FRANCHISE DISCLOSURE DOCUMENT

Trapped US Franchise Inc.
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The franchise being offered is to establish and operate a Trapped escape room business. We are an innovative leader in real-life escape games in North America.

The total investment necessary to begin operation of a single Trapped escape room business is approximately $538,400 to $958,300. This includes $155,000 to $285,000 that must be paid to us or our affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Vic Zhou, Trapped US Franchise, Inc., 614 N. DuPont Hwy, Suite 210, Dover, DE 19901, or call (647) 895-9137.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you to understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20590. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: February 14, 2025

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit C.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Trapped business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Trapped franchisee?	Item 20 or Exhibit C lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

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Special Risks to Consider About *This* Franchise

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

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

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

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

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

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Exhibit A – List of State Regulatory Authorities and Registered Agents
Exhibit B – Table of Contents of Manual
Exhibit C – List of Current and Former Franchisees
Exhibit D – Financial Statements
Exhibit E – Franchise Agreement
Exhibit F – Conditional Assignment of Telephone and Directory Listings
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Exhibit I – Franchise Disclosure Questionnaire
Exhibit J – State Effective Dates
Exhibit K – Receipts

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

To simplify the language in this Disclosure Document, "Trapped," "we," "us," or "our" means Trapped US Franchise, Inc., the franchisor. "You" means the person or persons, including legal entities and their owners, that buy the franchise. The franchisee may be a person, corporation, partnership or limited liability company. If the franchisee is a corporation, partnership, or limited liability company, "you" and "your" do not include the principals of the corporation, partnership, or limited liability company.

The Franchisor and Its Parents, Predecessors and Affiliates. We are a Delaware corporation formed in July 2024. We do business under the name "Trapped" and under our entity name. Our business address is 614 N. DuPont Hwy, Suite 210, Dover, Delaware 19901. Our agents for service of process, and their addresses, are listed in Exhibit A.

Our direct parent company is Trapped Franchise Holdco, Inc., ("Holdco") a Canadian corporation formed in July 2024 with a business address at 401 Alden Road, Unit 14, Markham, Ontario, L3R 3L4, Canada. Holdco has never offered franchises in any line of business.

Our affiliate, REG Entertainment Inc. ("REG Entertainment") is incorporated under the laws of Canada and was formed in March 2014, with a business address at 401 Alden Road, Unit 14, Markham, Ontario, L3R 3L4, Canada. REG Entertainment has offered franchises of the type you will operate in Canada since 2015. As of the issuance date of this Disclosure Document, REG Entertainment has established twenty-one (21) franchised businesses in Canada and has entered into franchise agreements to establish twenty-two (22) additional franchised businesses, all in Canada.

Our affiliate, Trapped Marham, Inc., a Canadian corporation formed in March 2023, has owned and operated a business of the kind offered in this disclosure document in Markham, Ontario since October 2014 (the "Markham Location"). Trapped Markham, Inc. has not offered franchises in any line of business, nor does it provide any products and/or services to our System franchisees.

We have not previously offered franchises of the type being offered in this Disclosure Document in the United States. Neither we nor REG Entertainment have ever conducted the type of business you will operate and have never offered franchises in any other line of business.

We do not have any predecessors. Except as disclosed above, we do not have any parents or affiliates that are required to be disclosed in this Item.

Franchisor's Business and Franchises to be Offered.

We grant franchises for the establishment and operation of a Trapped escape room business ("Franchised Business") under a franchise agreement entered into with us in the form included in this Disclosure Document as Exhibit E ("Franchise Agreement"). In order to become a Trapped

franchisee, you must sign a Franchise Agreement and operate your Franchised Business in accordance with our standards and specifications.

We have developed, and continue to develop, a distinctive system (the "System") relating to the establishment and operation of Franchised Businesses, which feature and offer for sale to individuals and corporations live escape room experiences that help bring fantasies and movie scenarios to real life. The distinguishing characteristics of the System include distinctive exterior and interior designs, décor, game room themes and installations, and fixtures, and furnishings; standards, specifications, and procedures for the operation of game rooms and escape experiences; training and assistance; and branding, advertising and promotional programs; all of which may be changed, improved and further developed by us periodically.

Your Franchised Business will be operated in accordance with our confidential operating manual (the "Manual"), a copy of which will be loaned to you or made available to you through a password-protected website. You will also be provided with the right to use certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including the mark "Trapped," as are now designated and may be designated by us in writing for use in connection with the System (collectively, the "Proprietary Marks").

