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FRANCHISE DISCLOSURE DOCUMENT

Modernn Tech, Inc
A Calıfornıa corporatıon
2200 Petaluma Blvd North, Suıte 800,
Petaluma, CA 95492
707-490-7328
TımeOutNPlay@gmaıl com
http //tımeoutnplay com

The franchısed busıness ıs to operate a chıldren's play center and entertaınment busıness under the trade name "Tıme Out N Play"

The total ınvestment necessary to begın operatıon of a Tıme Out N Play franchıse ıs $138,000 to $242,000 Thıs ıncludes $30,000 that must be paıd to the franchısor or affılıate The total ınvestment necessary to begın operatıon under a three- to five-unıt Multı-Unıt Development Agreement (ıncludıng the first unıt) ıs $179,000 to $327,000 Thıs ıncludes $70,000 to $110,000 that must be paıd to the franchısor There ıs no mınımum number of Tıme Out N Play unıts that you are requıred to develop under the Multı-Unıt Development Agreement

Thıs dısclosure document summarızes certaın provısıons of your franchıse agreement and other ınformatıon ın plaın Englısh Read thıs dısclosure document and all accompanyıng agreements carefully You must receıve thıs dısclosure document at least 14 calendar-days before you sıgn a bındıng agreement wıth, or make any payment to, the franchısor or an affılıate ın connectıon wıth the proposed franchıse sale **Note, however, that no governmental agency has verıfied the ınformatıon contained ın thıs document.**

The terms of your contract wıll govern your franchıse relatıonshıp Don't rely on the dısclosure document alone to understand your contract Read all of your contract carefully Show your contract and thıs dısclosure document to an advısor, lıke a lawyer or an accountant

Buyıng a franchıse ıs a complex ınvestment The ınformatıon ın thıs dısclosure document can help you make up your mınd More ınformatıon on franchısıng, such as "A Consumer's Guıde to Buyıng a Franchıse," whıch can help you understand how to use thıs dısclosure document, ıs avaılable from the Federal Trade Commıssıon You can contact the FTC at 1-877-FTC- HELP or by wrıtıng to the FTC at 600 Pennsylvanıa Avenue, NW Washıngton, D C 20580 You can also vısıt the FTC's home page at www ftc gov for additional ınformatıon Call your state agency or vısıt your publıc lıbrary for other sources of ınformatıon on franchısıng

There may also be laws on franchısıng ın your state Ask your state agencıes about them

Issuance date 1/25/2019

STATE COVER PAGE

Your state may have a franchise law that requires us to register or file with a state franchise administrator before offering or selling in your state REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in Exhibit A for information about the franchisor or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT TO RENEW

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN CALIFORNIA OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE

2 THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY

4 THE PRIMARY TRADEMARK THAT YOU WILL USE IN YOUR BUSINESS IS NOT FEDERALLY REGISTERED IF THE FRANCHISOR'S RIGHT TO USE THIS TRADEMARK IN YOUR AREA IS CHALLENGED, YOU MAY HAVE TO IDENTIFY YOUR BUSINESS AND ITS PRODUCTS OR SERVICES WITH A NAME THAT DIFFERS FROM THAT USED BY OTHER FRANCHISEES OR THE FRANCHISOR THIS CHANGE CAN BE EXPENSIVE AND MAY REDUCE BRAND RECONITION OF THE PRODUCTS OR SERVICES YOU OFFER

5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We

pay this person a fee for selling our franchise or referring you to us You should be sure to do your own investigation of the franchise

Effective Date See the next page for state effective dates

STATE EFFECTIVE DATES

The following chart lists states which require that this disclosure document be registered or filed with the state or be exempt from registration In these states, the effective date of this disclosure document is as follows

State	Effective Date
California	Pending
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

In the following states, we have filed a notice of exemption from the registration or filing requirements of the state's business opportunity laws with respect to the offering described in this disclosure document

State	Effective Date
Connecticut*	
Florida	
Kentucky*	
Nebraska*	
Texas*	
Utah	

* One-time filing We do not have a federally-registered trademark, and therefore are subject to business opportunity laws in the following states

State	Effective Date
Connecticut	
Georgia	
Louisiana	
Maine	
North Carolina	
South Carolina	

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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 a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims

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

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

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

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

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

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled At the option of the franchisor, a surety bond may be provided in place of escrow

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

Any questions regarding this notice should be directed to

State of Michigan Department of Attorney General
G Mennen Williams Building, 7th Floor
525 W Ottawa Street
Lansing, Michigan 48909
Telephone Number (517) 373 7117

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EXHIBITS

A State Administrators and Agents for Service of Process
B Franchise Agreement (with Guaranty and Non-Compete Agreement)
C Multi-Unit Development Agreement
D Rider to Lease Agreement
E Form of General Release
F Financial Statements
G Operating Manual Table of Contents
H Current and Former Franchisees
I State Addenda to Disclosure Document
J State Addenda to Agreements
Receipt (2 copies)

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

In this disclosure document, "we", "us," or "our" refers to Modernn Tech, Inc "You" means the person to whom we grant a franchise If you are a corporation, corporation, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement's provisions also will apply to your owners

Us, Any Parents, and Certain Affiliates

Our name is Modernn Tech, Inc Our principal business address is 2200 Petaluma Blvd North, Suite 800, Petaluma, CA 95492 We do not have any parent entities We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees

Our Predecessors

We do not have any predecessors

Our Business Name

We use the names "Modernn Tech, Inc " and "Time Out N Play" We do not intend to use any other names to conduct business

Agent for Service of Process

Our agent for service of process in California is Mr Tal Rami Sahar, and the agent's principal business address is 2200 Petaluma Blvd North, Suite 800, Petaluma, CA 95492 Our agents for service of process in other states are disclosed in Exhibit A

Business Organization

We are a California corporation We were formed on 8/29/2016

Information About Our Business and the Franchises Offered

We do operate businesses of the type being franchised

We do not have any other business activities We have not offered franchises in other lines of business

If you sign a franchise agreement with us, you will develop and operate an indoor children's play center under the trade name Time Out N Play If you sign a Multi-Unit Development Agreement (attached as Exhibit C to this disclosure document), you will develop multiple Time Out N Play outlets, on an agreed-upon schedule For each future unit franchise, we will require you to sign our then-current form of franchise agreement, which may be different from the form of franchise agreement included in this disclosure document

The general market for children's play centers and entertainment businesses is children and families ages 3-13 This market is highly developed and competitive, although our positioning for a service center that has options for younger children is unique in the market Our customers are primarily middle to upper income demographic families with younger children Sales are not seasonal

You will compete against national chains, regional chains, and independent owners Some of these competitors are franchised

Laws and Regulations

There are a wide range of laws and regulations which pertain to how you work in a business with young children These laws and regulations will affect who you hire, what your personal background is and other factors In most markets, you and your employees must be subjected to background checks to confirm that there are no employees or staff interacting with children who have a criminal background

You alone are responsible for investigating and complying with all applicable laws and regulations, despite any information that we may give you You should consult with a legal advisor about legal requirements that may apply to your business

Prior Business Experience

We have offered franchises since the effective date of this Disclosure Document None of our affiliates has offered franchises in other lines of business None of our affiliates provides products or services to our franchisees

We have operated a Time Out N Play business in Petaluma, California since 2017 This operating business has the same address as us

Item 2
BUSINESS EXPERIENCE

Mr. Tal Rami Sahar- President

My Cell Repair, Inc , President, (2009 – Present)

Modernn Tech, Inc , Managing Member, (8/2016 – Present)

Item 3
LITIGATION

No litigation is required to be disclosed in this Item

Item 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item

Item 5
INITIAL FEES

Franchise Fee

When you sign your franchise agreement, you must pay us $30,000 as the initial franchise fee This fee is uniform and not refundable

Multi-Unit Development

If you and we agree that you will develop multiple franchises, then you will sign our Multi-Unit Development Agreement ("MUDA") in the form of Exhibit C to this disclosure document Your franchise fees will be reduced to $20,000 for each franchise after the first franchise You will pay all franchise fees upon signing the MUDA They are not refundable

Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	6% of your gross sales	Weekly, on Tuesday	See Note 1 and Note 2
Marketing Fund Contribution	1% of your gross sales	Weekly, on Tuesday	
Market Cooperative Contribution	As determined by co-op Currently, none	Weekly, on Tuesday	We have the right to establish local or regional advertising cooperatives There is no maximum on the contribution determined by the co-op
Replacement / Additional Training fee	Currently, $250 per day	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee

Type of Fee	Amount	Due Date	Remarks
Third party vendors	Pass-through of costs, plus reasonable administrative charge Currently, none	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate Examples can include computer support vendors, mystery shopping, and customer feedback systems The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together a reasonable markup or charge for administering the payment program
Software subscription	Currently, $20 - $40 per month	Monthly	We require you to use certain software as described in Item 11 You pay subscription fees directly to the software supplier, and not to us Our primary system is SQUARE which charges a percentage of revenues, but you will also need to have QuickBooks for accounting needs
Non-compliance fee	$500	On demand	We may charge you $500 if your business is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice Thereafter, we may charge you $250 per week until you correct such non-compliance
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us
Late fee	$100 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due

Type of Fee	Amount	Due Date	Remarks
Insufficient funds fee	$30 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us
Special support fee	Our then-current fee, plus our expenses Currently, $600 per day	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support)
Customer complaint resolution	Our expenses		We may take any action we deem appropriate to resolve a customer complaint about your business If we respond to a customer complaint, we may require you to reimburse us for our expenses
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported gross sales by more than 3% for any 4-week period
Special inspection fee	Currently $600, plus our out-of-pocket costs	On demand	Payable only if we conduct an inspection of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee
Transfer fee	$15,000 plus any broker fees and other out-of-pocket costs we incur	When transfer occurs	Payable if you sell your business

Type of Fee	Amount	Due Date	Remarks
Liquidated damages	An amount equal to royalty fees and marketing fund contributions for the lesser of (i) 2 years or (ii) the remaining weeks of the franchise term	On demand	Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence)
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney fees, court costs and other expenses

All fees are payable only to us (other than software subscription charges) All fees are imposed by us and collected by us (other than software subscription charges) All fees are non-refundable All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you

Notes

1 "Gross Sales" is defined in our franchise agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales)

2 We currently require you to pay royalty fees and other amounts due to us by pre-authorized bank draft However, we can require an alternative payment method

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT - FRANCHISE AGREEMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (see Note 1)	$30,000 - $30,000	Check or wire transfer	Upon signing the franchise agreement	Us
Rent and Lease Security Deposit (see Note 2)	$3,500 - $10,000	Check	Upon signing lease	Landlord
Utilities	$300 - $600	Check, debit, and/or credit	Upon ordering service	Utility providers
Leasehold Improvements	$5,000 - $75,000	Check	As incurred or when billed	Contractors
Market Introduction Program	$5,000 - $10,000	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Furniture, Fixtures, and Equipment	$45,000 - $65,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Computer Systems	$2,500 - $4,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Insurance	$1,000 - $3,000	Check	Upon ordering	Insurance company
Signage	$5,000 - $7,500	Check, debit, and/or credit	Upon ordering	Vendor
Office Expenses	$500 - $1,500	Check, debit, and/or credit	As incurred	Vendors
Inventory	$500 - $1,500	Check, debit, and/or credit	Upon ordering	Vendors
Licenses and Permits	$1,000 - $1,500	Check	Upon application	Government
Dues and Subscriptions	$500 - $1,500	Check, debit, and/or credit	As incurred	Vendors, trade organizations
Professional Fees (lawyer, accountant, etc)	$1,500 - $3,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Travel, lodging and meals for initial training	$2,000 - $3,500	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) (see Note 3)	$15,000 - $25,000	Varies	Varies	Employees, suppliers, utilities
Total (see Note 5)	$138,000 - $242,000			

YOUR ESTIMATED INITIAL INVESTMENT - MULTI UNIT DEVELOPMENT AGREEMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
First franchise (see table above)	$138,000 - $242,000	Varies	Varies	Varies
Additional initial franchise fees (see Note 4)	$40,000 - $80,000	Check or wire transfer	Upon signing the MUDA	Us
Business planning and miscellaneous expenses	$1,000 - $5,000	Check	As incurred	Vendors and suppliers
Total (see Note 5)	$179,000 - $327,000			

Notes

1 Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility provider None of the other expenditures in this table will be refundable Neither we nor any affiliate finances any part of your initial investment

2 Our estimates in this table assume you pay one month rent plus a security deposit before you open for business For this to occur, you would need to negotiate a "free rent" period for the time it takes to build out your business We expect that you will rent your location If you choose to purchase real estate instead of renting, your costs will be significantly different

3 This includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll, additional inventory, rent, and other operating expenses in excess of income generated by the business In formulating the amount required for additional funds, we relied on the following factors, basis, and experience the development of a Time Out N Play business by our affiliate, and our general knowledge of the industry

4 This estimate assumes you sign a Multi-Unit Development Agreement for three to five franchises The franchise fee for your first unit is counted in the "Estimated Initial Investment

– Franchise Agreement" table Your initial franchise fees are reduced to $20,000 for the second and each additional franchise You will pay all franchise fees upon signing the MUDA

5 These figures are estimates, and we cannot guarantee that you will not have additional, or higher, expenses You should review these figures carefully with a business advisor before making any decision to purchase a franchise

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications

Specific Obligations

The following are our current specific obligations for purchases and leases

A Real Estate Your business location is subject to our approval and must meet our specifications You must use reasonable efforts to have your landlord sign our form of Rider to Lease Agreement (attached to this disclosure document as Exhibit D)

B Insurance You must obtain insurance as described in the Franchise Agreement and in our Manual, which includes (i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible), (ii) Business interruption insurance covering at least 12 months of income, (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit, (iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000, and (v) Workers Compensation coverage as required by state law Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation

C Point-of-sale software and hardware, and related software and hardware You must purchase (or lease) the point-of-sale software and hardware, and related software and hardware, that we specify See Item 11 for more details

D Play Equipment and Supplies You must purchase the equipment, supplies and items to be used in developing the play center area and environment from our approved vendors and suppliers

Us or our Affiliates as Supplier

Neither we nor any affiliate is currently a supplier of any good or service that you must purchase, although we reserve to the right to be a supplier (or the sole supplier) of a good or service in the future

