**Marks**" includes the name "**Rush Bowls**," and such other trademarks, trade names, service marks, logos, commercial symbols, phrases, slogans and tag lines as Franchisor has or may create, own, develop or license for use in connection with all Rush Bowls Restaurants.

32.28. "**Owner**" means any person or Entity who owns: (a) any shares of capital stock in Franchisee if Franchisee is a corporation; (b) any membership interests in Franchisee if Franchisee is a limited liability company; (c) any partnership interests in Franchisee if Franchisee is a partnership; (d) any limited or general partnership interests if Franchisee is a limited partnership; and (e) any other kind or type of Ownership Interest in Franchisee. References to "**Franchisee**," "**assignee**" and "**transferee**" which are applicable to: (i) an individual or individuals means the Owner or Owners of an Ownership Interest in Franchisee; and (ii) an Entity means the Entity that has an Ownership Interest in Franchisee.

32.29. "**Ownership Interests**" means: (a) capital stock if Franchisee is a corporation; (b) membership interest if Franchisee is a limited liability company; (c) partnership interest if Franchisee is a partnership; (d) limited or general partnership interests if Franchisee is a limited partnership; and (e) all other types and means of ownership or other legal interest in Franchisee.

32.30. "**Products and Services**" means the authorized and/or proprietary foods, food items, beverages, menu items, recipe ingredients and FF&E that are specified in the Franchise Operations Manual or otherwise approved by Franchisor in writing that are: (a) used in the operation of the Restaurant; (b) used in the preparation of any foods or food items; and/or (c) offered for sale to customers of the Restaurant.

32.31. "**Required Opening Date**" means the date that is 12 months after the Effective Date, unless Franchisee's Restaurant is being developed pursuant to an Area Development Agreement or other written agreement between Franchisee and Franchisor, in which case the Required Opening Date will be the date specified in the Area Development Agreement or other written agreement between the parties hereto.

32.32. "**System**" includes the distinctive Products and Services which are associated with the Marks, copyrights, distinctive interior and exterior building designs, décor, furnishings, menus, uniforms, signs, color combinations, uniformity requirements, standards of consistency and quality, procedures, cleanliness, sanitation, controls, specifications, training, marketing, advertising and instructions promulgated by Franchisor.

32.33. "**Salaries and Benefits**" means the salaries, fringe benefits, including life insurance, medical insurance and retirement plans, payroll taxes, unemployment compensation, workers' compensation insurance, and all other expenses related to employment.

32.34. "**Transfer**" means sale, assignment, pledge, bequeath, trade, transfer, lease or sublease.

32.35. "**Travel Expenses**" means all costs incurred for travel, transportation, food, lodging, telephone calls, automobile rental and all other related travel expenses.

32.36. "**Week**" or "**Weekly**" means a period of seven consecutive days beginning on each Monday and ending each Sunday.

(Signature page follows)

IN WITNESS WHEREOF, Franchisor, Franchisee and the Owners have respectively signed this Agreement effective as of the date set forth above.

FRANCHISOR:	**FRANCHISEE:**
RUSH BOWLS FRANCHISING, LLC	_____
By: _____	By: _____
Title: _____	Title: _____

Operating Principal:

_____
Name

_____
Address

_____
City, State, Zip Code

_____
Telephone

_____
Cell Phone

_____
E-Mail Address

ATTACHMENT 1
TO FRANCHISE AGREEMENT

FRANCHISE DATA SHEET

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

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

3. Notice Address. The notice address for Franchisee set forth in Section 29 of the Franchise Agreement is:_____
_____

4. Franchised Location; Protected Area. If a particular site for the Restaurant has been selected and approved at the time of the signing of this Franchise Agreement, it shall be entered in Attachment 1-1 as the Franchised Location, and the Protected Area shall be as listed in Attachment 1-1. If a particular site has not been selected and approved at the time of the signing of this Franchise Agreement, Section 6 of this Attachment 1 will describe the location in general terms below in the "General Description." The General Description does not confer any territory rights to Franchisee and is only used for a reference. Franchisor may sell other franchised locations in the area in the General Description. After Franchisor has approved a location for Franchisee's Restaurant, Franchisor shall complete the Franchised Location and the Protected Area in Attachment 1-1. As the Protected Area is dependent on the location of the Restaurant, Franchisor will present Franchisee with the Protected Area upon the identification of the site for the Restaurant. If Franchisee does not wish to accept the Protected Area, Franchisee may choose another site location and Franchisor will present Franchisee with another Protected Area based on the site selected.

5. General Description of Area For Franchised Location (If the Franchisee's Franchised Location is not specified in Attachment 1-1 as of the signing of the Franchise Agreement): _____
_____

FRANCHISOR:	**FRANCHISEE:**
RUSH BOWLS FRANCHISING, LLC	_____
By: _____	By: _____
Title: _____	Title: _____

ATTACHMENT 1-1 TO THE FRANCHISE AGREEMENT

Franchisee has received approval for site location for the Restaurant that satisfies the demographics and location requirements minimally necessary for a Restaurant and that meets Franchisor's minimum current standards and specifications for the build-out, interior design, layout, floor plan, signs, designs, color, and décor of a Restaurant. Franchisee and Franchisor have mutually agreed upon a Protected Area based on the site for the Restaurant which is indicated below. Franchisee acknowledges that the Protected Area is in conformance with the territory guidelines stated in Item 12 of the Franchise Disclosure Document.

Franchised Location for Restaurant:

The Franchised Location for Franchisee's Restaurant as provided in Section 1.1 of the Franchise Agreement is:

_____

Protected Area:

The Protected Area as provided in Section 1.2 of the Franchise Agreement is:

_____

_____

FRANCHISOR:	**FRANCHISEE:**
RUSH BOWLS FRANCHISING, LLC	_____ Entity name (if any)
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ATTACHMENT 2
TO FRANCHISE AGREEMENT

OWNERS AGREEMENT

As a condition to the execution by Rush Bowls Franchising LLC ("we" or "us"), of a Franchise Agreement with _____ ("Franchisee"), each of the undersigned individuals ("Owners"), who constitute all of the owners of a direct or indirect beneficial interest in Franchisee, as well as their respective spouses , covenant and agree to be bound by this Owners Agreement ("Owners Agreement").

1. Acknowledgments.

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of _____, 20___ ("Franchise Agreement"). Capitalized words not defined in this Owners Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 Role of Owners. Owners are the beneficial owners or spouses of the beneficial owners of all of the equity interest, membership interest, or other equity controlling interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives and assigns. Franchisee's obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee's owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Owners Agreement.

2. Non-Disclosure and Protection of Confidential Information.

2.1 Confidentiality. Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee's non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which we designate as confidential, will also be deemed Confidential Information for purposes of this Owners Agreement.

2.2 Immediate Family Members. Owners acknowledge that they could circumvent the purpose of Section 2.1 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). Owners also acknowledge that it would be difficult for us to prove whether Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 2.1 if any member of his or her immediate family uses or discloses the Confidential Information or engages in any activities that would constitute a violation of the covenants listed in Section 3, below, if performed by Owners. However, Owners may rebut this presumption by furnishing evidence conclusively showing that Owners did not disclose the Confidential Information to the family member.

3. Covenant Not to Compete.

3.1 Non-Competition During and After the Term of the Franchise Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition both during the term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition will be construed as independent of any other covenant or provision of this Owners Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Owners Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

4. Guarantee.

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Owners Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Owners will continue in full force and effect.

5. Transfers.

Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources and personal character. Accordingly, Owners agree: a) not to sell, encumber, assign, transfer, convey, pledge, merge or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding transfers and assignment and b) that any attempt to do so will be a material breach of this Owners Agreement and the Franchise Agreement.

6. Notices.

6.1 Method of Notice. Any notices given under this Owners Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Owners Agreement is:

Rush Bowls Franchising LLC
11031 Sheridan Blvd., Suite 1
Westminster, CO 80020
Attention: Andrew Pudalov, Chairman

The current address of each Owner for all communications under this Owners Agreement is designated on the signature page of this Owners Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

7. Enforcement of This Owners Agreement.

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Owners Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Owners Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Owners Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Owners Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.

7.3 Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations under this Owners Agreement. Owners acknowledge and agree that there is no

adequate remedy at law for Owners' failure to fully comply with the requirements of this Owners Agreement. Owners further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

8. Miscellaneous.

8.1 No Other Agreements. This Owners Agreement constitutes the entire, full and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Owners Agreement, other than those in this Owners Agreement. No other obligations, restrictions or duties that contradict or are inconsistent with the express terms of this Owners Agreement may be implied into this Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owners Agreement), no amendment, change or variance from this Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Owners Agreement, and any portions thereof, will be considered severable. If any provision of this Owners Agreement or the application of any provision to any person, property or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Owners Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e. to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Owners Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns) any rights or remedies under or by reason of this Owners Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Owners Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Owners Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Owners Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation

8.5 Binding Effect. This Owners Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Owners Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

8.6 Successors. References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

8.7 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Owners Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any

breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Owners Agreement shall be cumulative.