Market and Competition. The market for escape room experiences is still developing. You will have to compete with national, regional, and local escape room businesses (including company-owned and franchised chains) and independently owned escape room businesses, as well as other Trapped locations owned and operated by us or by other Trapped franchisees. Since escape room experiences are in demand year-round, your sales will not be seasonal.

Industry Specific Laws and Regulations. Your Franchised Business will be subject to all of the laws, codes, ordinances, and regulations normally applicable to retail businesses. These include federal, state, and in most instances, city, county, or other local laws.

A few examples of other federal laws affecting many businesses are wage and hour laws, occupational health and safety laws, equal employment opportunity laws, taxes, and the Americans with Disabilities Act. In addition, state and federal privacy laws may require covered companies to maintain or completely destroy documents containing certain personal information. State laws may cover the same topics as federal laws. A few examples of other state laws that may affect your Franchised Business include environmental, occupational health and safety, fire, taxes, health, and building and construction laws. Local laws may cover the same topics as federal and state laws. A few examples of other local laws that may affect your Franchised Business include health and sanitation, building and zoning, fire safety, other business permits and licenses, and waste disposal.

The foregoing are examples of some, but not all, of the laws that may be applicable to the Franchised Business described in this Disclosure Document. The Franchise Agreement places the responsibility for knowing and complying with all applicable laws and regulations upon you, the franchisee. You should research these requirements before you invest and should consult with your own legal counsel.

Item 2.
BUSINESS EXPERIENCE

Director and Co-Founder: Vic Zhou

Mr. Zhou has served as our Director and Co-Founder in Markham, Ontario, since our formation in July 2024. Since 2014, he has also served as Chief Executive Officer, Director and Co-Founder of our parent company, REG Entertainment, in Markham, Ontario, and prior to these roles, Mr. Zhou served as a Senior Business Advisory Consultant at AdvisoryCloud in Toronto, Ontario from 2021 to 2024.

Director and Co-Founder: Andy Wu

Mr. Wu has served as our Director and Co-Founder, in Markham, Ontario, since our formation in July 2024. Since 2014, he has also served as Chief Technology Officer, Director and Co-Founder of our parent company, REG Entertainment, in Markham, Ontario. From 2019 to 2024, Mr. Wu served as a Senior Software Engineer for Amazon in Toronto, Canada.

Director and Co-Founder: Annie Luo

Ms. Luo has served as our Director and Co-Founder in Markham, Ontario, since our formation in July 2024. Since 2014, she has also served as Chief Financial Officer, Director and Co-Founder of our parent company, REG Entertainment, in Markham, Ontario, and previously worked as a Sales Representative at Century 21 in Richmond, Ontario from 2019 to 2024.

Director: Evan Zhou

Mr. Zhou has served as our Director since our formation in July 2024, in Markham, Ontario. Prior to this role, Mr. Zhou served as an Equity Research Summer Associate at Desjardins in Toronto, Ontario from May 2021 to September 2021; as a Private Markets Analyst at UPP in Toronto, Ontario from September 2021 to December 2021; as a Private Equity Analyst at Power Sustainable Lios in Toronto, Ontario from March 2022 to June 2022; as Co-Chief Strategy Officer at REG Entertainment in Toronto, Ontario from June 2023 to present; and as a Senior Analyst Private Markets at UPP from June 2022 to 2024.

Director: Mankaran Kharbanda

Mr. Kharbanda has served as our Director since our formation in July 2024. Prior to this role, Mr. Kharbanda served as a Senior Associate at Grant Thornton in Toronto, Ontario from October 2018 to May 2020; as a Summer Associate at Framework Venture Partners in Toronto, Ontario from April 2021 to September 2021; as Corporate Strategy Manager at Celestica in Toronto, Ontario from June 2022 to February 2024; as Co-Chief Strategy Officer at REG Entertainment in Toronto, Ontario from June 2023 to present, and as Senior Associate at Alvarez & Marsal in Toronto, Ontario from May 2023 to present. Mr. Kharbanda is based in Mississauga, Ontario.

Item 3.
LITIGATION

No litigation is required to be disclosed in this Item.

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Item 4.
BANKRUPTCY

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

Item 5.
INITIAL FEES

Initial Franchise Fee. You must pay us a $35,000 lump sum initial franchise fee when you sign the Franchise Agreement for a single Trapped escape room franchise (the "Initial Franchise Fee"). The Initial Franchise Fee is uniformly imposed, fully earned when paid, and is not refundable. We do not finance the Initial Franchise Fee or any other fees.