Ownership of Suppliers

None of our officers owns an interest in any supplier to our franchisees

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability, inspections, product testing, and performance reviews Our criteria for approving suppliers are not available to you We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval There is no fee for us to review or approve an alternate supplier We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose) We will generally (but are not obligated to) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units

Revenue to Us and Our Affiliates

We will derive revenue from the required purchases and leases by franchisees Because we are a new franchisor, our total revenue in the prior fiscal year was $0 Our revenue from all required purchases and leases of products and services by franchisees in the prior fiscal year was $0 The percentage of our total revenues that were from required purchases or leases in the prior fiscal year was 0%

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 65% to 75% of your total purchases and leases to establish your business

We estimate that the required purchases and leases of goods and services to operate your business are 70% to 80% of your total purchases and leases of goods and services to operate your business

Payments by Designated Suppliers to Us

We will receive payments from designated suppliers from franchisee purchases based on the following Table Cloths, Socks, Party Supplies and other items will be purchased from us directly

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists

Negotiated Arrangements

We do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees However, we may do so in the future

Benefits Provided to You for Purchases

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers

Item 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a Site selection and acquisition/lease	§§ 6,1, 6 2	Item 11
b Pre-opening purchase/leases	§§ 6 2, 6 3	Items 5, 7, 8 and 11
c Site development and other pre-opening requirements	Article 6	Items 5, 7, 8 and 11
d Initial and ongoing training	§§ 5 4, 6 4, 7 6	Items 5, 6, 8 and 11
e Opening	§§ 6 5, 6 6	Items 7, 8 and 11
f Fees	Article 4, §§ 5 5, 7 8, 10 5, 11 2, 11 3, 14 5, 15 2, 16 1, 17 6	Items 5, 6 and 7
g Compliance with standards and policies/operating manual	§§ 6 3, 7 1, 7 3, 7 5, 7 9 – 7 13, 7 15, 10 1, 10 4, 11 1	Items 8, 11 and 14

Obligation	Section in agreement	Disclosure document item
h Trademarks and proprietary information	Article 12, § 13 1	Items 13 and 14
i Restrictions on products/services offered	§ 7 3	Items 8, 11 and 16
j Warranty and customer service requirements	§§ 7 3, 7 8, 7 9	Item 8
k Territorial development and sales quotas	Not applicable	Item 12
l Ongoing product/service purchases	Article 8	Items 6 and 8
m Maintenance, appearance, and remodeling requirements	§§ 3 2, 7 12, 7 13, 15 2	Items 6, 7 and 8
n Insurance	§ 7 15	Items 6, 7 and 8
o Advertising	Article 9	Items 6, 7, 8 and 11
p Indemnification	Article 16	Items 6 and 8
q Owner's participation/management/staffing	§ 2 4	Items 15
r Records and reports	Article 10	Item 11
s Inspections and audits	§§ 10 5, 11 2	Items 6 and 11
t Transfer	Article 15	Items 6 and 17
u Renewal	§ 3 2	Item 17
v Post-termination obligations	Article 13, § 14 3	Item 17
w Non-competition covenants	§ 13 2	Item 17
x Dispute resolution	Article 17	Items 6 and 17

Item 10
FINANCING

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

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

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

Our Pre-Opening Obligations

Before you open your business

A *Your site* We will review and advise you regarding potential locations that you submit to us (Section 5 4) If you sign a Multi-Unit Development Agreement, we will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply We are not obligated to further assist you in locating a site or negotiating the purchase or lease of the site

(i) We generally do not own your premises

(ii) If your site is not already known and approved by us when you sign your franchise agreement, then we and you will specify in your franchise agreement the area in which you must select a site (Franchise Agreement, Summary Page) We do not select your site Your site is subject to our approval To obtain our approval, you must provide all information and documents about the site that we require

(iii) The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms

(iv) The time limit for us to approve or disapprove your proposed site is 30 days after you submit all of our required documents and information (Section 6 1) If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement Unless we agree to extend the deadline, you will be in default and we may terminate your franchise agreement

(v) We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits This will be your responsibility

B *Constructing, remodeling, or decorating the premises* We will provide you with a set of our standard building plans and specifications and/or standard recommended floor plans, and our specifications for required décor (Section 5 4)

C *Hiring and training employees* We will provide you with our suggested staffing levels (Section 5 2), suggested guidelines for hiring employees (Section 5 2), operational instructions in the Manual which you can use as part of training new employees (Section 5 3), and our initial training program described below Our opening support (as described below) includes assisting you in training employees All hiring decisions and conditions of employment are your sole responsibility

D *Necessary equipment, signs, fixtures, opening inventory, and supplies* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business (Section 5 4) We do not provide these items directly, we only provide the names of approved suppliers We do not deliver or install these items

E *Operating Manual* We will give you access to our Operating Manual (Section 5 1)

F *Initial Training Program* We will conduct our initial training program (Section 5 4) The current initial training program is described below

G *Business plan review* If you request, we will review your pre-opening business plan and financial projections (Section 5 4)

H *Market introduction plan* We will advise you regarding the planning and execution of your market introduction plan (Section 5 4)

I *On-site opening support* We will have a representative provide on-site support for at least 4 days in connection with your business opening (Section 5 4)

Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your business is 4-6 months depending primarily on real estate and finding an approved location for the franchised business Factors that may affect the time period include your ability to obtain a lease, obtain financing, develop your location, obtain business permits and licenses, and hire employees

Our Post-Opening Obligations

After you open your business

A *Developing products or services you will offer to your customers* Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so

B *Hiring and training employees* We will provide you with our suggested staffing levels (Section 5 2), suggested guidelines for hiring employees (Section 5 2), and operational instructions in the Manual which you can use as part of training new employees (Section 5 3) All hiring decisions and conditions of employment are your sole responsibility

C *Improving and developing your business, resolving operating problems you encounter* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable If we provide in-person support in response to your request, we may charge a fee (currently $600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support) (Section 5 5)

D *Establishing prices* Upon your request, we will provide recommended prices for products and services (Section 5 5) We have the right to determine prices charged by our franchisees for goods and services (but only to the extent permitted by applicable law)

E *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures* We will provide you our recommended procedures for administration,

bookkeeping, accounting, and inventory control (Section 5 5) We may make any such procedures part of required (and not merely recommended) procedures for our system

F *Marketing Fund* We will administer the Marketing Fund (Section 5 5)

G *Website* We will maintain a website for the Time Out N Play brand, which will include your business information and telephone number (Section 5 5)

Advertising

Our obligation We will use the Marketing Fund only for marketing and related purposes and costs Media coverage is primarily local We use outside vendors and consultants to produce advertising We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located We will maintain the brand website (which will be paid for by the Marketing Fund) We have no other obligation to conduct advertising

Your own advertising material You may use your own advertising or marketing material only with our approval To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use If we do not respond, the material is deemed rejected If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you

Advertising council We do not have an advertising council composed of franchisees The franchise agreement does not give us the power to form an advertising council

Local or Regional Advertising Cooperatives We do not currently have any local or regional advertising cooperatives We have the right to require you to participate in a local or regional advertising cooperative We will define the area of the cooperative based on media markets, or other geographic criteria that we deem appropriate Each franchisee in the area would have one vote per outlet (unless the franchisee is in default under its franchise agreement) The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% of gross sales If our own outlets are members of a cooperative, they must contribute to the cooperative on the same basis as franchisees, and they will vote on the same basis as other members If our outlets have controlling voting power, there is no maximum on fees that could be imposed We administer the cooperative, but we have the right to delegate responsibility for administration to an outside company such as an advertising agency or accounting firm, or to the franchisee members of the cooperative We have the right to require the cooperative to operate from written bylaws or other governing documents that we determine The documents are not currently available for you to review Cooperatives will prepare annual financial statements which will be made available for review only by us and by the members of cooperative We have the power to require cooperatives to be formed, changed, dissolved, or merged

Advertising Fund You and all other franchisees must contribute to our Marketing Fund Your contribution is 1% of gross sales per week We reserve the right to have other franchisees contribute a different amount or at a different rate Outlets that we own are not obligated to contribute to the Marketing Fund We administer the fund The fund is not audited We will make unaudited annual financial statements available to you upon request

Because we are a new franchisor, we did not spend any money from the Marketing Fund in our most recently concluded fiscal year

If less than all marketing funds are spent in the fiscal year in which they accrue, the money will remain in the Marketing Fund to be spent in the next year

No money from the Marketing Fund is spent principally to solicit new franchise sales

Market introduction plan You must develop a market introduction plan and obtain our approval of the plan at least 30 days before the projected opening date of your business

Required spending After you open, you must spend at least 3% of gross sales each month on marketing your business

Point of Sale and Computer Systems

We require you to buy (or lease) and use a point-of-sale system and computer system as follows

Operating POS System – Scheduling and Overall Management

QuickBooks – Accounting and Financial Management

In addition to the POS System, you must have two basic computer/laptops to use exclusively in connection with your Computer System that must have (i) the ability to access high-speed Internet (wirelessly) twenty-four (24) hours a day, (ii) Windows XP, Vista or newer Windows operating system software installed, along with a Microsoft Office software suite containing Word and Excel, and (iii) the ability to run the accounting/bookkeeping software we designate (if any) The principal functions of the Computer System will be for bookkeeping, creating invoices, preparing materials, and for other general use in connection with the Franchised Business We do not currently have any minimum requirements regarding the RAM storage that your computer / laptop must have, so long as the hardware you are using can perform the tasks outlined in this Item and the Manuals You will also need a basic printer to use in connection with your back-office computer/laptop The computer/laptop you use in connection with the Franchised Business may not be used for any other business purpose We may modify our System standards and specifications for our Computer System, and may otherwise require you to use any Required Software we designate

If you already have computer hardware and/or software that meets our then-current standards for your back of office computer, then you may use these items in connection with your Franchised Business provided you obtain our approval

The system will include the appropriate hardware and software to run a thriving business Including the above POS and printers specifically required These systems will generate or store data such as sales data, customer information, sales trends and charts, labor data, inventory and financial reports

We estimate that these systems will cost between $2,500 and $4,000 to purchase

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates We do not require you enter into any such contract with a third party

You must upgrade or update any system when we determine There is no contractual limit on the frequency or cost of this obligation

We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be $150 to $250 per month depending on service and support levels you choose

You must give us independent access to the information that will be generated or stored in these systems The information that we may access will include sales, customer data, and reports There is no contractual limitation on our right to access the information

Operating Manual

See Exhibit G for the table of contents of our Operating Manual as of the date this disclosure document, with the number of pages devoted to each subject and the total number of pages in the Operating Manual

Training Program

Our training program consists of the following

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Establishing the Franchised Business - Location Design - Layout - Business Plan - Administrative - Banking - Brand	4	4	Our Location, Petaluma, CA or Your Location
Marketing and Promotions - Creating Awareness - Driving Traffic - Brand - Advertising - Marketing Funds	6	6	Our Location, Petaluma, CA or Your Location

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Operations and Management - Front of House - Back of House - Technology and POS - Equipment and Location Design - Vendors - The Customer - Creating a Great Experience for the Children and Family	18	18	Our Location, Petaluma, CA or Your Location
Executing - Working with the Franchisor - Defining your Goals Executing your Plan	2	2	Our Location, Petaluma, CA or Your Location
TOTALS:	30	30	

Training classes will be scheduled in accordance with the needs of new franchisees We anticipate holding training classes four to six times per year Training will be held at our offices and business location in Petaluma, California We reserve the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the initial training program

The instructional materials consist of the Operating Manual and other materials, lectures, discussions, and on-the-job demonstration and practice

Training classes will be led or supervised by Mr Tal Rami Sahar His experience is described in Item 2 He has 1 year of experience in our industry, and 1 year of experience with us or our affiliates

There is no fee for up to 3 people to attend training You must pay the travel and living expenses of people attending training

You must attend training You may send any additional persons to training that you want (up to the maximum described above) You must complete training to our satisfaction at least four weeks before opening your business

Your business must at all times be under your on-site supervision or under the on-site supervision of a general manager who has completed our training program If you need to send a new general manager to our training program, we will charge a fee, which is currently $250 per day Otherwise, we do not currently require additional training programs or refresher courses, but we have the right to do so

Item 12
TERRITORY

Your Location

Your franchise is for a specific location If the specific location is not known at the time you sign a franchise agreement, then your location is subject to our approval

Grant of Territory

Your franchise agreement will specify a territory, which will be determined by us Your territory will have a population of approximately 150,000 people Your territory will usually be specified as radius around your location, however, we may use other boundaries (such as counties or other political boundaries, streets, geographical features, or trade area)

Relocation, Establishment of Additional Outlets

You do not have the right to relocate your business, and we have no obligation to approve any request for relocation Our policy is to approve relocation of a franchisee's business on case-by-case basis, considering factors such as changes in demographics, profitability of your current business, or a loss of your premises due to circumstances beyond your control

You do not have the right to establish additional franchised outlets unless you sign a Multi-Unit Development Agreement ("MUDA") in the form attached as Exhibit C to this disclosure document If you and we sign a MUDA, then you will have the right establish a mutually-agreed number of additional outlets Under the MUDA, your right to develop additional outlets is subject to (1) you must comply with the mutually-agreed development schedule, (2) you must have sufficient financial and organizational capacity to develop, open, operate, and manage each additional Time Out N Play business, (3) you must be in compliance with all brand requirements at your open Time Out N Play business(es), and (4) you must not be in default under any other agreement with us We will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply

Options to Acquire Additional Franchises

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises

Territory Protection

We grant you an exclusive territory In your territory, we will not open a Time Out N Play outlet, nor license or franchise another party to open a Time Out N Play outlet The continuation of your territorial protection does not depend on achieving a certain sales volume, market penetration, or other contingency There are no circumstances that permit us to modify your territorial rights

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

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

Soliciting by You Outside Your Territory

There are no restrictions on you from soliciting or accepting orders from consumers outside of your territory, except that we reserve the right to control all internet-based marketing

Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer However, the franchise agreement does not prohibit us from doing so

Item 13
TRADEMARKS

Principal Trademark

The following is the principal trademark that we license to you This trademark is owned by our owner, Mr Rami Sahar We do not have a federal registration for our principal trademark Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses An application for registration on the Principal Register of the United States Patent and Trademark Office has been filed

Trademark	Application Date	Identification Number
	2/07/2019	88292887

Determinations

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court There are no pending infringement, opposition, or cancellation proceedings

Litigation

There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark

Agreements

There are no currently effective agreements that significantly limit our rights to use or license the use of trademarks listed above in a manner material to the franchise