8.8 No Personal Liability. You agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Owners Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

8.9 Owners Agreement Controls. In the event of any discrepancy between this Owners Agreement and the Franchise Agreement, this Owners Agreement shall control.

IN WITNESS WHEREOF, the parties have entered into this Owners Agreement as of the effective date of the Franchise Agreement.

OWNERS:

[Insert Name of Owner]	[Insert Name of Spouse]
[Insert Name of Owner]	[Insert Name of Spouse]
[Insert Name of Owner]	[Insert Name of Spouse]
[Insert Name of Owner]	[Insert Name of Spouse]

Rush Bowls Franchising, LLC hereby accepts the agreements of the Owner(s) hereunder.

RUSH BOWLS FRANCHISING, LLC

By: _____

Title: _____

ATTACHMENT 3
TO FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

Franchisee: _____

Trade Name (if different from above): _____

Form of Ownership
(Check One)

____ Individual ____ Partnership ____ Corporation ____ Limited Liability Company

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

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

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

State and Date of Formation: _____

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

Name	Title

Members, Stockholders, Partners:

Name	Address	Percentage Owned

*If any members, stockholders or partners are entities, please list the owners of such entities up through the individuals.

Identification of Operating Principal. Franchisee's Operating Principal as of the Effective Date is: _____. Franchisee may not change the Operating Principal without Franchisor's prior written approval.

Identification of Designated Manager. Franchisee's Designated Manager, if applicable, as of the Effective Date is _____. Franchisee may not change the Designated Manager without Franchisor's prior written approval.

Franchisee acknowledges this Statement of Ownership applies to the Restaurant authorized under the Franchise Agreement. Use additional sheets if necessary. Any and all changes to the above information must be reported to Franchisor in writing.

FRANCHISEE:

Entity name (if any):

_____

By: _____

Printed Name: _____

Title: _____

EXHIBIT D

AREA DEVELOPMENT AGREEMENT

EXHIBIT D

RUSH BOWLS FRANCHISING, LLC

AREA DEVELOPMENT AGREEMENT

Area Developer: _____

Date: _____

Territory:_____

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ATTACHMENTS:

Attachment A	Data Sheet
Attachment B	Development Schedule
Attachment C	Statement of Ownership

RUSH BOWLS FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("Agreement" or "Area Development Agreement") is made and entered into on the effective date set forth in Attachment A to this Agreement ("Effective Date") by and between RUSH BOWLS FRANCHISING, LLC, a Colorado limited liability company ("Rush Bowls"), and the area developer listed in Attachment A to this Agreement ("Area Developer"). If more than one person or entity is listed as the Area Developer, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Franchise Agreement.

WITNESSETH:

WHEREAS, Rush Bowls holds the exclusive franchise rights relating to the establishment, development and operation of a restaurant that offers wholesome, all-natural high-quality bowls and smoothies made from acai, fruit, organic granola and other ingredients ("Rush Bowls Franchise");

WHEREAS, in addition to this Area Development Agreement, Rush Bowls and Area Developer are contemporaneously entering into a Franchise Agreement ("Initial Franchise Agreement") for the right to establish and operate a single Rush Bowls franchised business ("Initial Business"); and

WHEREAS, Area Developer desires to purchase an option to establish and operate Rush Bowls Franchises within the territory described in Attachment A ("Development Territory"), under the development schedule described in Attachment B ("Development Schedule") and pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other party set forth herein, hereby mutually agree as follows:

1. GRANT

1.1 Rush Bowls hereby grants to Area Developer the right to establish and operate the number of Rush Bowls Franchises indicated in Section 1 of Attachment B within the Development Territory described in Attachment A. Each Rush Bowls Franchise shall be operated according to the terms of the individual franchise agreement ("Franchise Agreement"). Rush Bowls reserves the right to: a) to own, franchise or operate Rush Bowls Franchises at any location outside of the Development Territory, regardless of the proximity to any Rush Bowls Franchise developed or in development by Area Developer; b) to sell any products or services using the Rush Bowls trademarks through any alternate channels of distribution within or outside of the Development Area; c) to own, acquire, establish and/or operate, and license others to establish and operate, businesses under other proprietary marks or other systems, at any location within or outside the Development Territory (even if these businesses are in competition with Area Developer); d) to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with Area Developer's development rights under the Franchise Agreement, wherever located; e) to acquire and convert to the System operated by Rush Bowls, any businesses offering services and products similar to those offered by Rush Bowls Franchises, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Development Territory, provided that in such situations the newly acquired businesses may not operate under the Marks in the Development Territory; and f) to sell or distribute, at retail or wholesale or otherwise, directly or indirectly, or license others to sell or distribute, any food products, including proprietary food products, under the Marks or any other marks, through grocery

stores, convenience stores, hotel shops and kiosks, theatres, malls, airports, gas stations, college campuses, sports venues or other retail locations within or outside of the Development Territory.

1.2 If Area Developer is developing Rush Bowls Franchises, and complies with the terms of this Agreement, the Development Schedule, and the individual Franchise Agreement for each Rush Bowls Franchise, then Rush Bowls will not franchise or license others, nor will it itself directly or indirectly develop, own, lease, construct or operate in any manner, any Rush Bowls Franchises in the Development Territory during the term of this Agreement. Upon Area Developer's first failure to adhere to the Development Schedule, Area Developer will lose the exclusivity granted for the Development Territory. Any second or additional failures to adhere to the Development Schedule will constitute a material event of default under the Area Development Agreement, for which Rush Bowls may, among other things: (i) terminate this Agreement; (ii) reduce the area of the Development Territory; (iii) permit Area Developer to extend the Development Schedule; or (iv) pursue any other remedy Rush Bowls may have at law or in equity, including but not limited to, a suit for non-performance. Rush Bowls reserves all other rights, including the right to otherwise act in the manner permitted in any Franchise Agreement. Upon the expiration or termination of this Agreement; (a) Area Developer shall have no further right to construct, equip, own, open or operate additional Rush Bowls Franchises which are not, at the time of such termination or expiration, the subject of a then-existing franchise agreement between Area Developer (or an affiliate of Area Developer) and Rush Bowls which is then in full force and effect; and (b) Rush Bowls or its affiliates may thereafter itself construct, equip, open, own or operate, and license others to (or grant development rights to) construct, equip, open, own or operate Rush Bowls Franchises or Rush Bowls restaurants at any location(s) (within or outside of the Development Territory), without any restriction, subject only to the territorial rights granted, if any, for any then-existing Rush Bowls Franchise pursuant to a validly subsisting franchise agreement executed for such Rush Bowls Franchise. This Agreement is not a franchise agreement and Area Developer shall have no right to use in any manner the Rush Bowls trademarks or area developer system by virtue hereof. Each Rush Bowls Franchise will be governed by the individual Franchise Agreement signed by Rush Bowls and Area Developer, or its affiliate, for each Rush Bowls Franchise.

1.3 The Area Developer must own at least a fifty-one percent (51%) equity interest in the franchisee for each Rush Bowls Franchise developed hereunder. In addition, Area Developer shall ensure that the day-to-day operations of each Rush Bowls Franchise is operated and managed by either the franchisee (or if the franchisee is an entity, an Operating Principal, as described below) or a designated manager who has been approved by Rush Bowls ("Designated Manager"). If any franchisee is not an individual, it must designate an "Operating Principal" acceptable to Rush Bowls who will be principally responsible for communicating with Rush Bowls about the Rush Bowls Franchise, and who owns at least ten percent (10%) of the equity in the franchisee. Rush Bowls may require that the Designated Manager have an ownership interest in the franchisee. Area Developer shall identify all equity owners of Area Developer by completing the Statement of Ownership attached to this Agreement as Attachment C. Area Developer shall provide Rush Bowls with an updated form of Attachment C within ten business days of any change in the equity ownership of Area Developer. The failure of Area Developer to provide Rush Bowls with an updated Attachment C within the time frame specified in this Section 1.3 shall constitute a material default of this Agreement.