Game Equipment, Fixtures, Electronics, and Installation Package. Prior to the opening of your Franchised Business, you must purchase from us or our affiliates certain game equipment, fixtures, and electronics for use in your Franchised Business, as well as a fee for the installation of certain of these items (the "Pre-Opening Equipment Package"). The package includes, but is not limited to, certain electronic equipment, game controllers, magnetic locks, decorations, game props, and installations for the game rooms. For a typical Franchised Business featuring a total of four (4) separate game rooms, we estimate that the cost of the items purchased from us or our affiliates will range from $120,000 to $250,000. If your Franchised Business will feature more than four (4) separate game rooms, the cost for your Initial Equipment Package may be higher.

The fee for the Pre-Opening Equipment Package is uniformly imposed, paid as a lump sum, and is not refundable.

Before your Franchised Business opens, we will provide you, at no additional cost, access to our Automated Hints Delivery System and designs for four (4) game room themes, including full game layouts, instructions, and blueprints, and information on all game equipment, electronics, installations, props, and decorations needed to set up and prepare each game.

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Item 6.
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	7.5% of Gross Sales	5th day of each month for the preceding business month	See Note 1
Franchise Administration Fee	$1,400 per month	Same time and manner as the Royalty	See Note 2
Local Advertising Requirement ("LAR")	$1,000 per month	As incurred	See Note 3
On-going and/or Remedial Training Fee	$500/day per trainer for on-going or remedial training	As incurred	See Note 4
Testing and Evaluation Costs	Cost of inspection, evaluating, or testing, plus $500 per day for each of our personnel reasonably taking part in the evaluation	As incurred	See Note 5
Maintenance of Premises / Refurbishment	Approximately $12,000 per year	As incurred	See Note 6
Successor Franchise Agreement Fee	$5,000	Upon execution of successor Franchise Agreement	See Note 7
Relocation Fee	$5,000, plus costs we incur in reviewing your proposed relocation	As incurred	See Note 8
Transfer Fee	$10,000	As incurred	See Note 9
Insurance Reimbursement	Cost of insurance and, if not obtained and maintained, our costs if we elect to obtain the insurance for you	As required by vendor	See Note 10
Audit Fee	Based on degree of your understatement of Gross Sales	Upon billing after audit	See Note 11
Late Reporting Fee	Currently, $100 per day	Upon receipt of our invoice	See Note 12
Late Payment Fee	Currently, the greater of $500 or the maximum amount permitted under applicable state law	Upon receipt of our invoice	See Note 13

Type of Fee	Amount	Due Date	Remarks
Interest	18% per annum or highest rate of interest allowed by law, whichever is greater; due on all overdue amounts	As incurred	See Note 14
Collection Costs and Expenses	Will vary depending upon circumstances	As incurred	See Note 15
Indemnification Fee	Cost of liability	As incurred	See Note 16
Liquidated Damages	Will vary depending upon circumstances	As incurred	See Note 17
Fees on Default and Indemnity	Cost of collection and attorneys' fees	As incurred	See Note 18
Post-termination and Post-expiration Expenses	Will vary depending upon circumstances	As incurred	See Note 19
Attorneys' Fees and Costs	Will vary depending upon circumstances	As incurred	See Note 20

Except as stated above, you pay all fees to us. All fees are non-refundable and are uniformly imposed on all franchisees.

NOTES:

Note 1 - Royalty: The royalty begins on the date your Franchised Business opens to the public and continues for the duration of the term of the Franchise Agreement. The royalty is currently payable on the 5th day of each month, calculated on your Gross Sales for the immediately preceding month, and is withdrawn electronically from your designated bank account, but we may change the time and the manner of payment. "Gross Sales" means all revenue from the sale of all products, merchandise, and services and all other income of every kind and nature at or from your Franchised Business or otherwise related to the Franchised Business, including, without limitation, any proceeds, whether for cash or credit, and regardless of collection in the case of credit, of sales to employees and managers, family members, or other businesses owned or controlled by you, not reduced by any discounts in connection with the transaction of business with such employees and managers, family members or other businesses. Such sales should be included, based on the pricing generally paid by your other customers. Gross Sales shall not include (i) any sales taxes or other taxes collected from customers by you and paid directly to the appropriate taxing authority, (ii) the amount of any proceeds from insurance with respect to your property damage or liability, or proceeds from any civil forfeiture, condemnation, or seizure by governmental entities, or (iii) the amount of any returns, credits, allowances, adjustments, or uncollectible amounts, subject to the limitation that uncollectible amounts cannot exceed 0.5% (i.e., ½ of 1.0%) of Gross Sales for any

of your fiscal years. Subsequent collections of charged-off amounts must be included in Gross Sales when collected.