Protection of Rights

We protect your right to use the principal trademarks listed in this Item, and we protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described in this section

The franchise agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you The franchise agreement does not require us to take affirmative action when notified of these uses or claims We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you

If you use our trademarks in accordance with the franchise agreement, then (i) we will defend you (at our expense) against any legal action by a third party alleging infringement by your use of the trademark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you

Under the franchise agreement, we may require you to modify or discontinue using a trademark, at your expense

Superior Prior Rights and Infringing Uses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not own rights in, or licenses to, patents that are material to the franchise We do not have any pending patent applications

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U S Copyright Act, whether or not we have obtained registrations This includes our Operating Manual as well as all other sales, training, management

and other materials that we have created or will create You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business

We do not have any registered copyrights There are no pending copyright applications for our copyrighted materials There are no currently effective determinations of the U S Copyright Office (Library of Congress) or any court regarding any copyright

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items The franchise agreement does not require us to take affirmative action when notified of copyright infringement We control any copyright litigation We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee We may require you to modify or discontinue using the subject matter covered by any of our copyrights

We do not know of any copyright infringement that could materially affect you

Proprietary Information

We have a proprietary, confidential Operating Manual and related materials that include guidelines, standards and policies for the development and operation of your business We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Operating Manual and other proprietary information, and you must use our confidential information only for your franchised business We may require your managers and key employees to sign confidentiality agreements

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

Your Participation

You are not required to participate personally in the direct operation of your business However, we recommend that you participate

You must designate one person as your "Principal Executive" The Principal Executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business The Principal Executive must own at least 10% of the business The Principal Executive must complete our initial training program The Principal Executive must complete any

post-opening training programs that we develop in the future The Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require The Principal Executive cannot fail to attend more than three consecutive required meetings

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 3 to Exhibit B)

"On-Premises" Supervision

You are not required to personally conduct "on-premises" supervision (that is, act as general manager) of your business However, we recommend on-premises supervision by you

There is no limit on who you can hire as an on-premises supervisor The general manager of your business (whether that is you or a hired person) must successfully complete our training program

If the franchise business is owned by an entity, we do not require that the general manager own any equity in the entity

Restrictions on Your Manager

If we request, you must have your general manager sign a confidentiality and non-compete agreement We do not require you place any other restrictions on your manager

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved

You must offer for sale all goods and services that we require We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes

We do not restrict your access to customers, except that all sales must be made at or from your premises

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a Length of the franchise term	Franchise Agreement (FA) § 3 1 Multi-Unit Development Agreement (MUDA) none	10 years from date of franchise agreement
b Renewal or extension of the term	FA § 3 2 MUDA none	You may obtain a successor franchise agreement for up to two additional 5 year terms
c Requirements for franchisee to renew or extend	FA § 3 2 MUDA none	For our franchise system, "renewal" means that at the end of your term, you sign our successor franchise agreement for an additional 5-year term You may be asked to sign a contract with materially different terms and conditions than your original contract To renew, you must give advance notice to us, be in compliance with all contractual obligations to us and third parties, renovate to our then-current standards, sign then-current form of franchise agreement and related documents (including personal guaranty), sign general release (unless prohibited by applicable law)
d Termination by franchisee	FA § 14 1 MUDA § 4	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you If you sign a MUDA, you may terminate it at any time
e Termination by franchisor without cause	Not Applicable	

Provision	Section in franchise or other agreement	Summary
f Termination by franchisor with cause	FA § 14 2 MUDA § 4	We may terminate your agreement for cause, subject to any applicable notice and cure opportunity If you sign a Multi-Unit Development Agreement, termination of your MUDA does not give us the right to terminate your franchise agreement However, if your franchise agreement is terminated, we have the right to terminate your MUDA
g "Cause" defined--curable defaults	FA § 14 2 MUDA none	Non-payment by you (10 days to cure), violate franchise agreement other than non-curable default (30 days to cure)
h "Cause" defined--non-curable defaults	FA § 14 2 MUDA § 4	FA Misrepresentation when applying to be a franchisee, knowingly submitting false information, bankruptcy, lose possession of your location, violation of law, violation of confidentiality, violation of non-compete, violation of transfer restrictions, slander or libel of us, refusal to cooperate with our business inspection, cease operations for more than 5 consecutive days, three defaults in 12 months, cross-termination, charge or conviction of a felony, or accusation of an act that is reasonably likely to materially and unfavorably affect our brand, any other breach of franchise agreement which by its nature cannot be cured MUDA failure to meet development schedule, violation of franchise agreement or other agreement which gives us the right to terminate it
i Franchisee's obligations on termination/non-renewal	FA §§ 14 3 – 14 6 MUDA none	Pay all amounts due, return Manual and proprietary items, notify phone, internet, and other providers and transfer service, cease doing business, remove identification, purchase option by us
j Assignment of agreement by franchisor	FA § 15 1 MUDA § 7	Unlimited

Provision	Section in franchise or other agreement	Summary
k "Transfer" by franchisee - defined	FA Article 1 MUDA Background Statement	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) direct or indirect ownership interest of more than 25% of the business, or (iv) control of the business
l Franchisor's approval of transfer by franchisee	FA § 15 2 MUDA § 7	No transfers without our approval
m Conditions for franchisor's approval of transfer	FA § 15 2 MUDA none	Pay transfer fee, buyer meets our standards, buyer is not a competitor of ours, buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty), you've made all payments to us and are in compliance with all contractual requirements, buyer completes training program, you sign a general release, business complies with then-current system specifications (including remodel, if applicable)
n Franchisor's right of first refusal to acquire franchisee's business	FA § 15 5 MUDA none	If you want to transfer your business (other than to your spouse, sibling, or child), we have a right of first refusal
o Franchisor's option to purchase franchisee's business	Not Applicable	
p Death or disability of franchisee	FA §§ 2 4, 15 4 MUDA none	If you die or become incapacitated, a new principal operator acceptable to us must be designated to operate the business, and your executor must transfer the business to a third party within nine months
q Non-competition covenants during the term of the franchise	FA § 13 2 MUDA none	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, or be engaged or employed by, any competitor

Provision	Section in franchise or other agreement	Summary
r Non-competition covenants after the franchise is terminated or expires	FA § 13 2 MUDA none	For two years, no ownership or employment by a competitor located within five miles of your former territory or the territory of any other Time Out N Play business operating on the date of termination
s Modification of the agreement	FA § 18 4 MUDA § 7	No modification or amendment of the agreement will be effective unless it is in writing and signed by both parties This provision does not limit our right to modify the Manual or system specifications
t Integration/merger clause	FA § 18 3 MUDA § 7	Only the terms of the agreement are binding (subject to state law) Any representations or promises outside of the disclosure document and franchise agreement (or MUDA) may not be enforceable However, no claim made in any franchise agreement (or MUDA) is intended to disclaim the express representations made in this Disclosure Document
u Dispute resolution by arbitration or mediation	FA § 17 1 MUDA § 7	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law)
v Choice of forum	FA §§ 17 1, 17 5 MUDA § 7	Arbitration will take place where our headquarters is located (currently, Petaluma, California) (subject to applicable state law) Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law)
w Choice of law	FA § 18 8 MUDA § 7	California (subject to applicable state law)

For additional disclosures required by certain states, refer to Exhibit I - State Addenda to Disclosure Document

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

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 Mr Rami Sahar, 2200 Petaluma Blvd North, Suite 800, Petaluma, CA 95492, and 707-490-7328, the Federal Trade Commission, and the appropriate state regulatory agencies

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For years 2016 to 2018

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2016	0	0	0
	2017	0	0	0
	2018	0	0	0
Company-Owned	2016	0	0	0
	2017	0	1	+1
	2018	1	1	0
Total Outlets	2016	0	0	0
	2017	0	1	+1

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
	2018	1	1	0

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2016 to 2018

Column 1 State	Column 2 Year	Column 3 Number of Transfers
N/A	2016	0
	2017	0
	2018	0
Total	2016	0
	2017	0
	2018	0

Table 3
Status of Franchised Outlets
For years 2016 to 2018

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi-Nations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
N/A	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
Totals	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0

Table 4
Status of Company-Owned Outlets
For years 2016 to 2018

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
California	2016	0	0	0	0	0	0
	2017	0	1	0	0	0	1
	2018	1	0	0	0	0	1
Totals	2016	0	0	0	0	0	0
	2017	0	1	0	0	0	1
	2018	1	0	0	0	0	1

Table 5
Projected Openings As Of December 31, 2018

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Next Fiscal Year
California	0	1	0
Nevada	0	1	0
Totals	0	2	0

Current Franchisees

Exhibit H contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets

Former Franchisees

Exhibit H contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system

Confidentiality Clauses

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee

Franchisee Organizations

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

Item 21
FINANCIAL STATEMENTS

We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission Exhibit F contains our audited opening balance sheet dated 12/31/2018 Our fiscal year end is December 31

Item 22
CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits

B	Franchise Agreement (with Guaranty and Non-Compete Agreement)
C	Multi-Unit Development Agreement
D	Rider to Lease Agreement
E	Form of General Release
J	State Addenda to Agreements

Item 23
RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Business Oversight Department of Business Oversight 1515 K Street Suite 200 Sacramento, CA 95814-4052 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P O Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn Franchise Section 525 W Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280 St Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St Paul, MN 55101-2198 (651) 539-1500
New York	New York State Department of Law Investor Protection Bureau 28 Liberty St 21st Floor Petaluma, CA 10005 212-416-8236	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave , State Capital Fifth Floor, Dept 414 Bismarck, ND 58505-0510 (701) 328-4712	
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O Pastore Complex–69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760	
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Securities And Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, WI 53703

EXHIBIT B

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGE		
1.	**Franchisee**	_____
2	**Initial Franchise Fee**	$_____
3.	**Development Area**	_____
4	**Business Location**	_____
5	**Territory**	_____
6.	**Opening Deadline**	_____
7.	**Principal Executive**	_____
8.	**Franchisee's Address**	_____

FRANCHISE AGREEMENT

This Agreement is made between Modernn Tech, Inc , a California corporation ("Time Out N Play Franchising"), and Franchisee effective as of the date signed by Time Out N Play Franchising (the "Effective Date")

Background Statement:

A Modernn Tech, Inc has created and own a system (the "System") for developing and operating a children's entertainment and party facility under the trade name "Time Out N Play"

B The System includes (1) methods, procedures, and standards for developing and operating a Time Out N Play business, (2) plans, specifications, equipment, signage and trade dress for Time Out N Play businesses, (3) particular products and services, (4) the Marks, (5) training programs, (6) business knowledge, (7) marketing plans and concepts, and (8) other mandatory or optional elements as determined by Time Out N Play Franchising from time to time

C The parties desire that Time Out N Play Franchising license the Marks and the System to Franchisee for Franchisee to develop and operate a Time Out N Play business on the terms and conditions of this Agreement

ARTICLE 1 DEFINITIONS

"**Action**" means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal

"**Approved Vendor**" means a supplier, vendor, or distributor of Inputs which has been approved by Time Out N Play Franchising

"**Business**" means the Time Out N Play business owned by Franchisee and operated under this Agreement

"**Competitor**" means any business which offers children's services and entertainment facilities for birthdays, recreation or other means

"**Confidential Information**" means all non-public information of or about the System, Time Out N Play Franchising, and any Time Out N Play business, including all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how

"**Gross Sales**" means the total dollar amount of all sales generated through the Business for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales)

"**Input**" means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business

"**Location**" means the location stated on the Summary Page If no location is stated on the Summary Page, then the Location will be determined in accordance with Section 6 1

"**Losses**" includes (but is not limited to) all losses, damages, fines, charges, expenses, lost profits, reasonable attorneys' fees, travel expenses, expert witness fees, court costs, settlement amounts, judgments, loss of Time Out N Play Franchising's reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space and the costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described

"**Manual**" means Time Out N Play Franchising's confidential Operating Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media

"**Marketing Fund**" means the fund established (or which may be established) by Time Out N Play Franchising into which Marketing Fund Contributions are deposited

"**Marks**" means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Time Out N Play Franchising from time to time for use in a Time Out N Play business

"**Owner**" means each person or entity which directly or indirectly owns or controls any equity of Franchisee If Franchisee is an individual person, then "Owner" means Franchisee

"**Remodel**" means a refurbishment, renovation, and remodeling of the Location to conform to the building design, exterior facade, trade dress, signage, fixtures, furnishings, equipment, decor, color schemes, presentation of the Marks, and other System Standards in a manner consistent with the image then in effect for a new Time Out N Play business

"**Required Vendor**" means a supplier, vendor, or distributor of Inputs which Time Out N Play Franchising requires franchisees to use

"**System Standards**" means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Time Out N Play Franchising, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, design (such as construction, decoration, layout, furniture, fixtures and signs), equipment, inventory, marketing and public relations, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles

"**Territory**" means the territory stated on the Summary Page If no territory is stated on the Summary Page, then the Territory is determined in accordance with Section 6 1

"**Transfer**" means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) direct or indirect ownership interest of more than 25% of the Business, or (iv) control of the Business

ARTICLE 2 GRANT OF LICENSE

2.1 Grant. Time Out N Play Franchising grants to Franchisee the right to operate a Time Out N Play business solely at the Location If no Location is stated on the Summary Page when this Agreement is signed, then the parties will determine the Location in accordance with Section 6 1 Franchisee shall develop, open and operate a Time Out N Play business at the Location for the entire term of this Agreement

2.2 Protected Territory Time Out N Play Franchising shall not establish, nor license the establishment of, another Time Out N Play business within the Territory Time Out N Play Franchising retains the right to

(i) establish and license others to establish and operate Time Out N Play businesses outside the Territory,

(ii) operate and license others to operate businesses anywhere that do not operate under the Time Out N Play brand name, and

(iii) sell and license others to sell products and services in the Territory through channels of distribution (including the internet) other than Time Out N Play outlets

2 3 Franchisee Control Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify Time Out N Play Franchising within 10 days

2.4 Principal Executive. Franchisee agrees that the person designated as the "Principal Executive" on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee The Principal Executive must have at least 10% ownership interest in Franchisee The Principal Executive does not have to serve as a day-to-day general manager of the Business, but the Principal Executive must devote substantial time and attention to the Business If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to Time Out N Play Franchising's reasonable approval

2.5 Guaranty If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Time Out N Play Franchising, in the form of Attachment 3

2.6 No Conflict. Franchisee represents to Time Out N Play Franchising that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order