2. TERM

Unless sooner terminated pursuant to the provisions of Section 7, the term of this Agreement shall expire upon the earlier of: (a) the Termination Date listed on Section 2 of Attachment B; or (b) completion of the obligations of the Development Schedule. The only territorial protections that Area Developer will receive upon expiration or termination of this Agreement will be those under each individual Franchise Agreement, if any. Area Developer shall have no further right to construct, equip,

own, open or operate additional Rush Bowls Franchises which are not, at the time of such termination or expiration, the subject of a then-existing franchise agreement between Area Developer (or an affiliate of Area Developer) and Rush Bowls which is then in full force and effect; and (iii) Rush Bowls or its affiliates may thereafter itself construct, equip, open, own or operate, and license others to (or grant development rights to) construct, equip, open, own or operate Rush Bowls Franchises at any location(s) (within or outside of the Development Territory), without any restriction, subject only to the territorial rights granted, if any, for any then-existing Rush Bowls Franchise pursuant to a validly existing franchise agreement executed for such Rush Bowls Franchise.

3. DEVELOPMENT FEE

Area Developer may elect to develop up to three Rush Bowls Franchises (the "Multi-3") or up to five Rush Bowls Franchises (the "Multi-5") in the Development Territory upon execution of this Agreement. Area Developer must pay a "Development Fee" in the amount set forth in Attachment A, depending the number of Rush Bowls Franchises it has elected to develop. No initial franchise fee will be due upon the execution of each single-unit Franchise Agreement to be developed under this Agreement (but all other fees will apply). All amounts collected shall be deemed fully earned immediately upon receipt and shall be non-refundable, regardless of whether Area Developer opens any of the Rush Bowls Franchises it is obligated to open in the Development Territory.

4. DEVELOPMENT SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

4.1 Area Developer shall exercise the development rights granted under this Agreement only by entering into a separate Franchise Agreement with Rush Bowls for each Rush Bowls Franchise for which a development right is granted. The Initial Franchise Agreement (for the Initial Business to be developed by Area Developer under this Agreement) shall be executed and delivered, concurrently with the execution and delivery of this Agreement. All subsequent Rush Bowls Franchises developed under this Agreement shall be established and operated pursuant to the form of Franchise Agreement then being used by Rush Bowls for a Rush Bowls Franchise. Area Developer acknowledges that the then-current form of Franchise Agreement may differ from the Initial Franchise Agreement, except that each shall have the same royalty rate as the Initial Franchise Agreement.

4.2 Development Schedule.

(a) Area Developer acknowledges and agrees that: (i) time is of the essence, and therefore; (ii) it will exercise its development rights strictly in accordance with Section 4.1 and the Development Schedule set forth on Attachment B. The Development Schedule on Attachment B designates the number of Rush Bowls Franchises that must be developed before the end of each of the designated development periods ("Development Periods").

(b) During any Development Period, Area Developer may, with Rush Bowls' prior written consent, develop more than the number of Rush Bowls Franchises that Area Developer is required to develop during that Development Period by executing multiple Franchise Agreements during a single Development Period. Any Franchise Agreements executed during a Development Period in excess of the minimum number to be executed upon expiration of that Development Period shall be applied to satisfy Area Developer's development obligation during the next succeeding Development Period. Area Developer shall not execute more than the cumulative total number of Franchise Agreements that Area Developer is obligated to execute under this Agreement, as set forth above in the Development Schedule.

(c) Area Developer shall open each Rush Bowls Franchise in accordance with the terms of the Franchise Agreement and shall execute the Franchise Agreements in accordance with the Development Schedule set forth on Attachment B, unless, subject to Rush Bowls' approval, Area Developer obtains an extension of the Development Period from Rush Bowls to sign a particular Franchise Agreement. Each extension shall be for an additional 90-day period commencing upon the expiration of the applicable Development Period, including any previous extensions thereof ("Extension Date"). No more than two extensions of any Development Period will be permitted. No extension of any Development Period shall affect the duration of any other Development Period or any of Area Developer's other development obligations. If an extension is requested in the final Development Period, the term of this Agreement shall be extended to the Extension Date, and thereafter Area Developer shall have no further rights under this Agreement except as provided in Section 2. Each extension may be conditioned upon payment of an extension fee ("Extension Fee") of Two Thousand Dollars ($2,000) per extension.

(d) Failure by Area Developer to adhere to the Development Schedule (including any extensions approved by Rush Bowls) shall result in a loss of the territorial rights granted in Section 1.2 of this Agreement. Failure by Area Developer to adhere to the Development Schedule on two or more occasions shall constitute a material event of default under this Agreement for which Rush Bowls may exercise its rights under Section 7.1 of this Agreement.

(e) If Rush Bowls is not legally able to deliver a Franchise Disclosure Document to Area Developer by reason of any lapse or expiration of its franchise registration, or because Rush Bowls is in the process of amending any such registration, or for any reason beyond Rush Bowls' reasonable control, Rush Bowls may delay acceptance of the site for Area Developer's proposed Rush Bowls Franchise, or delivery of a franchise agreement, until such time as Rush Bowls is legally able to deliver a Franchise Disclosure Document.

5. LOCATION OF RUSH BOWLS FRANCHISES

The location of each Rush Bowls Franchise shall be selected by the Area Developer in accordance with the terms set forth in each Franchise Agreement signed by Area Developer, within the Development Territory.

6. FRANCHISE AGREEMENT

Area Developer shall not commence construction on, or open any Rush Bowls Franchise until, among other things; the individual Franchise Agreement for that Rush Bowls Franchise has been signed by both the Area Developer and Rush Bowls.

7. DEFAULT AND TERMINATION

7.1 Area Developer will be in default of this Agreement if it (or its affiliate(s)): (a) fails to comply with the Development Schedule; or (b) otherwise fails to perform any of its obligations under this Agreement or any individual Franchise Agreement, including failing to comply with any transfer provisions. Upon Area Developer's first failure to adhere to the Development Schedule, Area Developer will lose the exclusivity granted for the Development Territory. Upon Area Developer's second or additional failures to adhere to the Development Schedule or any other default, Rush Bowls shall have the right, at its option, and in its sole discretion, to do any or all of the following:

(a) terminate this Agreement;

(b) terminate the territorial exclusivity granted to Area Developer (if such territorial exclusivity has not already been terminated by a first failure to adhere to the Development Schedule, as described in Section 4.2(d) above);

(c) reduce the size of the Area Developer's Development Territory;

(d) permit Area Developer to extend the Development Schedule; or

(e) pursue any other remedy we may have at law or in equity, including but not limited to, a suit for non-performance.

7.2 Upon the prompt written request to Rush Bowls following the death or permanent disability of Area Developer or any controlling principal of Area Developer ("Controlling Principal") who owns all or a part of the controlling interest ("Controlling Interest") in Area Developer, Rush Bowls shall allow a period of up to nine months after such death or legal incapacity for his or her heirs, personal representatives, or conservators (the "Heirs") to seek and obtain Rush Bowls' consent to the assignment his or her rights and interests in this Agreement to the Heirs or to another person acceptable to Rush Bowls. Rush Bowls shall allow a period of up to nine months after such death or legal incapacity for his or her Heir(s) to seek and obtain Rush Bowls' consent to the assignment of such equity and voting power to the Heir(s) or to another person or persons acceptable to Rush Bowls. If, within said nine-month period, said Heir(s) fail to receive Rush Bowls' consent as aforesaid or to effect such consented to Assignment, then this Agreement shall immediately terminate at Rush Bowls' election.

7.3 In addition, if any individual Franchise Agreement issued to Area Developer or an approved affiliate of Area Developer, whether or not issued pursuant to this Agreement, is terminated for any reason, Rush Bowls shall have the right to terminate this Agreement on immediate written notice to Area Developer. Upon termination or expiration of the term of this Agreement, this Agreement shall be of no further effect, and Rush Bowls shall have the right to open, or license others to open, Rush Bowls Franchises within the Development Territory. For purposes of this Section 7.3, any Franchise Agreement issued by Rush Bowls to Area Developer or its approved affiliates, or any corporation, partnership or joint venture, or their affiliates, in which Area Developer or any stockholder, partner or joint venturer of Area Developer, has any direct or indirect ownership or participation interest, shall be deemed a Franchise Agreement issued to Area Developer.

7.4 In the event of a default by Area Developer, all Rush Bowls' costs and expenses arising from such default, including reasonable accountant fees, attorney fees and reasonable hourly charges of administrative employees shall be paid to Rush Bowls by Area Developer within five days after cure or upon demand by Rush Bowls if such default is not cured.

8. ASSIGNMENT

8.1 Rush Bowls shall have the absolute right to transfer or assign all or any part of its rights or obligations hereunder to any person or legal entity which assumes its obligation under this Agreement and Rush Bowls shall thereby be released from any and all further liability to Area Developer.