Note 2 – Franchise Administration Fee: You must pay to us a Franchise Administration Fee in the amount of $1,400 per month for (i) certain technology related services, products, licenses and/or sublicenses we designate, which may include, without limitation, hardware, software, network connections, and other equipment, hardware and software necessary to operate the Computer System, point of sale system, member management system, and/or scheduling system, and (ii) certain System-wide marketing efforts we undertake on behalf of the System generally. We have the right to increase or decrease the Franchise Administration Fee at any time upon 30 days' notice to you, but the amount of the monthly Franchise Administration Fee will not exceed $2,500 during the initial term of your Franchise Agreement.

Note 3 – Local Advertising Requirement ("LAR"): During the term of the Franchise Agreement, you must expend the minimum amount of $1,000 per month on local advertising in your Territory (your "Local Advertising Requirement," or "LAR"). These amounts are paid to third parties and are typically not refundable. We have the right to ensure your compliance with your LAR expenditure, and if we determine that you have not expended the LAR in any month, we have the right to collect the difference between the LAR and what was actually spent on local advertising in your Territory and spend such difference on your behalf.

Note 4 - On-going and/or Remedial Training: The fee for on-going or remedial training of your trainer or assistance with the training of your staff is currently $500/day per trainer. You will also be responsible for transportation, meals, lodging and other incidentals while attending training. The total cost will vary depending on the number of people attending, how far you travel and the types of accommodations you choose. This estimate does not include a salary for you or your employees during training.

Note 5 - Testing and Evaluation Costs: If you request our approval of a new product or supplier, you must cover the costs of any needed inspection, evaluating, or testing, plus $500 per day for each of our personnel reasonably taking part in the evaluation. These costs typically total $500 or less, but may be more if, for example, our personnel are required to travel in order to perform the inspection, evaluation, or testing. All amounts are payable to us or a third party, as we require.

Note 6 - Maintenance of Premises / Refurbishment: You must, at your expense, maintain the premises of your Franchised Business in a clean, orderly condition and in excellent repair, and make such additions, alterations, repairs, and replacements as may be required for that purpose, including, for example, periodic repainting and/or replacement of obsolete signs, furnishings, equipment, and décor as we may reasonably direct. You must also, at your expense, update and refurbish your Franchised Business and comply with changes to the System that we may periodically require, including changes to System standards, policies and procedures; additions/deletions to the products and services that we authorize you to sell; modifications to the System standards and specifications for escape room construction, design, appearance and operations (e.g., building, premises, equipment, signage, trade dress, décor, color schemes); and changes, improvements, or substitutions of the trademarks.

Note 7 - Successor Franchise Agreement Fee: If you renew your franchise rights by entering into a successor franchise agreement with us, you must pay a renewal fee in an amount equal to $5,000.

Note 8 - Relocation Fee: You may not relocate your Authorized Location without our prior, written consent, which may be withheld in our sole discretion. If we provide our consent to your relocation to a new site, you must pay us a fee of $5,000 or such greater amount as is necessary to reimburse us for costs associated with reviewing your proposed relocation site.

Note 9 - Transfer Fee: We will not unreasonably withhold our consent to a proposed transfer, but we may require, among other conditions of our approval, that you pay a transfer fee in the amount of $10,000. However, there is no transfer fee if the transferee:

- Is an entity controlled by you;
- Obtains the business as a result of the franchisee's death or disability.

Note 10 – Insurance Reimbursement: Before you open your Franchised Business, you must procure and maintain at all times during the term of the Franchise Agreement, at your expense, comprehensive general liability insurance, property and casualty insurance, business interruption insurance, statutory workers' compensation insurance, employer's liability insurance, product liability insurance, and any other insurance we designate. These insurance policies must name us as an additional named insured and must provide at least the types and minimum amounts of coverage as we may specify in the Manual. If you fail to obtain or maintain the insurance required, we will have the right and authority (but not the obligation) to procure and maintain the required insurance in your name and to charge you for it, which charges, together with a reasonable fee for our expenses in so acting, will be payable by you immediately upon notice. We may change these insurance requirements, upon reasonable notice to you, to conform to prudent business practices.