ARTICLE 3. TERM

3.1 Term. This Agreement commences on the Effective Date and continues for 10 years

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement for up to two additional periods of 5 years each, subject to the following conditions prior to each expiration

(i) Franchisee notifies Time Out N Play Franchising of the election to renew between 90 and 180 days prior to the end of the term,

(ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Time Out N Play Franchising (or any of its affiliates) at the time of election and at the time of renewal,

(iii) Franchisee has made or agrees to make (within a period of time acceptable to Time Out N Play Franchising) renovations and changes to the Business as Time Out N Play Franchising requires (including a Remodel, if applicable) to conform to the then-current System Standards,

(iv) Franchisee and its Owners execute Time Out N Play Franchising's then-current standard form of franchise agreement and related documents (including personal guaranty), which may be materially different than this form (including, without limitation, higher and/or different fees), except that Franchisee will not pay another initial franchise fee and will not receive more renewal or successor terms than described in this Section, and

(v) Franchisee and each Owner executes a general release (on Time Out N Play Franchising's then-standard form) of any and all claims against Time Out N Play Franchising, its affiliates, and their respective owners, officers, directors, agents and employees

ARTICLE 4. FEES

4.1 Initial Franchise Fee Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page This initial franchise fee is not refundable

4.2 Royalty Fee. Franchisee shall pay Time Out N Play Franchising a weekly royalty fee (the "Royalty Fee") equal to 6% of Gross Sales The Royalty Fee for any given week is due on the first Tuesday of the following week

4.3 Marketing Contributions.

(a) Marketing Fund Contribution Franchisee shall pay Time Out N Play Franchising a contribution to the Marketing Fund (the "Marketing Fund Contribution") equal to 1% of Franchisee's Gross Sales (or such lesser amount as Time Out N Play Franchising determines), at the same time as the Royalty Fee

(b) Market Cooperative Contribution If the Business participates in a Market Cooperative, then Franchisee shall contribute to the Market Cooperative a percentage of Gross Sales (or other amount) determined by the Market Cooperative

4.4 Replacement / Additional Training Fee. If Franchisee sends an employee to Time Out N Play Franchising's training program after opening, Time Out N Play Franchising may charge its then-current training fee As of the date of this Agreement, the training fee is $250 per day

4.5 Third Party Vendors. If Time Out N Play Franchising requires Franchisee to use a designated third-party vendor, Time Out N Play Franchising has the right (but not the obligation) to collect payment on behalf of the vendor and remit the payment to the vendor If Time Out N Play Franchising does so, it may impose a reasonable markup or charge for administering the payment program

4.6 Non-Compliance Fee. Time Out N Play Franchising may charge Franchisee $500 for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to Time Out N Play Franchising) which Franchisee fails to cure after 30 days' notice Thereafter, Time Out N Play Franchising may charge Franchisee $250 per week until Franchisee ceases such non-compliance This fee is a reasonable estimate of Time Out N Play Franchising's internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee's breach The non-compliance fee is in addition to all of Time Out N Play Franchising's other rights and remedies (including default and termination under Section 14 2)

4.7 Reimbursement Time Out N Play Franchising may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party If Time Out N Play Franchising does so or intends to do so, Franchisee shall pay such amount plus a 10% administrative charge to Time Out N Play Franchising within 15 days after invoice by Time Out N Play Franchising accompanied by reasonable documentation

4.8 Payment Terms.

(a) Method of Payment Franchisee shall pay the Royalty Fee, Marketing Fund Contribution, and any other amounts owed to Time Out N Play Franchising by pre-authorized bank draft or in such other manner as Time Out N Play Franchising may require Franchisee shall comply with Time Out N Play Franchising's payment instructions

(b) Calculation of Fees Franchisee shall report weekly Gross Sales to Time Out N Play Franchising by Tuesday of the following week If Franchisee fails to report weekly Gross Sales, then Time Out N Play Franchising may withdraw estimated Royalty Fees and Marketing Fund Contributions equal to 125% of the last Gross Sales reported to Time Out N Play Franchising, and

the parties will true-up the actual fees after Franchisee reports Gross Sales Franchisee acknowledges that Time Out N Play Franchising has the right to remotely access Franchisee's point-of-sale system to calculate Gross Sales

(c) Late Fees and Interest If Franchisee does not make a payment on time, Franchisee shall pay a $100 "late fee" plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)

(d) Insufficient Funds Time Out N Play Franchising may charge $30 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law)

(e) Costs of Collection Franchisee shall repay any costs incurred by Time Out N Play Franchising (including reasonable attorney fees) in attempting to collect payments owed by Franchisee

(f) Application Time Out N Play Franchising may apply any payment received from Franchisee to any obligation and in any order as Time Out N Play Franchising may determine, regardless of any designation by Franchisee

(g) Obligations Independent, No Set-Off The obligations of Franchisee to pay to Time Out N Play Franchising any fees or amounts described in this Agreement are not dependent on Time Out N Play Franchising's performance and are independent covenants by Franchisee Franchisee shall make all such payments without offset or deduction

ARTICLE 5. ASSISTANCE

5.1 Manual. Time Out N Play Franchising shall make its Manual available to Franchisee

5 2 Assistance in Hiring Employees. Time Out N Play Franchising shall provide its suggested staffing levels to Franchisee Time Out N Play Franchising shall provide suggested guidelines for hiring employees All hiring decisions and conditions of employment are Franchisee's sole responsibility

5.3 Assistance in Training Employees. Time Out N Play Franchising shall, to the extent it deems appropriate, provide programs for Franchisee to conduct training of new employees

5.4 Pre-Opening Assistance

(a) Selecting Location Time Out N Play Franchising shall provide its criteria for Time Out N Play locations to Franchisee Time Out N Play Franchising will review and advise Franchisee regarding potential locations submitted by Franchisee

(b) Pre-Opening Plans, Specifications, and Vendors Within a reasonable period of time after the Effective Date, Time Out N Play Franchising shall provide Franchisee with (i) Time Out N Play Franchising's sample set of standard building plans and specifications and/or standard recommended floor plans, (ii) the applicable System Standards, (iii) other specifications as Time

Out N Play Franchising deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (iv) Time Out N Play Franchising's lists of Approved Vendors and/or Required Vendors

(c) Business Plan Review If requested by Franchisee, Time Out N Play Franchising shall review and advise on Franchisee's pre-opening business plan and financial projections **Franchisee acknowledges that Time Out N Play Franchising accepts no responsibility for the performance of the Business.**

(d) Pre-Opening Training Time Out N Play Franchising shall make available its standard pre-opening training to the Principal Executive and up to 2 other employees, at Time Out N Play Franchising's headquarters and/or at a Time Out N Play business designated by Time Out N Play Franchising Time Out N Play Franchising shall not charge any fee for this training Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses Time Out N Play Franchising reserves the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the program

(e) Market Introduction Plan Time Out N Play Franchising shall advise Franchisee regarding the planning and execution of Franchisee's market introduction plan

(f) On-Site Opening Assistance Time Out N Play Franchising shall have a representative support Franchisee's business opening with at least 4 days of onsite opening training and assistance

5.5 Post-Opening Assistance

(a) Advice, Consulting, and Support If Franchisee requests, Time Out N Play Franchising will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Time Out N Play Franchising deems reasonable If Time Out N Play Franchising provides in-person support in response to Franchisee's request, Time Out N Play Franchising may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support)

(b) Pricing Upon request, Time Out N Play Franchising will provide recommended prices for products and services offered by franchisees of the System

(c) Procedures Time Out N Play Franchising will provide Franchisee with Time Out N Play Franchising's recommended administrative, bookkeeping, accounting, and inventory control procedures Time Out N Play Franchising may make any such procedures part of required (and not merely recommended) System Standards

(d) Marketing Time Out N Play Franchising shall manage the Marketing Fund

(e) Internet Time Out N Play Franchising shall maintain a website for Time Out N Play, which will include Franchisee's location (or territory) and telephone number

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Determining Location and Territory. If the Location and Territory are not stated on the Summary Page

(i) Franchisee shall find a potential Location within the Development Area described on the Summary Page Franchisee shall submit its proposed Location to Time Out N Play Franchising for acceptance, with all related information Time Out N Play Franchising may request If Time Out N Play Franchising does not accept the proposed Location in writing within 30 days, then it is deemed rejected

(ii) When Time Out N Play Franchising accepts the Location, it shall issue a Location Acceptance Letter in the form of Attachment 2 which states the Location and Territory Time Out N Play Franchising shall determine the Territory in its good faith discretion, substantially in accordance with Item 12 of the Franchise Disclosure Document

(iii) **Time Out N Play Franchising's advice regarding or acceptance of a site is not a representation or warranty that the Business will be successful, and Time Out N Play Franchising has no liability to Franchisee with respect to the location of the Business.**

6.2 Lease. In connection with any lease between Franchisee and the landlord of the Location (i) if requested by Time Out N Play Franchising, Franchisee must submit the proposed lease to Time Out N Play Franchising for written approval, (ii) the term of the lease (including renewal terms) must be for a period of not less than the term of this Agreement, and (iii) Franchisee shall use commercially reasonable efforts to obtain the landlord's signature to a rider to the lease in the form required by Time Out N Play Franchising

6 3 Development. Franchisee shall construct (or remodel) and finish the Location in conformity with Time Out N Play Franchising's System Standards If required by Time Out N Play Franchising, Franchisee shall engage the services of an architect licensed in the jurisdiction of the Location Franchisee shall not begin any construction or remodeling work without first obtaining Time Out N Play Franchising's approval of Franchisee's plans Time Out N Play Franchising may, but is not required to, inspect Franchisee's construction or remodeling progress at any reasonable time Franchisee shall not rely upon any information provided or opinions expressed by Time Out N Play Franchising or its representatives regarding any architectural, engineering, or legal matters (including without limitation the Americans With Disabilities Act) in the development and construction of the Business, and Time Out N Play Franchising assumes no liability with respect thereto Time Out N Play Franchising's inspection and/or approval to open the Business is not a representation or a warranty that the Business has been constructed in accordance with any architectural, engineering, or legal standards

6.4 New Franchisee Training. Franchisee's Principal Executive must complete Time Out N Play Franchising's training program for new franchisees to Time Out N Play Franchising's satisfaction at least four weeks before opening the Business

6.5 Conditions to Opening. Franchisee shall notify Time Out N Play Franchising at least 30 days before Franchisee intends to open the Business to the public Before opening, Franchisee must satisfy all of the following conditions (1) Franchisee is in compliance with this Agreement,

(2) Franchisee has obtained all applicable governmental permits and authorizations, (3) the Business conforms to all applicable System Standards, (4) Time Out N Play Franchising has inspected and approved the Business, (5) Franchisee has hired sufficient employees, (6) Franchisee's officers and employees have completed all of Time Out N Play Franchising's required pre-opening training, and (7) Time Out N Play Franchising has given its written approval to open, which will not be unreasonably withheld

6.6 Opening Date. Franchisee shall open the Business to the public on or before the date stated on the Summary Page

ARTICLE 7. OPERATIONS

7.1 Compliance with Manual and System Standards Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all other System Standards

7 2 Compliance with Law. Franchisee and the Business shall comply with all laws and regulations Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business

7.3 Products, Services, and Methods of Sale. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Time Out N Play Franchising in the Manual or otherwise in writing Franchisee shall make sales only to retail customers, and only at the Location Unless otherwise approved or required by Time Out N Play Franchising, Franchisee shall not make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the internet, or at temporary or satellite locations Franchisee shall provide all products and perform all services in a high-quality manner that meets or exceeds the customer's reasonable expectations and all applicable System Standards Franchisee shall implement any guaranties, warranties, or similar commitments regarding products and/or services that Time Out N Play Franchising may require

7.4 Prices.

Time Out N Play Franchising may require Franchisee to offer products and services at specific prices determined by Time Out N Play Franchising if Time Out N Play Franchising is promoting such products and services on a national, regional, or local market basis, for the duration of the promotion (but only to the extent permitted by applicable law)

7.5 Personnel.

(a) Management The Business must at all times be under the on-site supervision of the Principal Executive or a general manager who has completed Time Out N Play Franchising's training program

(b) Service Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public

(c) Appearance Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual

(d) Qualifications Time Out N Play Franchising may set minimum qualifications for categories of employees employed by Franchisee

(e) Sole Responsibility Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination Franchisee is solely responsible for all actions of its personnel Franchisee and Time Out N Play Franchising are not joint employers, and no employee of Franchisee will be an agent or employee of Time Out N Play Franchising Within seven days of Time Out N Play Franchising's request, Franchisee and each of its employees will sign an acknowledgment form stating that Franchisee alone (and not Time Out N Play Franchising) is the employee's sole employer Franchisee will use its legal name on all documents with its employees and independent contractors, including, but not limited to, employment applications, time cards, pay checks, and employment and independent contractor agreements, and Franchisee will not use the Marks on any of these documents

7.6 Post-Opening Training. Time Out N Play Franchising may at any time require that the Principal Executive and/or any other employees complete training programs, in any format and in any location determined by Time Out N Play Franchising Time Out N Play Franchising may charge a reasonable fee for any training programs Time Out N Play Franchising may require Franchisee to provide training programs to its employees If a training program is held at a location which requires travel by the Principal Executive or any other employee, then Franchisee shall pay all travel, living and other expenses

7.7 Software. Without limiting the generality of Section 7 1 or Section 8 1, Franchisee shall acquire and use all software and related systems required by Time Out N Play Franchising Franchisee shall enter into any subscription and support agreements that Time Out N Play Franchising may require Franchisee shall upgrade, update, or replace any software from time to time as Time Out N Play Franchising may require Franchisee shall protect the confidentiality and security of all software systems, and Franchisee shall abide by any System Standards related thereto Franchisee shall give Time Out N Play Franchising unlimited access to Franchisee's point of sale system and other software systems used in the Business, by any means designated by Time Out N Play Franchising

7.8 Customer Complaints. Franchisee shall use its best efforts to promptly resolve any customer complaints Time Out N Play Franchising may take any action it deems appropriate to resolve a customer complaint regarding the Business, and Time Out N Play Franchising may require Franchisee to reimburse Time Out N Play Franchising for any expenses

7 9 Customer Evaluation and System Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Time Out N Play Franchising for obtaining customer evaluations and/or reviewing Franchisee's compliance with the System, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping Time Out N Play Franchising shall share with Franchisee the results of these

programs, as they pertain to the Business Franchisee must meet or exceed any minimum score requirements set by Time Out N Play Franchising for such programs