8.2 Area Developer may not assign this Agreement or any rights to the Development Territory. The provisions of this Section 8.2 shall not restrict Area Developer from transferring an open and operating Rush Bowls Franchise in compliance with the assignment provisions contained in such Rush Bowls Franchise's Franchise Agreement.

9. FORCE MAJEURE

In the event that Area Developer is unable to comply with the Development Schedule due to strike, riot, civil disorder, war, failure to supply, fire, natural catastrophe or other similar events beyond its control, and upon written notice to Rush Bowls, the Development Schedule and this Agreement shall be extended for a corresponding period, not to exceed 90 days. This provision should be construed narrowly and does not include general economic, market or societal conditions, or any changes thereto, even those that are the direct or indirect result of the force majeure event.

10. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding of the parties with respect to the development of the Development Territory, and shall not be modified except by a written agreement signed by the parties hereto. However, nothing in this Agreement or any related agreement is intended to disclaim the Rush Bowls' representations made in the Franchise Disclosure Document. Where this Agreement and any Franchise Agreement between the parties conflict with respect to the payment terms of initial franchise fees or equity interests held by the Area Developer or operating partners, the terms of this Agreement shall govern; otherwise, the terms of each franchise agreement shall govern with respect to that Rush Bowls Franchise. Under no circumstances do the parties intend that this Agreement be interpreted in a way as to grant Area Developer any rights to grant sub-franchises in the Development Territory.

11. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

11.1 It is acknowledged and agreed that Area Developer and Rush Bowls are independent contractors and nothing contained herein shall be construed as constituting Area Developer as the agent, partner or legal representative of Rush Bowls for any purpose whatsoever. Area Developer shall enter into contracts for the development of the Development Territory contemplated by this Agreement at its sole risk and expense and shall be solely responsible for the direction, control and management of its agents and employees. Area Developer acknowledges that it does not have authority to incur any obligations, responsibilities or liabilities on behalf of Rush Bowls, or to bind Rush Bowls by any representations or warranties, and agrees not to hold itself out as having this authority.

11.2 Area Developer agrees to protect, defend, indemnify and hold Rush Bowls harmless from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, directly or indirectly incurred as a result of, arising from, out of, or in connection with Area Developer's carrying out its obligations hereunder. Area Developer agrees to reimburse Rush Bowls within 30 days of submitting invoice to Area Developer for all costs of defending the matter, including all attorney fees incurred by Rush Bowls whether or not Area Developer's insurer assumes defense of Rush Bowls promptly when requested. Rush Bowls has the right to approve any resolution or course of action, including but not limited to the selection of an attorney for the defense of a matter that could directly or indirectly have any adverse effect on Rush Bowls or its trademarks or area developer system, or could serve as a precedent for other matters. Area Developer also agrees to indemnify Rush Bowls for any fees, costs, or liabilities incurred by Rush Bowls on Area Developer's behalf, including fees and costs incurred by Rush Bowls to recover amounts due to Area Developer on Area Developer's behalf.

12. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their heirs, successors, permitted assigns and personal representatives.

13. APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, which laws shall govern in the event of any conflict of laws, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et. seq.). The parties expressly consent to personal jurisdiction in the State of Colorado and agree that, except as set forth in Section 15, the state and federal court(s) located in the jurisdiction where Rush Bowls has its principal place of business (currently Westminster, Colorado) will have exclusive jurisdiction and be the mandatory venue for the purposes of carrying out this provision.

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

14. NOTICE

Whenever this Agreement requires notice, it shall be in writing and shall be sent by registered or certified mail, return receipt requested, to the other party at the addresses set forth below, unless written notice is given of a change of address.

All notices to Area Developer shall be conclusively deemed to have been received by Area Developer upon the delivery or attempted delivery of this notice to Area Developer's address listed herein, or the changed address.

Notices to Rush Bowls:	Rush Bowls Franchising, LLC 11031 Sheridan Blvd., Suite 1 Westminster, CO 80020
Notice to Area Developer:	Notice Address set forth in Attachment A of this Agreement

15. DISPUTE RESOLUTION.

Rush Bowls and Area Developer agree that any dispute between the parties arising out of the terms of this Agreement shall be governed in accordance with the terms and conditions set forth in the Initial Franchise Agreement, which terms and conditions are by this reference incorporated herein including those provisions requiring mediation and/or arbitration (subject to limited exceptions for certain claims), which terms and conditions are by this reference incorporated herein. Rush Bowls and Area Developer each agree that their respective obligations to comply with the dispute resolution terms set

forth in the Initial Franchise Agreement shall survive any termination, expiration or renewal of the Initial Franchise Agreement and shall survive any termination or expiration of this Agreement.

16. ACKNOWLEDGEMENTS

16.1 Area Developer acknowledges and recognizes that different terms and conditions, including different fee structures, may pertain to different area development agreements and franchise agreements offered in the past, contemporaneously herewith, or in the future, and that Rush Bowls does not represent that all area development agreements or franchise agreements are or will be identical.

16.2 Area Developer acknowledges that it is not, nor is it intended to be, a third party beneficiary of this Agreement or any other agreement to which Rush Bowls is a party.

16.3 Area Developer represents to Rush Bowls that it has the business acumen, corporate authority, and financial wherewithal to enter into this Agreement and to perform all of its obligations hereunder, and furthermore, that the execution of this Agreement is not in contravention of any other written or oral obligation of the Area Developer.

16.4 Area Developer acknowledges and accepts the following:

The success of the Area Developer in managing and operating multiple Rush Bowls Franchises is speculative and will depend on many factors including, to a large extent, Area Developer's independent business ability. Area Developer has been given the opportunity and been encouraged to obtain independent advice from legal and other professionals before entering into this Agreement. This offering is not a security as that term is defined under applicable Federal and State securities laws. The obligation to train, manage, pay, recruit and supervise employees of the Rush Bowls Franchises rests solely with Area Developer. Area Developer has not relied on any warranty or representation, expressed or implied, as to the potential success or projected income of the business venture contemplated hereby. No representations or promises have been made by Rush Bowls to induce Area Developer to enter into this Agreement except as specifically included herein. Rush Bowls has not made any representation, warranty or guaranty, express or implied, as to the potential revenues, profits or services of the business venture to Area Developer and cannot, except under the terms of this Agreement, exercise control over Area Developer's business. Area Developer acknowledges and agrees that it has no knowledge of any representation made by Rush Bowls or its representatives of any information that is contrary to the terms contained herein.

(Signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Agreement on the day and year first written above.

RUSH BOWLS:

RUSH BOWLS FRANCHISING, LLC,
a Colorado limited liability company

By: _____

Printed Name: _____

Title: _____

AREA DEVELOPER:

_____

a(n) _____

By: _____

Printed Name: _____

Title: _____

ATTACHMENT A

DATA SHEET

1. Effective Date. The effective date of the Area Development Agreement, set forth in the introductory Paragraph of the Area Development Agreement is: _____, 20___.

2. Area Developer. The Area Developer set forth in the introductory Paragraph of the Area Development Agreement is: _____

3. Description of the Development Territory:

_____

_____

_____

4. Development Fee. The Development Fee, as set forth in Section 3 of the Area Development Agreement is:

Number of Rush Bowls Franchises (including the Rush Bowls Franchise under the Initial Franchise Agreement):	_____
Fee for up to three Franchises (Multi-3):	$ 80,000*
Fee for up to five Franchises (Multi-5):	$110,000*

*If Area Developer or Area Developer's spouse is an honarably discharged United States veteran the Development Fee shall be reduced by 10%.

Total Development Fee: $_____

5. Area Developer's Principal Address. The Area Developer's Principal Address is:

Attn: _____
_____
_____
_____

6. Notice Address. The notice address for Area Developer, as set forth in Section 13 of the Area Development Agreement, is:

Attn: _____
_____
_____
_____

(Signatures on following page)

RUSH BOWLS:

RUSH BOWLS FRANCHISING, LLC,
a Colorado limited liability company

By: _____

Printed Name: _____

Title: _____

AREA DEVELOPER:

_____

a(n) _____

By: _____

Printed Name: _____

Title: _____

ATTACHMENT B

DEVELOPMENT SCHEDULE

1. Number of Rush Bowls Franchises to be developed under this Agreement (including the Initial Business): _____

2. The termination date of this Agreement shall be the earlier of the date the Development Schedule is complete or _____, 20___.