Note 11 - Audit Fee: If any audit discloses that you have understated your Gross Sales in any report or statement by:

- 2% or less – you must immediately pay the full amount owed with interest (18% per annum or the highest rate of interest allowed by law, whichever is less).
- More than 2% but less than 5% – you must immediately pay the full amount owed with interest and pay our cost of conducting the audit, including, for example, the travel, lodging, meals, wages, and expenses of our personnel, and any reasonable accounting and legal fees we may incur.
- More than 5% – in addition to the above penalties, we may terminate your franchise without giving you the opportunity to cure.
- More than 2% three or more times in any 12-month period – we may terminate your franchise without giving you the opportunity to cure.

Note 12 – Late Reporting Fee: Any Gross Sales or other report you are required to submit to us under the Franchise Agreement that is not received by us when due will be deemed to be a late report. For each such late report, you must pay us a late reporting fee equal to $100 per day from

the date due to the date we receive the late report. Payment of the late reporting fee is due upon your receipt of our invoice.

Note 13 – Late Payment Fee: Any Royalty payment or other amount due to us under the Franchise Agreement that is not received by us when due will be deemed to be overdue. If we do not receive the full amount owed, plus applicable interest, within seven days after the payment due date, then you must pay us, in addition to such overdue amount and interest, a late payment fee equal to the greater of $500 or the maximum amount permitted under applicable state law. Payment of the late payment fee is due upon your receipt of our invoice.

Note 14 - Interest: Interest is assessed on amounts owing to us and our affiliates and accrues from the due date to the date of payment. Accrued interest is added to the principal and is subject to interest. Our entitlement to interest is in addition to any other remedies we may have. You may not set off any payments due under the Franchise Agreement against any monetary claim you may have against us.

Note 15 – Collection Costs and Expenses: If we engage in collections efforts regarding amounts you owe us, you must reimburse us for the costs and expenses we incur, including, for example, any costs and commissions paid to a collection agency and reasonable attorneys' fees.

Note 16 - Indemnification Fee: You must protect, indemnify, and hold us and our officers, directors, and employees harmless against all claims, losses, costs, expenses, liabilities, and damages arising directly or indirectly from the operation of the Franchised Business, as well as the costs, including attorneys' fees, of the indemnified party in defending against them.

Note 17 - Liquidated Damages: Liquidated damages are determined by multiplying the combined monthly average of Royalty Fees and Franchise Administration Fees (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with the date you open the Franchised Business through the date of early termination, multiplied by the lesser of: (i) 36, or (ii) the number of months remaining in the term of the Franchise Agreement.

Note 18 - Fees on Default and Indemnity: If you default under the Franchise Agreement or any other agreement between us and you, and we engage an attorney for collection or enforcement, you must pay all our damages and costs to the extent permitted by law.

Note 19 - Post-termination and Post-expiration Expenses: Upon termination or expiration of your Franchise Agreement, you will need to cover all your costs associated with ceasing to be a Trapped franchisee and de-identifying your Franchised Business.

Note 20 - Attorneys' Fees and Costs: If we are forced to engage an attorney to enforce the terms of any agreement between us and you, then you must reimburse us for all attorneys' fees and costs incurred.

Item 7.
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low Estimate	High Estimate	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	$35,000	$35,000	Lump sum	At signing of Franchise Agreement	Us
Professional Services Fees (Note 2)	$3,000	$7,500	As arranged	Before opening	Suppliers
Architect, Construction, Leasehold Improvements, and Designs (Note 3)	$250,000	$410,000	As arranged	Before opening	Architect, Contractors, Suppliers
Licenses and Permits (Note 4)	$7,000	$10,000	As arranged	Before opening	Suppliers / Government agencies
Lease and Utilities (1 Month) (Note 5)	$10,000	$80,000	As arranged	Before opening / As incurred	Landlord / Utility Providers
Exterior and Interior Signs/Graphics (Note 6)	$15,000	$30,000	As arranged	Before opening	Suppliers
Game Equipment, Electronics, Fixtures, and Installations ("Pre-Opening Equipment Package") (Note 7)	$120,000	$250,000	As arranged	Before opening	Us / Suppliers
Lobby and Hallway Furniture/Fixtures (Note 8)	$10,000	$15,000	As arranged	Before opening	Suppliers
Computer System and Required Software (1 Month) (Note 9)	$3,000	$5,000	As arranged	Before opening	Suppliers
Initial Supplies (Note 10)	$3,000	$5,000	As arranged	Before opening	Suppliers
Initial Training Expenses (Note 11)	$2,000	$5,000	As arranged	Before opening	Suppliers
Grand Opening Advertising (Note 12)	$5,000	$5,000	As arranged	Before opening	Suppliers
Insurance (1 Month) (Note 13)	$400	$800	As arranged	Before opening	Suppliers
Additional Funds (Note 14)	$75,000	$100,000	As arranged	After opening	Various
Total	**$538,400**	**$958,300**			