7.10 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by Time Out N Play Franchising (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems) Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Time Out N Play Franchising Franchisee must at all times comply with payment card industry data security standards (PCI-DSS)

7.11 Gift Cards, Loyalty Programs, and Incentive Programs At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs, membership/subscription programs, or customer incentive programs, designated by Time Out N Play Franchising, in the manner specified by Time Out N Play Franchising in the Manual or otherwise in writing Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another Time Out N Play business Franchisee shall comply with all procedures and specifications of Time Out N Play Franchising related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription, or customer incentive programs

7 12 Maintenance and Repair Franchisee shall at all times keep the Business in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair In addition, Franchisee shall promptly perform all work on the physical property of the Business as Time Out N Play Franchising may prescribe from time to time, including but not limited to periodic interior and exterior painting, resurfacing of the parking lot, roof repairs, and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment and décor Franchisee acknowledges that the System Standards may include requirements for cleaning, maintenance, and repair

7.13 Remodeling In addition to Franchisee's obligations to comply with all System Standards in effect from time to time, Time Out N Play Franchising may require Franchisee to undertake and complete a Remodel of the Location to Time Out N Play Franchising's satisfaction Franchisee must complete the Remodel in the time frame specified by Time Out N Play Franchising Time Out N Play Franchising may require the Franchisee to submit plans for Time Out N Play Franchising's reasonable approval prior to commencing a required Remodel Time Out N Play Franchising's right to require a Remodel is limited as follows (i) the Remodel will not be required in the first two or last two years of the term (except that a Remodel may be required as a condition to renewal of the term or a Transfer), and (ii) a Remodel will not be required more than once every five years from the date on which Franchisee was required to complete the prior Remodel

7 14 Meetings. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that Time Out N Play Franchising requires, including any national or regional brand conventions Franchisee shall not permit the Principal Executive to fail to attend more than three consecutive required meetings

7.15 Insurance.

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Time Out N Play Franchising in the Manual If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage

(i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible),

(ii) Business interruption insurance covering at least 12 months of income,

(iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit,

(iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000, and

(v) Workers Compensation coverage as required by state law

(b) Franchisee's policies (other than Workers Compensation) must (1) list Time Out N Play Franchising and its affiliates as an additional insured, (2) include a waiver of subrogation in favor of Time Out N Play Franchising and its affiliates, (3) be primary and non-contributing with any insurance carried by Time Out N Play Franchising or its affiliates, and (4) stipulate that Time Out N Play Franchising shall receive 30 days' prior written notice of cancellation

(c) Franchisee shall provide Certificates of Insurance evidencing the required coverage to Time Out N Play Franchising prior to opening and upon annual renewal of the insurance coverage, as well as at any time upon request of Time Out N Play Franchising

7 16 Suppliers and Landlord. Franchisee shall pay all vendors and suppliers in a timely manner If Franchisee leases the Location, Franchisee shall comply with its lease for the Location

7.17 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Time Out N Play, the Business, or any particular incident or occurrence related to the Business, without Time Out N Play Franchising's prior written approval, which will not be unreasonably withheld

7 18 Association with Causes Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of any such organization, without Time Out N Play Franchising's prior written approval, which will not be unreasonably withheld

7 19 No Other Activity at the Location. Franchisee shall not engage in any activity at the Location other than operation of the Time Out N Play Business

7.20 No Other Businesses If Franchisee is an entity, Franchisee shall not own or operate any other business except Time Out N Play businesses

7.21 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Time Out N Play Franchising, which will not be unreasonably withheld

7.22 No Co-Branding. Franchisee shall not "co-brand" or associate any other business activity with the Time Out N Play Business in a manner which is likely to cause the public to perceive it to be related to the Time Out N Play Business

7.23 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Time Out N Play Franchising Franchisee must display at the Business signage prescribed by Time Out N Play Franchising identifying the Location as an independently owned franchise

7.24 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair Franchisee shall comply with any code of ethics or statement of values from Time Out N Play Franchising Franchisee shall not take any action which may injure the goodwill associated with the Marks

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally Franchisee shall acquire all Inputs required by Time Out N Play Franchising from time to time in accordance with System Standards Time Out N Play Franchising may require Franchisee to purchase or lease any Inputs from Time Out N Play Franchising, Time Out N Play Franchising's designee, Required Vendors, Approved Vendors, and/or under Time Out N Play Franchising's specifications Time Out N Play Franchising may change any such requirement or change the status of any vendor To make such requirement or change effective, Time Out N Play Franchising shall issue the appropriate System Standards

8 2 Alternate Vendor Approval. If Time Out N Play Franchising requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Time Out N Play Franchising Time Out N Play Franchising may condition its approval on such criteria as Time Out N Play Franchising deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability, inspections, product testing, and performance reviews Time Out N Play Franchising will provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request

8.3 Alternate Input Approval. If Time Out N Play Franchising requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Time Out N Play Franchising Time Out N Play Franchising will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request

8.4 Purchasing. Time Out N Play Franchising may negotiate prices and terms with vendors on behalf of the System Time Out N Play Franchising may receive rebates, payments or other consideration from vendors in connection with purchases by franchisees Time Out N Play Franchising may implement a centralized purchasing system Time Out N Play Franchising may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Time Out N Play Franchising may determine

8 5 No Liability of Franchisor. Time Out N Play Franchising shall not have any liability to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation defects, delays, or unavailability of products or services

8 6 Product Recalls If Time Out N Play Franchising or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Business issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from Time Out N Play Franchising or the vendor, supplier, or manufacturer of such item with respect to such item, including without limitation the recall, repair, and/or replacement of such item

ARTICLE 9. MARKETING

9.1 Approval and Implementation. Franchisee shall not conduct any marketing, advertising, or public relations activities (including in-store marketing materials, websites, online advertising, social media marketing or presence, and sponsorships) that have not been approved by Time Out N Play Franchising Time Out N Play Franchising may (but is not obligated to) operate all "social media" accounts on behalf of the System, or it may permit franchisees to operate one or more accounts Franchisee must comply with any System Standards regarding marketing, advertising, and public relations, include any social media policy that Time Out N Play Franchising may prescribe Franchisee shall implement any marketing plans or campaigns determined by Time Out N Play Franchising

9.2 Use by Time Out N Play Franchising. Time Out N Play Franchising may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, royalty-free license to Time Out N Play Franchising for such purpose

9.3 Marketing Fund Time Out N Play Franchising may establish a Marketing Fund to promote the System on a local, regional, national, and/or international level If Time Out N Play Franchising has established a Marketing Fund

(a) Separate Account Time Out N Play Franchising shall hold the Marketing Fund Contributions from all franchisees in one or more bank accounts separate from Time Out N Play Franchising's other accounts

(b) Use Time Out N Play Franchising shall use the Marketing Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level), and related overhead The foregoing includes such activities and expenses as Time Out N Play Franchising reasonably determines, and may include, without limitation development and placement of advertising and promotions, sponsorships, contests and

sweepstakes, development of décor, trade dress, Marks, and/or branding, development and maintenance of brand websites, social media, internet activities, e-commerce programs, search engine optimization, market research, public relations, media or agency costs, trade shows and other events, printing and mailing, and administrative and overhead expenses related to the Marketing Fund (including the compensation of Time Out N Play Franchising's employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Marketing Fund)

(c) Discretion Franchisee agrees that expenditures from the Marketing Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee The Marketing Fund will be spent at Time Out N Play Franchising's sole discretion, and Time Out N Play Franchising has no fiduciary duty with regard to the Marketing Fund

(d) Contribution by Other Outlets Time Out N Play Franchising is not obligated to (i) have all other Time Out N Play businesses (whether owned by other franchisees or by Time Out N Play Franchising or its affiliates) contribute to the Marketing Fund, or (ii) have other Time Out N Play businesses that do contribute to the Marketing Fund contribute the same amount or at the same rate as Franchisee

(e) Surplus or Deficit Time Out N Play Franchising may accumulate funds in the Marketing Fund and carry the balance over to subsequent years If the Marketing Fund operates at a deficit or requires additional funds at any time, Time Out N Play Franchising may loan such funds to the Marketing Fund on reasonable terms

(f) Financial Statement Time Out N Play Franchising will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of Time Out N Play Franchising's fiscal year and will provide the financial statement to Franchisee upon request

9.4 Marketing Cooperatives. Time Out N Play Franchising may establish market advertising and promotional cooperative funds ("Market Cooperative") in any geographical areas If a Market Cooperative for the geographic area encompassing the Location has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative If a Market Cooperative for the geographic area encompassing the Location is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within 30 days Time Out N Play Franchising shall not require Franchisee to be a member of more than one Market Cooperative If Time Out N Play Franchising establishes a Market Cooperative

(a) Governance Each Market Cooperative will be organized and governed in a form and manner, and shall commence operations on a date, determined by Time Out N Play Franchising Time Out N Play Franchising may require the Market Cooperative to adopt bylaws or regulations prepared by Time Out N Play Franchising Unless otherwise specified by Time Out N Play Franchising, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members Time Out N Play Franchising will be entitled to attend and participate in any meeting of a Market Cooperative Any Time Out N Play business owned by Time Out N Play Franchising in the Market Cooperative shall have the same voting rights as those owned by its franchisees Each Business owner will be entitled to cast one vote for each Business

owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement If the members of a Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, Time Out N Play Franchising may assume this decision-making authority after 10 days' notice to the members of the Market Cooperative

(b) Purpose Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing (subject to Time Out N Play Franchising's approval) standardized promotional materials for use by the members in local advertising and promotion

(c) Approval No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Time Out N Play Franchising pursuant to Section 9 1 Time Out N Play Franchising may designate the national or regional advertising agencies used by the Market Cooperative

(d) Funding The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1% of Gross Sales

(e) Enforcement Only Time Out N Play Franchising will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative

(f) Termination Time Out N Play Franchising may terminate any Market Cooperative Any funds left in a Market Cooperative upon termination will be transferred to the Marketing Fund

9.5 Required Spending. Franchisee shall spend at least 3% of Gross Sales each month on marketing the Business Upon request of Time Out N Play Franchising, Franchisee shall furnish proof of its compliance with this Section Time Out N Play Franchising has the sole discretion to determine what activities constitute "marketing" under this Section Time Out N Play Franchising may, in its discretion, determine that if Franchisee contributes to a Market Cooperative, the amount of the contribution will be counted towards Franchisee's required spending under this Section

9.6 Market Introduction Plan Franchisee must develop a market introduction plan and obtain Time Out N Play Franchising's approval of the market introduction plan at least 30 days before the projected opening date of the Business

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Time Out N Play Franchising may specify in the Manual or otherwise in writing

10.2 Reports.

(a) Financial Reports Franchisee shall provide such periodic financial reports as Time Out N Play Franchising may require in the Manual or otherwise in writing, including

(i) a monthly profit and loss statement and balance sheet for the Business within 30 days after the end of each calendar month,

(ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of Time Out N Play Franchising's fiscal year, and

(iii) any information Time Out N Play Franchising requests in order to prepare a financial performance representation for Time Out N Play Franchising's franchise disclosure document

(b) Legal Actions and Investigations Franchisee shall promptly notify Time Out N Play Franchising of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business Franchisee shall provide such documents and information related to any such Action as Time Out N Play Franchising may request

(c) Government Inspections Franchisee shall give Time Out N Play Franchising copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof

(d) Other Information Franchisee shall submit to Time Out N Play Franchising such other financial statements, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Time Out N Play Franchising may reasonably request

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to Time Out N Play Franchising a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Time Out N Play Franchising's Franchise Disclosure Document and with such other information as Time Out N Play Franchising may request

10 4 Business Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years Franchisee shall keep such other business records as Time Out N Play Franchising may specify in the Manual or otherwise in writing

10.5 Records Audit Time Out N Play Franchising may examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time Time Out N Play Franchising may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Time Out N Play

Franchising Franchisee shall also reimburse Time Out N Play Franchising for all costs and expenses of the examination or audit if (i) Time Out N Play Franchising conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by 3% or more for any 4-week period

ARTICLE 11 FRANCHISOR RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by Time Out N Play Franchising Time Out N Play Franchising may supplement, revise, or modify the Manual, and Time Out N Play Franchising may change, add or delete System Standards at any time in its discretion Time Out N Play Franchising may inform Franchisee thereof by any method that Time Out N Play Franchising deems appropriate (which need not qualify as "notice" under Section 18 9) In the event of any dispute as to the contents of the Manual, Time Out N Play Franchising's master copy will control

11.2 Inspections. Time Out N Play Franchising may enter the premises of the Business from time to time during normal business hours and conduct an inspection Franchisee shall cooperate with Time Out N Play Franchising's inspectors The inspection may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials Time Out N Play Franchising may videotape and/or take photographs of the inspection and the Business Without limiting Time Out N Play Franchising's other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an inspection If Time Out N Play Franchising conducts an inspection because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed inspection), then Time Out N Play Franchising may charge all out-of-pocket expenses plus its then-current inspection fee to Franchisee

11 3 Time Out N Play Franchising's Right to Cure If Franchisee breaches or defaults under any provision of this Agreement, Time Out N Play Franchising may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee Franchisee shall reimburse Time Out N Play Franchising for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, Time Out N Play Franchising may (i) require that Franchisee pay cash on delivery for products or services supplied by Time Out N Play Franchising, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee No such action by Time Out N Play Franchising shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action Such rights of Time Out N Play Franchising are in addition to any other right or remedy available to Time Out N Play Franchising

11.5 Business Data. All customer data and other non-public data generated by the Business is Confidential Information and is exclusively owned by Time Out N Play Franchising Time Out N Play Franchising hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement

11.6 Innovations. Franchisee shall disclose to Time Out N Play Franchising all ideas, plans, improvements, concepts, methods and techniques relating to the Business (collectively, "Innovations") conceived or developed by Franchisee, its employees, agents or contractors Time Out N Play Franchising will automatically own all Innovations, and it will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee Franchisee shall execute any documents reasonably requested by Time Out N Play Franchising to document Time Out N Play Franchising's ownership of Innovations

11.7 Communication Systems If Time Out N Play Franchising provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, and Franchisee authorizes Time Out N Play Franchising to access such communications

11.8 Delegation. Time Out N Play Franchising may delegate any duty or obligation of Time Out N Play Franchising under this Agreement to an affiliate or to a third party