3. Development Schedule:

Rush Bowls Franchise	Development Period Ending Date	Franchise Agreement Execution Deadline
1		Date of execution of Area Development Agreement
2		
3		
4		
5		

RUSH BOWLS:

RUSH BOWLS FRANCHISING, LLC,
a Colorado limited liability company

By: _____

Printed Name: _____

Title: _____

AREA DEVELOPER:

_____

a(n) _____

By: _____

Printed Name: _____

Title: _____

ATTACHMENT C

STATEMENT OF OWNERSHIP

Area Developer: _____

Form of Ownership
(Check One)

____ Individual ____ Partnership ____ Corporation ____ Limited Liability Company

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

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

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

State and Date of Formation/Incorporation: _____

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

Name	Title

Members, Stockholders, Partners:

Name	Address	Percentage Owned

*If any members, stockholders or partners are entities, please list the owners of such entities up through the individuals.

(Signature Page Follows)

AREA DEVELOPER:

_____
Entity name (if any)
a(n) _____

Date: _____

By: _____

Printed Name: _____

Title: _____

(020620)

EXHIBIT E

LIST OF CURRENT AND FORMER FRANCHISEES

Current Franchisees as of December 31, 2019:

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
*Seay	Brian		7710 West Desert Paintbrush Ct	Tucson	AZ	85743	602-574-4943	Brian @myriadfoods.com
*Gohil & Ali	Raj & Irfan		10509 Point Royal Dr.	Bakersfield	CA	93311	559-827-2725	Poojallcstores @grmail.com, irsal-ali @yahoo.com
Walker	Robert & Shamani		6215 Buena Ventura Ave	Oakland	CA	94605	510-435-2177	Shamaniwalker @yahoo.com
*Leisenring (operates two outlets in CO)	Troy	L & L RB, LLC	4418 Fig St.	Golden	CO	80403	203-706-0441	Troy @hjlcorp.com
Marshall	Dave & Angie		7614 16th St. NW #1	Thornton	CO	80602	303-478-1496	RushBowlsRockyMountain@gmail.com
*Stetzelberg	Carlos & Arzu	Nourishing Trends, LLC	8 Hamilton Way	Farmington	CT	06032	860-751-8870	nazcar @icloud.com
*Schlotz	Kyle		825 Brandon Prescott Ln. #306	West Palm Beach	FL	33401	314-397-9047	Kyle.schlotz @outlook.com
Vadgama	Bhavin		2050 Fiddlehead Ct.	Cumming	GA	30041	678-622-4624	Bhavin.vadgama@gmail.com
*Meyers	Heidi & Nathan	2an1, Inc.	5346 North Morninggale Way	Boise	ID	83713	208-360-9928	Heidifit4life@gmail.com
*White	Ethan		609 Morgan Blvd.	Valparaiso	IN	46383	219-961-9449	Ethanwhitej @gmail.com
*Moroney (operates two outlets in MO)	Ken & Kim	Shamrock Health, LLC	8 Wilson Ridge Ct	Chesterfield	MO	63005	14-650-3028	Ken.moroney @gmail.com
*Severn	Jason	CPS Group NC, Inc.	8504 Harkers Ct.	Raleigh	NC	27615	303-378-9269	Jaysevern @gmail.com
*Faulkenberry & McDonald	Roger & John	Milan Properties, LLC	8841 Sunart Ct	N Dublin	OH	43017	614-813-5958	Rfaulken01 @gmail.com
*Adewumi	Adebola		15205 SW Sandpiper Ln.	Beaverton	OR	97007	503-816-9053	Aadewumi33 @outlook.com
*Fuchs (operates two outlets in TX)	Michael & April	5Fox Investments Corp.	404 Monarch Hill Rd	Keller	TX	76248	479-381-1035	rushbowlsftworth@gmail.com
*Bachmeier (operates two outlets in TX)	Ted & Elizabeth	Bachmeier Companies, LLC	7931 Belinda Lane	Plano	TX	75024	253-222-7371	Bachmeierted @icloud.com
*Mills	Scott & Jennifer	MillsCO, LLC	23427 126th Ave E	Graham	WA	98338	843-303-6088	Scottamills @msn.com

*Area Developer

Franchisees with Unopened Outlets as of the December 31, 2019:

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
*Foscue	David & Tammi	Foscue Enterprises, LLC	5 West Nottingham Lane	Rogers	AR	72758	870-820-1587	dfoscue@outlook.com
*Seay	Brian		7710 West Desert Paintbrush Ct	Tucson	AZ	85743	602-574-4943	Brian @myriadfoods.com
*Baghramian	Gilbert & Shoubert	Bert Brothers Inc.	19462 Twin Hills Place	Porter Ranch	CA	91326	818-612-8316	shoubert@bertbrothersinc.com
*Gohil & Ali	Raj and Irfan		10509 Point Royal Dr.	Bakersfield	CA	93311	559-827-2725	Poojallcstores @grmail.com, irsal-ali @yahoo.com
*Janes[1]	Rick		20365 E Shady Ridge Road	Parker	CO	80134	608-322-0459	rejanes@rushbowlstexas.com
*Leisenring	Troy	L & L RB, LLC	4418 Fig St.	Golden	CO	80403	203-706-0441	Troy @hjlcorp.com
*Alameh	Mohamed	Beyond the Table Co.	38 E Fowler Avenue	Middletown	CT	06457	860-380-7674	mmalameh@gmail.com
*Stetzelberg	Carlos & Arzu	Nourishing Trends, LLC	8 Hamilton Way	Farmington	CT	06032	860-751-8870	nazcar @icloud.com
*Byers	Sean		2108 Romeo Point Lane	Fleming Island	FL	32003	904-600-7081	seanmoffetbyers @gmail.com
Michael[2]	Nedelkovich	Areas USA	5301 Blue Lagoon Dr Suite 690	Miami	FL	33126	786-920-2941	Michael.nedelkovich@areas.com
*Schlotz	Kyle		825 Brandon Prescott Ln. #306	West Palm Beach	FL	33401	314-397-9047	Kyle.schlotz @outlook.com
Blitzer	Gary		4190 Falls Ridge Drive	Johns Creek	GA	30022	770-330-6821	Blitzmarketing714@gmail.com
*Meyers	Heidi & Nathan	2an1, Inc.	5346 North Morninggale Way	Boise	ID	83713	208-360-9928	Heidifit4life@gmail.com
*Cunningham	Marissa & James		13219 Whispering Breeze Drive	Fishers	IN	46037	216-440-4433	Missmarissa80@gmail.com
*White	Ethan		609 Morgan Blvd.	Valparaiso	IN	46383	219-961-9449	Ethanwhitej @gmail.com
*Lehman	Elizabeth		211 E Merrill St. #503	Birmingham	MI	48009	(260) 417-4286	blushenterprisesinc@gmail.com
*Hitt	John & Elizabeth		2804 Georgia Avenue South	St. Louis Park	MN	55426	612-616-8897	johnmhitt@gmail.com
*Moroney	Ken & Kim	Shamrock Health, LLC	8 Wilson Ridge Ct	Chesterfield	MO	63005	314-650-3028	Ken.moroney @gmail.com
*Severn	Jason	CPS Group NC, Inc.	8504 Harkers Ct.	Raleigh	NC	27615	303-378-9269	Jaysevern @gmail.com

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
*Wimmer	Andrew		1282 Glenn Avenue	Columbus	OH	43212	614-506-1330	Wimmer1282@gmail.com
*Faulkenberry & McDonald	Roger & John	Milan Properties, LLC	8841 Sunart Ct	N Dublin	OH	43017	614-813-5958	Rfaulken01@gmail.com
*Adewumi	Adebola		15205 SW Sandpiper Ln.	Beaverton	OR	97007	503-816-9053	Aadewumi33@outlook.com
*Sullivan	Kerry		2021 SW 37th Street	Redmond	OR	97756	541-420-3997	Ysullivan01@yahoo.com
*Gordon	Hugh & Linda	Two Sixties, Inc.	112 Royal Assembly Drive	Charleston	SC	29492	843-628-9650	Hugh@twosixties.com
*Fuchs	Michael & April	5Fox Investments Corp.	404 Monarch Hill Rd	Keller	TX	76248	479-381-1035	Rushbowlsftworth@gmail.com
*Taylor	Ryan & Michelle	High NRG Foods, LLC	5602 Cohn Terrace	Houston	TX	77007	512-299-4800	Highnrgfoods@gmail.com
*Bachmeier	Ted & Elizabeth		7931 Belinda Lane	Plano	TX	75024	253-222-7371	Bachmeierted@icloud.com
*Saunders	Josh & Bridget		7794 Mountain Top Rd	Herriman	UT	84096	801-381-4414	Bridgethideout13@gmail.com
*Cavender	Dennis		5116 Harvest Glen Drive	Glen Allen	VA	23059	804-869-3466	Dmcavender1@aol.com
*Can & Sharma[3]	Onur & Vaibhav		20586 Banbury Square	Sterling	VA	20165		
*Mills	Scott & Jennifer	MillsCO, LLC	23427 126th Ave E	Graham	WA	98338	843-303-6088	Scottamills@msn.com