11.9 System Variations. Time Out N Play Franchising may vary or waive any System Standard for any one or more Time Out N Play franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises Franchisee is not entitled to the same variation or waiver

11.10 Temporary Public Safety Closure. If Time Out N Play Franchising discovers or becomes aware of any aspect of the Business which, in Time Out N Play Franchising's opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon Time Out N Play Franchising's order, Franchisee must temporarily cease operations of the Business and remedy the dangerous condition Time Out N Play Franchising shall have no liability to Franchisee or any other person for action or failure to act with respect to a dangerous condition

ARTICLE 12 MARKS

12.1 Authorized Marks. Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks Franchisee shall use all Marks specified by Time Out N Play Franchising, and only in the manner as Time Out N Play Franchising may require Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Business, will inure to the exclusive benefit of Time Out N Play Franchising

12.2 Change of Marks Time Out N Play Franchising may add, modify, or discontinue any Marks to be used under the System Within a reasonable time after Time Out N Play Franchising makes any such change, Franchisee must comply with the change, at Franchisee's expense

12.3 Infringement.

(a) Defense of Franchisee If Franchisee has used the Marks in accordance with this Agreement, then (i) Time Out N Play Franchising shall defend Franchisee (at Time Out N Play Franchising's expense) against any Action by a third party alleging infringement by Franchisee's use of a Mark, and (ii) Time Out N Play Franchising will indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee

(b) Infringement by Third Party Franchisee shall promptly notify Time Out N Play Franchising if Franchisee becomes aware of any possible infringement of a Mark by a third party Time Out N Play Franchising may, in its sole discretion, commence or join any claim against the infringing party

(c) Control Time Out N Play Franchising shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Time Out N Play Franchising for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business, (c) not use any such information in any other business or in any manner not specifically authorized in writing by Time Out N Play Franchising, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information Franchisee acknowledges that all Confidential Information is owned by Time Out N Play Franchising (except for Confidential Information which Time Out N Play Franchising licenses from another person or entity) This Section will survive the termination or expiration of this Agreement indefinitely

13.2 Covenants Not to Compete

(a) Restriction – In Term During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the "Restricted Parties") shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor

(b) Restriction – Post Term For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor within five miles of Franchisee's Territory or the territory of any other Time Out N Play business operating on the date of termination or transfer, as applicable

(c) Interpretation The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Time Out N Play Franchising Franchisee agrees that the existence of any claim it may have against Time Out N Play Franchising shall not constitute a defense to the enforcement by

Time Out N Play Franchising of the covenants of this Section If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance

13.3 Employee Recruitment. During the term of this Agreement and for one year after termination, transfer, or expiration of this Agreement, Franchisee shall not knowingly employ or seek to employ or engage as an independent contractor any person then employed by Time Out N Play Franchising or its affiliates

13.4 General Manager and Key Employees. If requested by Time Out N Play Franchising, Franchisee will cause its general manager and other key employees to sign Time Out N Play Franchising's then-current form of confidentiality and non-compete agreement (unless prohibited by applicable law)

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisee Franchisee may terminate this Agreement only if Time Out N Play Franchising violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within 30 days after receiving written notice from Franchisee detailing the alleged default Termination by Franchisee is effective 10 days after Time Out N Play Franchising receives written notice of termination

14.2 Termination by Time Out N Play Franchising

(a) Subject to 10-Day Cure Period Time Out N Play Franchising may terminate this Agreement if Franchisee does not make any payment to Time Out N Play Franchising when due, or if Franchisee does not have sufficient funds in its account when Time Out N Play Franchising attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after Time Out N Play Franchising gives notice to Franchisee of such breach

(b) Subject to 30-Day Cure Period If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c), and Franchisee fails to cure such breach to Time Out N Play Franchising's satisfaction within 30 days after Time Out N Play Franchising gives notice to Franchisee of such breach, then Time Out N Play Franchising may terminate this Agreement

(c) Without Cure Period Time Out N Play Franchising may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur

(i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement,

(ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Time Out N Play Franchising,

(iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or

execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt,

(iv) Franchisee fails to open for business by the date specified on the Summary Page,

(v) Franchisee loses possession of the Location,

(vi) Franchisee or any Owner commits a material violation of Section 7 2 (compliance with laws) or Section 13 1 (confidentiality), violates Section 13 2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured,

(vii) Franchisee abandons or ceases operation of the Business for more than five consecutive days,

(viii) Franchisee or any Owner slanders or libels Time Out N Play Franchising or any of its employees, directors, or officers,

(ix) Franchisee refuses to cooperate with or permit any audit or inspection by Time Out N Play Franchising or its agents or contractors, or otherwise fails to comply with Section 10 5 or Section 11 2,

(x) the Business is operated in a manner which, in Time Out N Play Franchising's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from Time Out N Play Franchising or otherwise),

(xi) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period,

(xii) Time Out N Play Franchising (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate) (provided that termination of a Multi-Unit Development Agreement with Franchisee or its affiliate shall not give Time Out N Play Franchising the right to terminate this Agreement), or

(xiii) Franchisee or any Owner is accused by any governmental authority or third party of any act that in Time Out N Play Franchising's opinion is reasonably likely to materially and unfavorably affect the Time Out N Play brand, or is charged with, pleads guilty to, or is convicted of a felony

14.3 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately

(i) pay all amounts owed to Time Out N Play Franchising based on the operation of the Business through the effective date of termination or expiration,

(ii) return to Time Out N Play Franchising all copies of the Manual, Confidential Information and any and all other materials provided by Time Out N Play Franchising to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items, and delete all Confidential Information and proprietary materials from electronic devices,

(iii) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Time Out N Play Franchising or any new franchisee as may be directed by Time Out N Play Franchising, and Franchisee hereby irrevocably appoints Time Out N Play Franchising, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing, and

(iv) cease doing business under any of the Marks

14.4 Remove Identification. Within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a Time Out N Play business, to the reasonable satisfaction of Time Out N Play Franchising Franchisee shall comply with any reasonable instructions and procedures of Time Out N Play Franchising for de-identification If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, Time Out N Play Franchising may enter the Location to remove the Marks and de-identify the Location In this event, Time Out N Play Franchising will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Time Out N Play Franchising

14.5 Liquidated Damages. If Time Out N Play Franchising terminates this Agreement based upon Franchisee's default (or if Franchisee purports to terminate this Agreement except as permitted under Section 14 1), then within 10 days thereafter Franchisee shall pay to Time Out N Play Franchising a lump sum (as liquidated damages and not as a penalty) calculated as follows (x) the average Royalty Fees and Marketing Fund Contributions that Franchisee owed to Time Out N Play Franchising under this Agreement for the 52-week period preceding the effective date of termination, multiplied by (y) the lesser of (1) 104 or (2) the number of weeks remaining in the then-current term of this Agreement If Franchisee had not operated the Business for at least 52 weeks, then (x) will equal the average Royalty Fees and Marketing Fund Contributions that Franchisee owed to Time Out N Play Franchising during the period that Franchisee operated the Business Franchisee acknowledges that a precise calculation of the full extent of Time Out N Play Franchising's damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable Franchisee's payment to Time Out N Play Franchising under this Section will be in lieu of any direct monetary damages that Time Out N Play Franchising may incur as a result of Time Out N Play Franchising's loss of

Royalty Fees and Marketing Fund Contributions that would have been owed to Time Out N Play Franchising after the date of termination, however, such payment shall be in addition to all damages and other amounts arising under Section 14 3 and Section 14 4, Time Out N Play Franchising's right to injunctive relief for enforcement of Article 13, and any attorneys' fees and other costs and expenses to which Time Out N Play Franchising is entitled under this Agreement Except as provided in this Section, Franchisee's payment of this lump sum shall be in addition to any other right or remedy that Time Out N Play Franchising may have under this Agreement or otherwise

14.6 Purchase Option. When this Agreement expires or is terminated, Time Out N Play Franchising will have the right (but not the obligation) to purchase any or all of the assets related to the Business, and/or to require Franchisee to assign its lease or sublease to Time Out N Play Franchising To exercise this option, Time Out N Play Franchising must notify Franchisee no later than 30 days after this Agreement expires or is terminated The purchase price for all assets that Time Out N Play Franchising elects to purchase will be the lower of (i) the book value of such assets as declared on Franchisee's last filed tax returns or (ii) the fair market value of the assets If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties The parties will equally share the cost of the appraisal Time Out N Play Franchising's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or "going concern" value for the Business Time Out N Play Franchising may withdraw its exercise of the purchase option at any time before it pays for the assets Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by Time Out N Play Franchising If Time Out N Play Franchising exercises the purchase option, Time Out N Play Franchising may deduct from the purchase price (a) all amounts due from Franchisee, (b) Franchisee's portion of the cost of any appraisal conducted hereunder, and (c) amounts paid or to be paid by Time Out N Play Franchising to cure defaults under Franchisee's lease and/or amounts owed by Franchisee to third parties If any of the assets are subject to a lien, Time Out N Play Franchising may pay a portion of the purchase price directly to the lienholder to pay off such lien Time Out N Play Franchising may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid Time Out N Play Franchising may assign this purchase option to another party

ARTICLE 15 TRANSFERS

15.1 By Time Out N Play Franchising. Time Out N Play Franchising may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Time Out N Play Franchising may undergo a change in ownership and/or control, without the consent of Franchisee

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Time Out N Play Franchising entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Time Out N Play Franchising at least 60 days prior notice of the proposed

Transfer, and without obtaining Time Out N Play Franchising's consent In granting any such consent, Time Out N Play Franchising may impose conditions, including, without limitation, the following

(i) Time Out N Play Franchising receives a transfer fee equal to $15,000 plus any broker fees and other out-of-pocket costs incurred by Time Out N Play Franchising,

(ii) the proposed assignee and its owners have completed Time Out N Play Franchising's franchise application processes, meet Time Out N Play Franchising's then-applicable standards for new franchisees, and have been approved by Time Out N Play Franchising as franchisees,

(iii) the proposed assignee is not a Competitor,

(iv) the proposed assignee executes Time Out N Play Franchising's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement,

(v) all owners of the proposed assignee provide a guaranty in accordance with Section 2 5,

(vi) Franchisee has paid all monetary obligations to Time Out N Play Franchising and its affiliates, and to any lessor, vendor, supplier, or lender to the Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to Time Out N Play Franchising or its affiliates,

(vii) the proposed assignee and its owners and employees undergo such training as Time Out N Play Franchising may require,

(viii) Franchisee, its Owners, and the transferee and its owners execute a general release of Time Out N Play Franchising in a form satisfactory to Time Out N Play Franchising, and

(ix) the Business fully complies with all of Time Out N Play Franchising's most recent System Standards

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or corporation formed for the convenience of ownership after at least 15 days' notice to Time Out N Play Franchising, if, prior to the Transfer (1) the transferee provides the information required by Section 2 3, (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Time Out N Play Franchising, (3) Franchisee owns all voting securities of the corporation or corporation, and (4) Franchisee provides a guaranty in accordance with Section 2 5

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the person with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party

approved by Time Out N Play Franchising within nine months after death or incapacity Such transfer must comply with Section 15 2

15.5 Time Out N Play Franchising's Right of First Refusal. Before Franchisee (or any Owner) engages in a Transfer (except under Section 15 3 or to a spouse, sibling, or child of an Owner), Time Out N Play Franchising will have a right of first refusal, as set forth in this Section Franchisee (or its Owners) shall provide to Time Out N Play Franchising a copy of the terms and conditions of any Transfer For a period of 30 days from the date of Time Out N Play Franchising's receipt of such copy, Time Out N Play Franchising will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that Time Out N Play Franchising may substitute cash for any other form of payment) If Time Out N Play Franchising does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article

15.6 No Sublicense Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to Time Out N Play Franchising) Time Out N Play Franchising, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or against Time Out N Play Franchising and/or any Indemnitee directly or indirectly related to, or alleged to arise out of, the operation of the Business Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnitee from Actions arising as a result of any Indemnitee's intentional misconduct or negligence Any delay or failure by an Indemnitee to notify Franchisee of an Action shall not relieve Franchisee of its indemnity obligation except to the extent (if any) that such delay or failure materially prejudices Franchisee Franchisee shall not settle an Action without the consent of the Indemnitee This indemnity will continue in effect after this Agreement ends

16.2 Assumption. An Indemnitee may elect to assume the defense of any Action subject to this indemnification, and control all aspects of defending the Action, including negotiations and settlement, at Franchisee's expense Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees

ARTICLE 17. DISPUTE RESOLUTION

17.1 Arbitration

(a) Disputes Subject to Arbitration Except as expressly provided in subsection (c), any controversy or claim between the parties (including any controversy or claim arising out of or relating to this Agreement or its formation) shall be resolved by arbitration administered by the

American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction

(b) Location The place of arbitration shall be the city and state where Time Out N Play Franchising's headquarters are located

(c) Injunctive Relief Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief

(d) Confidentiality All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for Time Out N Play Franchising to comply with laws and regulations applicable to the sale of franchises

(e) Performance During Arbitration or Litigation Unless this Agreement has been terminated, Time Out N Play Franchising and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process

17 2 Damages. In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party's actual damages, except damages expressly authorized by federal statute and damages expressly authorized by this Agreement

17.3 Waiver of Class Actions. The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a class-wide basis

17.4 Time Limitation. Any arbitration or other legal action arising from or related to this Agreement must be instituted within two years from the date such party discovers the conduct or event that forms the basis of the arbitration or other legal action The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks

17.5 Venue Other Than Arbitration. For any legal proceeding not required to be submitted to arbitration, the parties agree that any such legal proceeding will be brought in the United States District Court where Time Out N Play Franchising's headquarters is then located If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where Time Out N Play Franchising's headquarters is then located Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts

17.6 Legal Costs In any legal proceeding (including arbitration) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and other expenses of the legal proceeding "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief

ARTICLE 18. MISCELLANEOUS

18 1 Relationship of the Parties The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other Time Out N Play Franchising is not a fiduciary of Franchisee Time Out N Play Franchising does not control or have the right to control Franchisee or its Business Any required specifications and standards in this Agreement and in the System Standards exist to protect Time Out N Play Franchising's interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business Time Out N Play Franchising has no liability for Franchisee's obligations to any third party whatsoever

18.2 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Time Out N Play Franchising, and Time Out N Play Franchising's affiliates

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Time Out N Play Franchising in its franchise disclosure document

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties This provision does not limit Time Out N Play Franchising's rights to modify the Manual or System Standards

18.5 Consent; Waiver No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative No enforcement of a right or remedy precludes the enforcement of any other right or remedy

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written

18.8 Governing Law. The laws of the state of California (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties The parties agree that any California law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 18 8

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to (A) if to Franchisee, addressed to Franchisee at the notice

address set forth in the Summary Page, and (B) if to Time Out N Play Franchising, addressed to 2200 Petaluma Blvd North, Suite 800, Petaluma, CA 95492 Any party may designate a new address for notices by giving notice of the new address pursuant to this Section Notices will be effective upon receipt (or first rejection) and must be (1) delivered personally, (2) sent by registered or certified U S mail with return receipt requested, or (3) sent via overnight courier Notwithstanding the foregoing, Time Out N Play Franchising may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication

18.10 Holdover. If Franchisee continues operating the Business after the expiration of the term without a renewal agreement or successor franchise agreement executed by the parties in accordance with Section 3 2, then at any time thereafter (regardless of any course of dealing by the parties), Time Out N Play Franchising may by giving written notice to Franchisee (the "Holdover Notice") either (i) terminate this Agreement effective immediately upon giving notice or effective on such other date as Time Out N Play Franchising or (ii) bind Franchisee to a renewal term of 10 years and deem Franchisee and its Owners to have made the general release of liability described in Section 3 2(vi)

18.11 Joint and Several Liability If two or more people sign this Agreement as "Franchisee", each will have joint and several liability

18.12 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Time Out N Play Franchising does not constitute an offer This Agreement shall not be effective unless and until it is executed by both Franchisee and Time Out N Play Franchising

ARTICLE 19. CERTIFICATION OF FRANCHISOR'S COMPLIANCE

By signing this Agreement, Franchisee acknowledges the following

(1) Franchisee understands all the information in Time Out N Play Franchising's Disclosure Document

(2) Franchisee understands the success or failure of the Business will depend in large part upon Franchisee's skills, abilities and efforts and those of the persons Franchisee employs, as well as many factors beyond Franchisee's control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms, and the marketplace

(3) That no person acting on Time Out N Play Franchising's behalf made any statement or promise regarding the costs involved in operating a Time Out N Play franchise that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document

(4) That no person acting on Time Out N Play Franchising's behalf made any claim or representation to Franchisee, orally, visually, or in writing, that contradicted the information in the Disclosure Document

(5) That no person acting on Time Out N Play Franchising's behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money Franchisee may earn, or the total amount of revenue a Time Out N Play franchise will generate, that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document

(6) That no person acting on Time Out N Play Franchising's behalf made any statement or promise or agreement, other than those matters addressed in this Agreement, concerning advertising, marketing, media support, market penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Disclosure Document

(7) Franchisee understands that this Agreement contains the entire agreement between Time Out N Play Franchising and Franchisee concerning the Time Out N Play franchise, which means that any oral or written statements not set out in this Agreement will not be binding In deciding to enter into this Agreement, Franchisee is not relying on any statement, promise, claim, or representation not expressly set forth in this Agreement or in the Disclosure Document

[*Signatures on next page*]

Agreed to by

FRANCHISOR

MODERNN TECH, INC

By _____
Name _____
Title _____
Date _____

FRANCHISEE

[*if an individual*]

_____
Name _____
Date _____

[*if an entity*]

_____

By _____
Name _____
Title _____
Date _____

(*Check if applicable*) At the same time as the parties execute this Agreement, they are also executing a Rider to Franchise Agreement pursuant to

_____ Illinois
_____ Indiana
_____ Maryland
_____ Minnesota
_____ New York
_____ North Dakota
_____ Rhode Island
_____ Washington
_____ Other

Attachment 1 to Franchise Agreement

OWNERSHIP INFORMATION

1 **Form of Ownership.** Franchisee is a (check one)

_____ *Sole Proprietorship*
_____ *Partnership*
_____ *Corporation*
_____ *Corporation*

State _____

2. **Owners.** If Franchisee is a partnership, corporation or corporation

Name	Shares or Percentage of Ownership

3. **Officers.** If Franchisee is a corporation or corporation

Name	Title

Attachment 2 to Franchise Agreement

LOCATION ACCEPTANCE LETTER

To _____

This Location Acceptance Letter is issued by Modernn Tech, Inc for your Time Out N Play franchise in accordance with Section 6 1 of the Franchise Agreement

1 The Location of the Business is

_____

2 The Territory of the Business is

_____

MODERNN TECH, INC

By _____
Name _____
Title _____
Date _____

Attachment 3 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this "Guaranty") is executed by the undersigned person(s) (each, a "Guarantor") in favor of Modernn Tech, Inc , a California corporation ("Time Out N Play Franchising")

Background Statement: _____ ("Franchisee") desires to enter into a Franchise Agreement with Time Out N Play Franchising for the franchise of a Time Out N Play business (the "Franchise Agreement", capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement) Guarantor owns an equity interest in Franchisee Guarantor is executing this Guaranty in order to induce Time Out N Play Franchising to enter into the Franchise Agreement

Guarantor agrees as follows

1. **Guaranty** Guarantor hereby unconditionally guarantees to Time Out N Play Franchising and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Time Out N Play Franchising, whether or not contained in the Franchise Agreement Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Time Out N Play Franchising upon demand from Time Out N Play Franchising Guarantor waives (a) acceptance and notice of acceptance by Time Out N Play Franchising of this Guaranty, (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee, (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder, (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned, (f) any law which requires that Time Out N Play Franchising make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty, and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled

2. **Confidential Information.** With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by Time Out N Play Franchising for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business, (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Time Out N Play Franchising, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or

use of Confidential Information Guarantor acknowledges that all Confidential Information is owned by Time Out N Play Franchising or its affiliates (except for Confidential Information which Time Out N Play Franchising licenses from another person or entity) Guarantor acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to Time Out N Play Franchising This Section will survive the termination or expiration of the Franchise Agreement indefinitely

3. Covenants Not to Compete.

(a) Restriction - In Term During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor

(b) Restriction – Post Term For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor located within five miles of Franchisee's Territory or the territory of any other Time Out N Play business operating on the date of termination or transfer, as applicable

(c) Interpretation Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Time Out N Play Franchising Guarantor agrees that the existence of any claim it or Franchisee may have against Time Out N Play Franchising shall not constitute a defense to the enforcement by Time Out N Play Franchising of the covenants of this Section If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance

4 Employee Recruitment. During the term of the Franchise Agreement and for one year after termination, transfer, or expiration of the Franchise Agreement, Guarantor shall not knowingly employ or seek to employ or engage as an independent contractor any person then employed by Time Out N Play Franchising or its affiliates

5. Modification Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which Time Out N Play Franchising may from time to time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims

6. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of California (without giving effect to its principles of conflicts of law) The parties agree that any California law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 6 The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully

set forth herein Guarantor shall pay to Time Out N Play Franchising all costs incurred by Time Out N Play Franchising (including reasonable attorney fees) in enforcing this Guaranty If multiple Guarantors sign this Guaranty, each will have joint and several liability

Agreed to by

_____

Name _____

Address _____

_____

_____

Date _____

_____

Name _____

Address _____

_____

_____

Date _____

_____

Name _____

Address _____

_____

_____

Date _____

EXHIBIT C

MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this "MUDA") is made between Modernn Tech, Inc , a California corporation ("Time Out N Play Franchising") and _____, a _____ _____ ("Franchisee") on the Effective Date

Background Statement: On the same day as they execute this MUDA, Time Out N Play Franchising and Franchisee have entered into a Franchise Agreement for the franchise of a Time Out N Play business (the "Franchise Agreement", capitalized terms used but not defined in this MUDA have the meanings given in the Franchise Agreement) Time Out N Play Franchising and Franchisee desire that Franchisee develop multiple Time Out N Play businesses

1 Multi-Unit Commitment.

(a) Development Schedule, Fee Franchisee shall develop and open Time Out N Play businesses on the following schedule

Store #	Deadline for Opening	Total # of Stores to be Open and Operating On Deadline	Initial Franchise Fee
1		1	$_____
2		2	$_____
3		3	$_____
4		4	$_____
5		5	$_____
		Total Initial Franchise Fee	

(b) Payment. Upon execution of this MUDA, Franchisee shall pay the total Initial Franchise Fee to Time Out N Play Franchising The Initial Franchise Fee is non-refundable

2. Form of Agreement For Store #1, Franchisee and Time Out N Play Franchising have executed the Franchise Agreement simultaneously with this MUDA For each additional Time Out N Play franchise, Franchisee shall execute Time Out N Play Franchising's then-current standard form of franchise agreement no later than three business days after Franchisee leases or acquires a location This MUDA does not give Franchisee the right to construct, open, or operate a Time Out N Play business, and Franchisee acknowledges that Franchisee may construct, open, and operate each Time Out N Play business only pursuant to a separate franchise agreement executed pursuant to this MUDA for each such Time Out N Play business

3. **Development Area.** Franchisee shall locate each Time Out N Play business it develops under this MUDA within the following area _____ _____ (the "Development Area") Franchisee acknowledges that it does not have exclusive rights to develop, open or operate Time Out N Play businesses in the Development Area

4. **Default and Termination** Time Out N Play Franchising may terminate this MUDA by giving notice to Franchisee, without opportunity to cure, if any of the following occur

(i) Franchisee fails to satisfy the development schedule, or

(ii) Time Out N Play Franchising has the right to terminate any franchise agreement between Time Out N Play Franchising and Franchisee (or any affiliate thereof) due to Franchisee's default thereunder (whether or not Time Out N Play Franchising actually terminates such franchise agreement)

5. **Limitation of Liability** Franchisee's commitment to develop Time Out N Play businesses is in the nature of an option only If Time Out N Play Franchising terminates this MUDA for Franchisee's default, Franchisee shall not be liable to Time Out N Play Franchising for lost future revenues or profits from the unopened Time Out N Play businesses Franchisee may terminate this MUDA at any time

6. **Conditions.** Franchisee's right to develop each Time Out N Play franchise after the Store #1 is subject to the following

(i) Franchisee must possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Time Out N Play business, in the reasonable judgment of Time Out N Play Franchising, and

(ii) Franchisee must be in full compliance with all brand requirements at its open Time Out N Play businesses, and not in default under any Franchise Agreement or any other agreement with Time Out N Play Franchising

7. **Dispute Resolution; Miscellaneous.** The laws of the State of California (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties The parties agree that any California law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 7 Franchisee shall not Transfer this MUDA without the prior written consent of Time Out N Play Franchising, and any Transfer without Time Out N Play Franchising's prior written consent shall be void The provisions of Article 17 (Dispute Resolution) and Article 18 (Miscellaneous) of the Franchise Agreement apply to and are incorporated into this MUDA as if fully set forth herein

[*Signatures on Next Page*]

Agreed to by

FRANCHISOR

MODERNN TECH, INC

By _____
Name _____
Title _____
Date _____

FRANCHISEE

[*if an individual*]

_____
Name _____

[*if an entity*]

_____

By _____
Name _____
Title _____
Date _____

(*Check if applicable*) At the same time as the parties execute this Agreement, they are also executing a Rider to Multi-Unit Development Agreement pursuant to

_____ Illinois
_____ Indiana
_____ Maryland
_____ Minnesota
_____ New York
_____ North Dakota
_____ Rhode Island
_____ Washington
_____ Other

EXHIBIT D

RIDER TO LEASE AGREEMENT

Landlord _____
Notice Address _____
_____
_____
Telephone _____

Franchisor Modernn Tech, Inc
Notice Address 2200 Petaluma Blvd North, Suite 800, Petaluma, CA 95492
Telephone 707-490-7328

Tenant _____

Leased Premises _____

1 Use Tenant is a franchisee of Franchisor The Leased Premises shall be used only for the operation of a Time Out N Play business (or any name authorized by Franchisor)

2 Notice of Default and Opportunity to Cure Landlord shall provide Franchisor with copies of any written notice of default ("Default") given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 10 days after the expiration of the period in which Tenant may cure the Default

3 Termination of Lease Landlord shall copy Franchisor on any notice of termination of the Lease If Landlord terminates the Lease for Tenant's Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease To exercise this option, Franchisor must notify Landlord within 15 days after Franchisor receives notice of the termination of the Lease

4 Termination of Franchise Agreement If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor Landlord hereby consents to the assignment of the Lease to Franchisor

5 Assignment and Subletting Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease If Franchisor becomes the lessee of the Lease Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the Time Out N Play brand Any provision of the Lease which limits Tenant's right to own or operate other Time Out N Play outlets in proximity to the Leased Premises shall not apply to Franchisor

6 Authorization Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business

7 Right to Enter Upon the expiration or termination of the Franchise Agreement or the Lease, or the termination of Tenant's right of possession of the Leased Premises, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises to remove signs and other material bearing Franchisor's brand name, trademarks, and commercial symbols, provided that Franchisor will be liable to Landlord for any damage Franchisor or its designee causes by such removal

8 No Liability By executing this Rider, Franchisor does not assume any liability with respect to the Lease Premises or any obligation as Tenant under the Lease

Executed by

LANDLORD

_____

By _____
Name _____
Title _____
Date _____

TENANT

_____

By _____
Name _____
Title _____
Date _____

FRANCHISOR

MODERNN TECH, INC

By _____
Name _____
Title _____
Date _____

EXHIBIT E

FORM OF GENERAL RELEASE

[*This is our current standard form of General Release This document is not signed when you purchase a franchise In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release*]

This General Release ("Release") is executed by the undersigned ("Releasor") in favor of Modernn Tech, Inc , a California corporation ("Time Out N Play Franchising")

Background Statement: [*describe circumstances of Release*]

Releasor agrees as follows

1. **Release.** Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the "Releasing Parties")) hereby releases Time Out N Play Franchising, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the "Released Parties") from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, "Claims")

2. **Covenant Not to Sue.** Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim

3. **Representations and Acknowledgments.** Releasor represents and warrants that (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim, (ii) Releasor has full power and authority to sign this Release, and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor's choice Releasor acknowledges that the release in Section 1 is a complete defense to any Claim

4. **Miscellaneous.** If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply Releasor agrees to take any actions and sign any documents that Time Out N Play Franchising reasonably requests to effectuate the purposes of this Release This Release contains the entire agreement of the parties concerning the subject matter hereof This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