*Area Developer
[1]Franchisee plans to open an outlet in Texas
[2]Airport License Deal for a location in North Carolina
[3]Franchisee plans to open outlets in Virginia and Washington, DC

Franchisees with Unopened Outlets as of the Issuance Date:

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
*Smith+	Sims & Jasmine		15704 Birdsong Ct.	Woodbridge	VA	22193	803-767-1005	simsandjasmine@gmail.com

*Area Developer
+ Agreement Signed in 2020

Former Franchisees:

The name and last known address of every franchisee who had a Rush Bowls Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2019 to December 31, 2019, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document are

listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
*Khahera[1]	Daljit		2940 Capetanios Dr	El Dorado Hills	CA	95762	916-467-6378	Hazelarcoampm@outlook.com
*Wilhelm	Ben		4104 St. Timms Ct.	Charlotte	NC	28226	704-315-7549	Benwilhelm27@yahoo.com
*Wilkins	Jason & Erin	Soul Fuel, LLC	101 Governors Way	Brentwood	TN	37027	615-594-1384	Jasonwilkins@hotmail.com
*Shank	Fred		8019 Sunnyside Ave N	Seattle	WA	98103	917-855-6516	Fred.shank@gmail.com
*Wecker	Matthew	Four Honu, Inc.	#31 1319 Twp Rd 510	Parkland County	Alberta, CAN	T7Y 2N2	587-991-6650	Mwecker@hotmail.ca
*Reichert[1]	Jim		1704 16th St. NW, #1	Washington	DC	20009	303-916-9988	Jim.reichert65@gmail.com

*Area Developer

[1]Franchisee signed a franchise agreement, but never opened their outlet. Documents terminating the agreement were sent to franchisee, but they have not communicated with us in more than six months.

EXHIBIT F

STATE ADDENDA
AND AGREEMENT RIDERS

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR RUSH BOWLS FRANCHISING, LLC

The following modifications are made to the Rush Bowls Franchising, LLC ("**Franchisor**," "**us**," "**we**," or "**our**") Franchise Disclosure Document ("**FDD**") given to franchisee ("**Franchisee**," "**you**," or "**your**") and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 20___ ("**Franchise Agreement**"). When the term "**Franchisor's Choice of Law State**" is used, it means Colorado. When the term "Supplemental Agreements" is used, it means Area Development Agreement.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State Specific Addendum ("**State Addendum**") will modify these agreements to comply with the state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD.

California Corporations Code Section 31125 requires us to give to you a FDD approved by the Department of Business Oversight before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Franchisor's Choice of Law State. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement may contain a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.

The Franchise Agreement and Supplemental Agreements require the application of the law of Franchisor's Choice of Law State. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed in Item 2 of the FDD 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. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).

Our website has not been reviewed or approved by the California Department of Business Oversight. Any complaints concerning the content of this website may be directed to the California Department of Business Oversight at www.dbo.ca.gov.

Item 6 of the FDD is amended to state the highest interest rate allowed by law in California is 10% annually.

Fee Deferral

The Department of Business Oversight requires that the franchisor defer the collection of all initial fees from California Franchisees until the Franchisor has completed all its pre-opening obligations and Franchisee is open for business. The payment of all initial fees, including Initial Franchise Fees and Development Fees, attributable to a specific unit in a Development Schedule, is deferred until that specific unit is open for business.

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO

YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed on the third page of the FDD on the page entitled, "State Effective Dates".

2. States which have refused, by order or otherwise, to register these Franchises are:

   None

3. States which have revoked or suspended the right to offer the Franchises are:

   None

4. States in which the proposed registration of these Franchises has been withdrawn are:

   None

ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

Item 17.w, Choice of Law, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act".

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three years after the act or transaction constituting the violation upon which it is based, the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

Franchise Fee Deferral

The Illinois Attorney General's Office has imposed the franchise fee deferral requirement because of our financial condition. Item 5 and Item 7 of the FDD, Section 3.1 of the Franchise Agreement and Section 3 of the Area Development Agreement are hereby revised to state that payment of all initial fees, including the Franchise Fee and Development Fee, shall be deferred until after all of Franchisor's initial obligations are complete and the Franchise is open for business. The Development Fee will be deferred until the first franchise is open and operational.

INDIANA

Item 8 of the FDD is amended to add the following:

> Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

> Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The "Summary" column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

No competing business for two (2) years within the Protected Territory.

The "Summary" column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The "Summary" column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor's Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The "Summary" column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor's Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor's Choice of Law State law, if such provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. The following provision will be added to the Franchise Agreement:

> No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three (3) business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten (10) business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty (20) days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Rush Bowls Franchising, LLC, 11031 Sheridan Blvd., Suite 1, Westminster, CO 80020, not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _____

By: _____

Print Name: _____

Its: _____

Date: _____

MARYLAND

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENTS AND AREA DEVELOPMENT AGREEMENTS

Item 17 of the FDD and the Franchise Agreement are amended to state: "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."

Item 17 of the FDD and sections of the Franchise Agreement and Area Development Agreement are amended to state: "A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the Franchise."

The Franchise Agreement, Area Development Agreement and Franchise Disclosure Questionnaire are amended to state: "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."

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

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

(c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure 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 us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us 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 five years; and (ii) you are prohibited by the Franchise Agreement 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 you do not receive at least six months' advance notice of our intent not to renew the Franchise.

(e) A provision that permits us 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 the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us 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 our then-current reasonable qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.

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

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you 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.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

MINNESOTA

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.

2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.

3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration.

4. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.

5. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.

6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.

7. The following language will appear as a new paragraph of the Franchise Agreement:

   > No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.

9. Item 6 of the FDD and Section 6.2 of the Franchise Agreement are hereby amended to limit the Non sufficient Funds Charge to $30 per occurrence pursuant to Minnesota Statute 604.113.

NEW YORK

The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, 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.

The following is added at the end of Item 3:

Except as provided above, with regard to 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 injunction 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.

The following is added to the end of Item 4:

Neither the Franchisor, its affiliate, its predecessor, officers or general partner during the ten-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 the officer or general partner of the franchisor held this position in the company or partnership.

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.

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 Sections 687.4 and 687.5 be satisfied.

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.

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.

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.

NORTH DAKOTA

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the FDD and Section 23 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statue, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

OHIO

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials_____ Date_____

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Rush Bowls

Franchising, LLC, 11031 Sheridan Blvd., Suite 1, Westminster, CO 80020, not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

Date: _____ By: _____
Print Name: _____
Its: _____

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

SOUTH DAKOTA

Intentionally left blank.

VIRGINIA

Item 17(h). The following is added to Item 17(h):

> "Pursuant to Section 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 or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable."

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Rush Bowls Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

> Additional Disclosure. The following statements are added to Item 8 and Item 17.h.
>
> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENTS AND AREA DEVELOPMENT AGREEMENT

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

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

Franchise Fee and Development Fee Deferral

Item 5 and Item 7 of the Franchise Disclosure Document, the Franchise Agreement, and the Area Development Agreement are hereby amended to state that the Initial Franchise Fee, Area Development Fee and all other initial fees paid to the franchisor will be deferred until the Franchisor completes all of its training and other initial obligations to Franchisee and the Franchisee is open for business (listed in Item

11 of this Disclosure Document). The Development Fee will be deferred and paid on a pro-rata basis for each franchise opened under the Area Development Agreement.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

(Signatures on following page)

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states ("**Addenda**") is checked as an "Applicable Addenda" below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐	California	☐	Michigan	☐	Rhode Island
☐	Hawaii	☐	Minnesota	☐	South Dakota
☐	Illinois	☐	New York	☐	Virginia
☐	Iowa	☐	North Dakota	☐	Washington
☐	Indiana	☐	Ohio	☐	Wisconsin
☐	Maryland				

Dated: _____, 20____

FRANCHISOR:

RUSH BOWLS FRANCHISING, LLC

By: _____

Title: _____

FRANCHISEE:

_____

_____

By: _____

Title: _____

Rev. 031516

EXHIBIT G

FRANCHISE OPERATIONS MANUAL
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RUSH BOWLS
FRANCHISE OPERATIONS MANUAL

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EXHIBIT H

CONTRACTS FOR USE WITH THE RUSH BOWLS FRANCHISE

The following contracts contained in Exhibit H are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Rush Bowls Franchise. The following are the forms of contracts that Rush Bowls Franchising, LLC uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked "Sample," they are subject to change at any time.

EXHIBIT H-1

RUSH BOWLS FRANCHISE

SAMPLE GENERAL RELEASE AGREEMENT

WAIVER AND RELEASE OF CLAIMS

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

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Rush Bowls restaurant;

WHEREAS, [Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement] or [the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release], and Franchisor has consented to such **[transfer/ successor franchise agreement/amendment/termination/other reason]**; and

WHEREAS, as a condition to Franchisor's consent to **[transfer the Agreement/enter into a successor franchise agreement/amend the Agreement/terminate the Agreement/other reason]**, Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

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

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

franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third party claim.

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

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

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

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

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

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

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

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

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

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

(Signatures on following page)

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

FRANCHISEE:

_____, a

_____

By: _____

Printed Name: _____

Title: _____

FRANCHISEE'S OWNERS:

Date _____

_____
Signature

_____
Typed or Printed Name

_____
Signature

_____
Typed or Printed Name

Rev. 061518

EXHIBIT H-2

RUSH BOWLS FRANCHISE

SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement ("Agreement") is entered into by the undersigned ("you" or "your") in favor of Rush Bowls Franchising, LLC, a Colorado limited liability company, and its successors and assigns ("us", "we" or "our"), upon the terms and conditions set forth in this Agreement.

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

"Competitive Business" means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Franchisee Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Franchisee Territory (including, but not limited to, the services we authorize), but excludes a Rush Bowls Restaurant operating pursuant to a franchise agreement with us.

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

"Franchisee" means the Rush Bowls franchisee for which you are an officer.

"Franchisee Territory" means the territory granted to you pursuant to a franchise agreement with us.

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

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

"Manual" means our confidential operations manual for the operation of a Rush Bowls Restaurant, which may be periodically modified by us.

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

"Prohibited Activities" means any or all of the following: (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest

of five percent (5%) or less in a publicly-traded company that is a Competitive Business); and/or (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees).

"Restricted Period" means the 2-year period after you cease to be an officer of Franchisee's Rush Bowls Restaurant; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the 1-year period after you cease to be an officer of Franchisee's Rush Bowls Restaurant.

"Restricted Territory" means the geographic area within: (i) a 25-mile radius from Franchisee's Rush Bowls Restaurant (and including the premises of the approved location of Franchisee); and (ii) a 25-mile radius from all other Rush Bowls Restaurants that are operating or under construction as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "Restricted Territory" means the geographic area within a 12.5-mile radius from Franchisee's Rush Bowls Restaurant (and including the premises of the approved location of Franchisee).

"System" means our system for the establishment, development, operation, and management of a Rush Bowls Restaurant, including Know-how, proprietary programs and products, Manual, and operating system.

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

3. Know-How and Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the Rush Bowls Restaurant operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee's Rush Bowls Restaurant. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

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

5. Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

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

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

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

9. Miscellaneous.

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

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

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

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

you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

EXECUTED on the date stated below.

Date_____ _____

Signature

_____

Typed or Printed Name

Rev 120619

EXHIBIT H-3

RUSH BOWLS FRANCHISE

SAMPLE CONFIDENTIALITY AGREEMENT

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

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

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

"Franchisee" means the Rush Bowls franchisee for which you are an employee, manager independent contractor, agent, representative, or supplier.

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

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

"Manual" means our confidential operations manual for the operation of a Rush Bowls Restaurant.

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

"Rush Bowls Restaurant" means a business that operates a retail store that offers wholesome, all-natural high-quality bowls and smoothies made from acai, fruit, organic granola and other ingredients and other related products and services using our Intellectual Property.

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

2. Background. You are a manager, employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were to

use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.

3. Know-How and Intellectual Property: Nondisclosure and Ownership. You agree: (i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the Rush Bowls Restaurant operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer a manager, employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of Rush Bowls Franchising, LLC. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

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

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

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

7. Miscellaneous.

a. Although this Agreement is entered into in favor of Rush Bowls Franchising, LLC, you understand and acknowledge that your employer/employee, independent contractor, agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

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

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

EXECUTED on the date stated below.

Date_____ _____

Signature

_____

Typed or Printed Name

Rev.032916

EXHIBIT H-4

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee Email Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
Bank Account No.	☐ Checking ☐ Savings (check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)		Bank Phone No.

Authorization:

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

Signature: _____ Date: _____
Name: _____
Its: _____

Federal Tax ID Number: _____

Rev.032916

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

EXHIBIT H-5

RUSH BOWLS FRANCHISE

SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment ("**Agreement**") is entered into this _____ day of _____, 20_____, between Rush Bowls Franchising, LLC ("**Franchisor**"), a Colorado limited liability company, _____ ("**Former Franchisee**"), the undersigned owners of Former Franchisee ("**Owners**") and _____, a [State] [corporation/limited liability company] ("**New Franchisee**").

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated _____, 20_____ ("**Former Franchise Agreement**"), in which Franchisor granted Former Franchisee the right to operate a Rush Bowls franchise located at _____ ("**Franchised Business**"); and

WHEREAS, Former Franchisee desires to assign ("**Requested Assignment**") the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement, including that New Franchisee sign Franchisor's current form of franchise agreement together with all exhibits and attachments thereto ("**New Franchise Agreement**") contemporaneously herewith.

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

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

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Former Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee's signing the New Franchise Agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor's Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement and waives any obligation for Former Franchisee to enter into a subordination agreement pursuant to the Former Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that effective upon the date of this Agreement, the Former Franchise Agreement shall terminate and all of Former Franchisee's rights to operate the Franchised Business are terminated and that from the date of this

Agreement only New Franchisee shall have the sole right to operate the Franchised Business under the New Franchise Agreement. Former Franchisee and the undersigned Owners agree to comply with all of the covenants in the Former Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Former Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute of the New Franchise Agreement for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Rush Bowls franchise as stated in Franchisor's Franchise Disclosure Document.

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

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

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

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

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

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

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

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

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

FRANCHISOR:

RUSH BOWLS FRANCHISING, LLC

By: _____

Printed Name: _____

Title: _____

FORMER FRANCHISEE:

_____

By: _____

Printed Name: _____

Title: _____

NEW FRANCHISEE:

_____

By: _____

Printed Name: _____

Title: _____

Rev. 082418

EXHIBIT H-6

RUSH BOWLS FRANCHISE

LEASE ADDENDUM

This Addendum to Lease ("**Addendum**"), dated _____, 20___, is entered into by and between _____ ("**Landlord**"), _____ ("**Tenant**") and Rush Bowls Franchising, LLC ("**Franchisor**"), collectively referred to herein as the "**Parties**".

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

B. Landlord acknowledges that Tenant intends to operate a franchised business from the leased premises ("**Premises**") pursuant to a Franchise Agreement ("**Franchise Agreement**") with Franchisor under Franchisor's trademarks and other names designated by Franchisor (herein referred to as "**Franchised Business**" or "**Franchise Business**").

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

NOW, THEREFORE, it is hereby mutually covenanted and agreed among the Parties as follows:

1. Use of the Premises. During the term of the Franchise Agreement, the Premises shall be used only for the operation of the Franchised Business.

2. Franchise System. Landlord hereby consents to Tenant's use of such proprietary marks, signs, interior and exterior décor items, color schemes and related components of the Franchised Business required by Franchisor. Tenant's use of such items shall at all times be in compliance with all applicable laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Premises.

3. Assignment. Tenant shall have the right, without further consent from Landlord, to sublease or assign all of Tenant's right, title, and interest in the Lease to an assignee of the Tenant or the Franchised Business ("**Franchise Assignee**") at any time during the term of the Lease, including any extensions or renewals thereof. If Tenant fails to timely cure any default under either the Lease or the Franchise Agreement, Franchisor or a Franchise Assignee that Franchisor designates, will, at its option, have the right, but not the obligation, to take an assignment of Tenant's interest under the Collateral Assignment of Lease or other form of assignment and assumption document reasonably acceptable to Landlord, provided such Franchise Assignee cures a default of the Lease no later than ten days following the end of Tenant's cure period. No assignment shall be effective until (i) a Franchise Assignee gives Landlord written notice of its acceptance of the assignment and assumption of the Lease; and (ii) Tenant or the Franchise Assignee has cured all material defaults of the Lease for which it has received notice from Landlord. Nothing contained herein or in any other document shall create any obligation or liability of Franchisor, any Franchise Assignee, or guarantor thereof under the Lease unless and until the Lease is assigned to, and accepted in writing by a Franchise Assignee. In the event of any assignment or purported assignment under this Addendum, Tenant shall remain liable under the terms of the Lease and the assignee or subtenant shall retain all of the Tenant's rights granted in the Lease (including without limitation: (x) any grant of a protected territory or use exclusivity; and (y) the renewal or extension of the Lease term.