Agreed to by

_____

Name _____

Date _____

EXHIBIT G

OPERATING MANUAL TABLE OF CONTENTS

Manual Section	Number of Pages
Preface & Introduction	35
Establishing My Franchise Business	37
Personnel	48
Administrative Procedures	25
Daily Procedures	71
Selling & Marketing	22
Total Number of Pages	**238**

EXHIBIT H

CURRENT AND FORMER FRANCHISEES

Current Franchisees

Names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets

None

Former Franchisees

Name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date

None

EXHIBIT I

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department Of Business Oversight, prior to a solicitation of a proposed material modification of an existing franchise

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR

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

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF BUSINESS OVERSIGHT NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN AT risk IF YOUR FRANCHISE FAILS

1 The following paragraph is added to the end of Item 3 of the Disclosure Document-

Neither franchisor nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a et seq , suspending or expelling such persons from membership in that association or exchange

2 The following paragraph is added to the end of Item 6 of the Disclosure Document

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%

3 The following paragraphs are added at the end of Item 17 of the Disclosure Document

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control

The Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A Sec 101 et seq)

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise This provision may not be enforceable under California law

The Franchise Agreement contains a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable

The Franchise Agreement requires binding arbitration The arbitration will occur in Petaluma, California, with the costs being borne equally by Franchisor and Franchisee Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

The Franchise Agreement requires application of the laws of California This provision may not be enforceable under California law

4 The following paragraph is added at the end of Item 19 of the Disclosure Document

The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit You should conduct an independent investigation of the costs and expenses you will incur in operating your Time Out N Play business Franchisees or former franchisees, listed in the offering circular, may be one source of this information

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Hawaii only, this Disclosure Document is amended as follows

THESE FRANCHISES WILL BE/HAVE 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 HEREIN 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 THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE

THIS 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 THE FRANCHISOR AND THE FRANCHISEE

Registered agent in the state authorized to receive service of process

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states As of the date of filing of this Addendum in the State of Hawaii

1 A franchise registration is effective or an offering circular is on file in the following states _____

2 A proposed registration or filing is or will be shortly on file in the following states

_____

3 No states have refused, by order or otherwise to register these franchises

4 No states have revoked or suspended the right to offer these franchises

5 The proposed registration of these franchises has not been withdrawn in any state

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, as amended (the "Act"), this Disclosure Document is amended as follows

Illinois law governs the agreements between the parties to this franchise

Section 4 of the Act provides that any provision in a franchise agreement that designates jurisdiction of venue outside the State of Illinois is void However, a franchise agreement may provide for arbitration outside of Illinois

Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Act or any other law of Illinois is void

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Act

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Maryland only, this Disclosure Document is amended as follows

The following is added to Item 11

> Fees related to advertising are to be raised and spent as follows _____ You may obtain an accounting of advertising expenditures by the Marketing Fund by making a written request to us

The following is added to Item 15

> Your spouse is not required to sign a separate personal guaranty, non-competition agreement, or confidentiality agreement However, it would be a breach of the franchise agreement if your spouse directly or indirectly has any ownership interest in, or is engaged or employed by, any competitor

The following is added to Item 17

> Pursuant to COMAR 02-02-08-16L, 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
>
> You are not required to assent to a period of limitations for causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland, other than the period of limitations set forth in that statute You must bring an action under such law within three years after the grant of the franchise
>
> You have the right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland
>
> The Franchise Agreement provides for termination upon bankruptcy of the franchisee This provision may not be enforceable under federal bankruptcy law

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows

- Minnesota Statutes, Section 80C 21 and Minnesota Rules 2860 4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C 14, Subd 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks Refer to Minnesota Statues, Section 80C 12, Subd 1(g)

- Minnesota Rules 2860 4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release

- The franchisee cannot consent to the franchisor obtaining injunctive relief The franchisor may seek injunctive relief See Minn Rules 2860 4400J Also, a court will determine if a bond is required

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C 17, Subd 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues "

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION

WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

In the State of New York only, this Disclosure Document is amended as follows

1 The following information is added to the cover page of the Franchise Disclosure Document

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR 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, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY ST 21ST FLOOR, PETALUMA, CA 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2 The following is added at the end of Item 3

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

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

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

C No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging violation of a franchise, antifraud, or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations

D No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending

action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent

3 The following is added to the end of Item 4

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular (a) filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code, (b) obtained a discharge of its debts under the bankruptcy code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership

4 The following is added to the end of Item 5

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force, it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687 4 and 687 5 be satisfied

6 The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**"

You may terminate the agreement on any grounds available by law

7 The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor**"

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement

8 The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**" The foregoing choice of law should not be

considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of North Dakota only, this Disclosure Document is amended as follows

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09)

1 Restrictive Covenants Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute

2 Situs of Arbitration Proceedings Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business

3 Restrictions on Forum Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota

4 Liquidated Damages and Termination Penalties Requiring North Dakota franchisees to consent to liquidated damages or termination penalties

5 Applicable Laws Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota

6 Waiver of Trial by Jury Requiring North Dakota Franchises to consent to the waiver of a trial by jury

7 Waiver of Exemplary and Punitive Damages Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage

8 General Release Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement

9 Limitation of Claims Franchise Agreements that require the franchisee to consent to a limitation of claims The statute of limitations under North Dakota law applies

10 Enforcement of Agreement Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Rhode Island only, this Disclosure Document is amended as follows

Item 17, summary columns for (v) and (w) are amended to add the following

> Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows

The following statements are added to Item 17(h)

> Under 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 do 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

> Under 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 involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable

Item 17(t) is amended to read as follows

> 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 the Disclosure Document and Franchise Agreement may not be enforceable

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

(See Exhibit J for Washington Addendum to Disclosure Document and Rider to Franchise Agreement)

EXHIBIT J

STATE ADDENDA TO AGREEMENTS

ILLINOIS RIDER TO _____ AGREEMENT

This Rider amends the _____ Agreement dated _____ (the "Agreement"), betweenModernn Tech, Inc , a California corporation ("Time Out N Play Franchising") and _____, a _____ _____ ("Franchisee")

1. **Definitions** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement The "Illinois Act" means the Illinois Franchise Disclosure Act of 1987

2. **Governing Law and Jurisdiction.** Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration

3 **Limitation of Claims.** No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire

4. **Waivers Void.** Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code

5. **Effective Date** This Rider is effective as of the Effective Date

Agreed to by

FRANCHISEE	FRANCHISOR
_____	MODERNN TECH, INC
By _____	By _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

INDIANA RIDER TO _____ AGREEMENT

This Rider amends the _____ Agreement dated _____ (the "Agreement"), betweenModernn Tech, Inc, a California corporation ("Time Out N Play Franchising") and _____, a _____ _____ ("Franchisee")

1. Definitions Capitalized terms used but not defined in this Rider have the meanings given in the Agreement The "Indiana Acts" means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act

2. Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement, or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee This subsection (5) does not apply to arbitration before an independent arbitrator

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification A sales contract signed by a private retail consumer shall constitute evidence of each order Price changes applicable to new models of a product at the time of introduction of such new

models shall not be considered a price increase Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6)

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest, (B) promotional campaign, (C) promotional materials, or (D) display decorations or materials, at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay

3. **Effective Date.** This Rider is effective as of the Effective Date

Agreed to by

FRANCHISEE	FRANCHISOR
_____	MODERNN TECH, INC
By _____	By _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

MARYLAND RIDER TO _____ AGREEMENT

This Rider amends the _____ Agreement dated _____ (the "Agreement"), betweenModernn Tech, Inc , a California corporation ("Time Out N Play Franchising") and _____, a _____ _____ ("Franchisee")

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement The "Maryland Franchise Law" means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland

2. **No Waiver of State Law in Sale.** Notwithstanding any provision of the Agreement to the contrary, as a condition of the sale of a franchise, Time Out N Play Franchising shall not require a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve Time Out N Play Franchising or any other person from liability under the Maryland Franchise Law

3. **No Release of Liability.** Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law

4. **Statute of Limitations.** Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland Franchisee must bring an action under such law within three years after the grant of the franchise

5. **Jurisdiction** Notwithstanding any provision of the Agreement to the contrary, Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland

6. **Effective Date.** This Rider is effective as of the Effective Date

Agreed to by

FRANCHISEE	FRANCHISOR
_____	MODERNN TECH, INC
By _____	By _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

MINNESOTA RIDER TO _____ AGREEMENT

This Rider amends the _____ Agreement dated _____ (the "Agreement"), betweenModernn Tech, Inc , a California corporation ("Time Out N Play Franchising") and _____, a _____ _____ ("Franchisee")

1. Definitions Capitalized terms used but not defined in this Rider have the meanings given in the Agreement The "Minnesota Act" means Minnesota Statutes, Sections 80C 01 to 80C 22

2 Amendments The Agreement is amended to comply with the following

Minnesota Statutes, Section 80C 21 and Minnesota Rules 2860 4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C 14, Subd 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name Minnesota considers it unfair to not protect the franchisee's right to use the trademarks Refer to Minnesota Statues, Section 80C 12, Subd 1(g)

Minnesota Rules 2860 4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release

The franchisee cannot consent to the franchisor obtaining injunctive relief The franchisor may seek injunctive relief See Minn Rules 2860 4400J Also, a court will determine if a bond is required

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C 17, Subd 5, and therefore the applicable provision of the Agreement is amended to state "No action may be commenced pursuant to Minnesota Statutes, Section 80C 17 more than three years after the cause of action accrues "

3. Effective Date. This Rider is effective as of the Effective Date

Agreed to by

FRANCHISEE	FRANCHISOR
_____	MODERNN TECH, INC
By _____	By _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

NEW YORK RIDER TO _____ AGREEMENT

This Rider amends the _____ Agreement dated _____ (the "Agreement"), betweenModernn Tech, Inc , a California corporation ("Time Out N Play Franchising") and _____, a _____ _____ ("Franchisee")

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement

2. **Waivers Not Required.** Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Time Out N Play Franchising or any other person from any duty or liability imposed by New York General Business Law, Article 33

3. **Waivers of New York Law Deleted.** Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Time Out N Play Franchising with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted

4 **Governing Law** Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law

5. **Effective Date.** This Rider is effective as of the Effective Date

Agreed to by

FRANCHISEE	FRANCHISOR
_____	MODERNN TECH, INC
By _____	By _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

NORTH DAKOTA RIDER TO _____ AGREEMENT

This Rider amends the _____ Agreement dated _____ (the "Agreement"), betweenModernn Tech, Inc , a Calıfornıa corporatıon ("Time Out N Play Franchısıng") and _____, a _____ _____ ("Franchisee")

1. Definitions. Capıtalized terms used but not defined ın thıs Rıder have the meanıngs gıven ın the Agreement

2 Amendments The Agreement (and any Guaranty Agreement) ıs amended to comply wıth the followıng

(1) Restrıctıve Covenants Every contract by whıch Franchısee, any Guarantor, or any other person ıs restraıned from exercısıng a lawful professıon, trade, or busıness of any kınd ıs subject to NDCC Sectıon 9-08-06

(2) Sıtus of Arbıtratıon Proceedıngs Franchısee and any Guarantor are not requıred to agree to the arbıtratıon of dısputes at a locatıon that ıs remote from the sıte of Franchısee's busıness

(3) Restrıctıons on Forum Franchısee and any Guarantor are not requıred to consent to the jurısdıctıon of courts outsıde of North Dakota

(4) Lıquıdated Damages and Termınatıon Penaltıes Franchısee ıs not requıred to consent to lıquıdated damages or termınatıon penaltıes

(5) Applıcable Laws The Agreement (and any Guaranty Agreement) ıs governed by the laws of the State of North Dakota

(6) Waıver of Trıal by Jury Franchısee and any Guarantor do not waıve a trıal by jury

(7) Waıver of Exemplary and Punıtıve Damages The partıes do not waıve exemplary and punıtıve damages

(8) General Release Franchısee and any Guarantor are not requıred to sıgn a general release upon renewal of the Agreement

(9) Lımıtatıon of Claıms Franchısee ıs not requıred to consent to a lımıtatıon of claıms The statute of lımıtatıons under North Dakota law applıes

(10) Enforcement of Agreement The prevaılıng party ın any enforcement actıon ıs entıtled to recover all costs and expenses ıncludıng attorney's fees

3. Effective Date. Thıs Rıder ıs effectıve as of the Effectıve Date

Agreed to by

FRANCHISEE	FRANCHISOR
_____	MODERNN TECH, INC
By _____	By _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

RHODE ISLAND RIDER TO _____ AGREEMENT

This Rider amends the _____ Agreement dated _____ (the "Agreement"), betweenModernn Tech, Inc , a California corporation ("Time Out N Play Franchising") and _____, a _____ _____ ("Franchisee")

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act

3. Effective Date This Rider is effective as of the Effective Date

Agreed to by

FRANCHISEE	FRANCHISOR
_____	MODERNN TECH, INC
By _____	By _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT
AND
RIDER TO _____ AGREEMENT

The state of Washington has a statute, RCW 19 100 180 which 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 involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act 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 limitation period for claims under the Act, 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

Agreed to by

FRANCHISEE	FRANCHISOR
_____	MODERNN TECH, INC
By _____	By _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

RECEIPT

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

If Modernn Tech, Inc offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship

If Modernn Tech, Inc does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and any applicable state agency (which are listed in Exhibit A)

The name, principal business address, and telephone number of each franchise seller offering the franchise is

Name	Principal Business Address	Telephone Number
Mr Rami Sahar	2200 Petaluma Blvd North, Suite 800, Petaluma, CA 95492	707-490-7328

Issuance Date 1/25/2019

I received a disclosure document dated 1/25/2019 that included the following Exhibits

A State Administrators and Agents for Service of Process
B Franchise Agreement (with Guaranty and Non-Compete Agreement)
C Multi-Unit Development Agreement
D Rider to Lease Agreement
E Form of General Release
F Financial Statements
G Operating Manual Table of Contents
H Current and Former Franchisees
I State Addenda to Disclosure Document
J State Addenda to Agreements

Signature _____
Print Name _____
Date Received _____

Keep This Copy For Your Records

RECEIPT

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

IfModernn Tech, Inc offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship

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F Financial Statements
G Operating Manual Table of Contents
H Current and Former Franchisees
I State Addenda to Disclosure Document
J State Addenda to Agreements

Signature _____
Print Name _____
Date Received _____

Return This Copy To Us
Modernn Tech, Inc. - 2200 Petaluma Blvd North, Suite 800, Petaluma, CA 95492