With respect to any assignment proposed or consummated under this Addendum, Landlord hereby waives any rights it may have to (A) recapture the Premises; (B) terminate the Lease; or (C) modify any terms or conditions of the Lease. If Franchisor accepts an assignment and assumes the Lease under this section, Franchisor shall have the right to further sublet or reassign the Lease to another Franchise Assignee without Landlord's consent in which event Franchisor shall be released from any obligation or liability under the Lease. As used in this Addendum, "**Franchise Assignee**" means: (i) Franchisor or Franchisor's parent, subsidiary, or affiliate; or (ii) any franchisee of Franchisor or of Franchisor's parent, subsidiary, or affiliate.

4. Default and Notice.

a. If Tenant defaults on or breaches the Lease and Landlord delivers a notice of default to Tenant, Landlord shall contemporaneously send a copy of such default notice to Franchisor. Franchisor shall have the right, but not the obligation, to cure the default during Tenant's cure period plus an additional ten day period. Franchisor will notify Landlord whether it intends to cure the default prior to the end of Tenant's cure period.

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

Rush Bowls Franchising, LLC
11031 Sheridan Blvd., Suite 1
Westminster, CO 80020

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

c. Tenant and Landlord agree not to terminate, or materially amend the Lease during the term of the Franchise Agreement or any renewal thereof without Franchisor's prior written consent. Any attempted termination, or material amendment shall be null and void and have no effect as to Franchisor's interests thereunder; and a clause to the effect shall be included in the Lease.

5. Termination or Expiration.

a. If Franchisor does not elect to take an assignment of the Tenant's interest, Landlord will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord, to remove all signs, awnings, and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the Franchisor's trademarks and franchise system and to distinguish the Premises from a Franchised Business, provided that Franchisor repairs any damage caused to the Premises by exercise of its rights hereunder.

b. If any Franchise Assignee purchases any assets of Tenant, Landlord shall permit such Franchise Assignee to remove all the assets being purchased, and Landlord waives any lien rights that Landlord may have on such assets.

6. Consideration; No Liability.

a. Landlord acknowledges that the Franchise Agreement requires Tenant to receive Franchisor's approval of the Lease prior to Tenant executing the Lease and that this Addendum is a material requirement for Franchisor to approve the Lease. Landlord acknowledges Tenant would not lease the Premises without this Addendum. Landlord also hereby consents to the Collateral Assignment of Lease from Tenant to Franchisor as evidenced by Attachment 1.

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

7. Amendments. No amendment or variation of this Addendum shall be valid unless made in writing and signed by the Parties hereto.

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

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

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

FRANCHISOR:

_____

By: _____

Printed Name: _____

Title: _____

EXHIBIT G-6 Attachment 1

ATTACHMENT 1 TO LEASE ADDENDUM

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, as of the ___ day of _____, 20___ ("**Effective Date**"), the undersigned, _____ ("**Assignor**") hereby assigns, transfers and sets over unto _____ ("**Assignee**") all of Assignor's right, title, and interest as tenant, in, to and under that certain lease, a copy of which is attached hereto as **Exhibit A** ("**Lease**") with respect to the premises located at _____. This Collateral Assignment of Lease ("**Assignment**") is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee expressly assume the obligations of Assignor thereunder.

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

Upon a default by Assignor under the Lease or under that certain franchise agreement for a franchise between Assignee and Assignor ("**Franchise Agreement**"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered, in Assignee's sole discretion, to: (i) cure Assignor's default of the Lease; (ii) take possession of the premises demised by the Lease; (iii) expel Assignor from the premises, either temporarily or permanently; (iv) terminate Assignee's rights, title, and interest in the Lease; and/or (v) assume the Lease. If Assignee expends sums to cure a default of the Lease, Assignor shall promptly reimburse Assignee for the cost incurred by Assignee in connection with such performance, together with interest thereon at the rate of two percent (2%) per month, or the highest rate allowed by law.

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

(Signatures on following page)

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

ASSIGNOR:

_____

By: _____

Printed Name _____

Its: _____

ASSIGNEE:

_____

By: _____

Printed Name _____

Its: _____

Rev. 112019

EXHIBIT I

FRANCHISE DISCLOSURE QUESTIONNAIRE

FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, Rush Bowls Franchising, LLC ("we" or "us"), and you are preparing to enter into a Franchise Agreement and an Area Development Agreement, if applicable, for the operation of a Rush Bowls franchise. The purpose of this questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and Area Development Agreement, if applicable.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer in the table provided below.

l.	Yes__	No__	Have you received and personally reviewed the Franchise Agreement and Area Development Agreement, if applicable, and each attachment or exhibit attached to it that we provided?
2.	Yes__	No__	Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3.	Yes__	No__	Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4.	Yes__	No__	Do you understand all the information contained in the Franchise Disclosure Document, Franchise Agreement, and Area Development Agreement, if applicable?
5.	Yes__	No__	Have you reviewed the Franchise Disclosure Document, Franchise Agreement, and Area Development Agreement, if applicable, with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6.	Yes__	No__	Have you had the opportunity to discuss the benefits and risks of developing and operating a Rush Bowls Franchise with an existing Rush Bowls franchisee?
7.	Yes__	No__	Do you understand the risks of developing and operating a Rush Bowls Franchise?
8.	Yes__	No__	Do you understand the success or failure of your Rush Bowls Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?
9.	Yes__	No__	Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement and Area Development Agreement, if applicable, must be arbitrated in Colorado, if not resolved informally or by negotiation?

10. Yes__ No__ Do you understand that you must satisfactorily complete the initial training program before we will allow your Rush Bowls Franchise to open or consent to a transfer of the Rush Bowls Franchise to you?

11. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Rush Bowls Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

12. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and Area Development Agreement, if applicable, and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

13. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Rush Bowls Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

14. Yes__ No__ Do you understand that the Franchise Agreement and Area Development Agreement, if applicable, including each attachment or exhibit to the Franchise Agreement and Area Development Agreement, if applicable, contains the entire agreement between us and you concerning the Rush Bowls Franchise, meaning any prior oral or written statements not set out in the Franchise Agreement and Area Development Agreement, if applicable, or the attachments or exhibits to the Franchise Agreement and Area Development Agreement, if applicable, will not be binding?

15. Yes__ No__ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Signature of Franchise Applicant	Signature of Franchise Applicant
Name (please print)	Name (please print)
Date	Date

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

Rev. 032916

EXHIBIT J

STATE EFFECTIVE DATES

State Effective Dates

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

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

State	Effective Date
California	Pending
Illinois	Pending
Michigan	Pending
New York	Pending

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

EXHIBIT K

RECEIPT

RECEIPT
(Retain This Copy)

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

If Rush Bowls Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, Rush Bowls Franchising, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Rush Bowls Franchising, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Rush Bowls Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit A. Rush Bowls Franchising, LLC authorizes the respective state agencies on Exhibit A to receive service of process for it in the particular state.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Andrew Pudalov, 11031 Sheridan Blvd., Suite 1, Westminster, CO 80020, 303-532-7315

Issuance Date: April 29, 2020

I received a disclosure document issued April 29, 2020 which included the following exhibits:

Exhibit A	List of State Administrators and Agents for Service of Process
Exhibit B	Financial Statements
Exhibit C	Franchise Agreement
Exhibit D	Area Development Agreement
Exhibit E	List of Current and Former Franchisees
Exhibit F	State Addenda and Agreement Riders
Exhibit G	Franchise Operations Manual Table of Contents
Exhibit H	Contracts for use with the Rush Bowls Franchise
Exhibit I	Franchise Disclosure Questionnaire
Exhibit J	State Effective Date
Exhibit K	Receipt

Date	Signature	Printed Name
Date	Signature	Printed Name

Rev. 012417

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

RECEIPT
(Our Copy)

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

If Rush Bowls Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, Rush Bowls Franchising, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Rush Bowls Franchising, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Rush Bowls Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency identified on Exhibit A. Rush Bowls Franchising, LLC authorizes the respective state agencies on Exhibit A to receive service of process for it in the particular state.

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Exhibit J	State Effective Date
Exhibit K	Receipt

Date	Signature	Printed Name
Date	Signature	Printed Name

Rev. 012417

Please sign this copy of the receipt, date your signature, and return it to Rush Bowls Franchising, LLC, 11031 Sheridan Blvd, Suite 1, Westminster, CO 80020.