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The table above provides an estimate of the initial investment for one Franchised Business, and of the estimated costs necessary to operate the Franchised Business for an initial period of three (3) months, unless otherwise indicated. All costs and payments listed in the table are estimates only. Actual costs will vary for each franchisee and each location depending upon a number of factors. All fees and payments described in this Item 7 are non-refundable unless otherwise stated or permitted by the payee. We do not offer financing of any of the initial investment costs.

NOTES:

Note 1 - Initial Franchise Fee: The Initial Franchise Fee is described in more detail in Item 5 of this disclosure document.

Note 2 - Professional Services Fees: We recommend strongly that you engage the services of professionals to assist you in evaluating our franchise opportunity and to help you establish your business. The figure in the chart is an estimate of the professional fees incurred by a typical franchisee for accounting advice, legal review of franchise agreements, incorporation of a franchisee entity, and legal assistance obtaining needed permits, licenses, and authorizations.

Note 3 – Architecture, Construction, Leasehold Improvements, and Designs: A typical Franchised Business is approximately 2,500 to 4,000 square feet in size and contains four (4) separate game rooms, each ranging in size from 225 to 1070 square feet. Usually (but not always), the business is located in an urban or suburban area and has a store front with street exposure. If you do not already own a site for your Franchised Business, you must lease or acquire a site, approved by us (the "Authorized Location"), for the term of the Franchise Agreement. You must build out and/or renovate the site in accordance with our specifications. We will provide consultation for the exterior and interior design, and signage design, for your Franchised Business.

Your net construction and leasehold improvement costs will be dependent on the size of your Authorized Location, installation costs, the configuration and condition of the premises as provided by your landlord, and any tenant improvement allowance and/or free rent you may receive from your landlord. The estimate in the table assumes that the location comes equipped with two working bathrooms, a 9-to-11-foot dropped ceiling, and an existing HVAC system. The estimate includes the cost of installing flooring, drywall, plumbing, wiring, paint, lighting, and doors, and the installation of ceiling speakers in the game rooms. The estimate does not include any amount for the purchase of real property, as it is not anticipated that you will purchase real property.

It is your responsibility to ensure that your Franchised Business meets your requirements and that your location and equipment are maintained throughout the term of your franchise. You are responsible for compliance with all federal, state, and local laws and regulations, including zoning and building codes.

Note 4 – Licenses and Permits: You will need to acquire the necessary permits, bonds, merchant accounts and licenses, etc., in order to open and operate your Franchised Business. The estimate in the table includes the cost of obtaining the licenses and permits required for a typical Franchised

Business. Your costs will vary depending on the number and type of licenses and permits required by your state and local laws and regulations.

Note 5 – Lease and Utilities: The figure in the table is an estimate of your rent and utilities costs for the first month of operations, along with one month's rent as a security deposit. Your rent and utilities costs will vary depending on such factors as the actual square footage of your Franchised Business, its location and condition, and any specific requirements of your landlord.

Note 6 – Exterior and Interior Signs/Graphics: You will need to purchase signs for your Franchised Business. The figure in the table is an estimate of the cost of one exterior sign and one interior sign. Actual costs for your external sign may vary depending on landlord requirements and local building and other codes. We provide consultation for escape room signage design, and all signage must comply with our standards and your local building and other codes.

Note 7 – Game Equipment, Electronics, Fixtures, and Installations: The estimate in the table includes the cost of the game equipment, electronics, installations, props, and decorations required by a Franchised Business featuring four (4) game rooms, as disclosed in detail in Item 5. This cost will vary depending on the size of your Franchised Business and the set of game designs you select. If your Franchised Business features more than four (4) separate game rooms, the cost of this package may be higher. Some of these materials will be purchased from third-party suppliers we have approved, but certain items must be purchased from us or our affiliates. Before your Franchised Business opens, we will provide you, at no additional cost, our Automated Hints Delivery System and designs for four (4) game room themes, including full game layouts, instructions, and blueprints, and information on all game equipment, electronics, installations, props, and decorations needed to set up and prepare each game. See Item 5 for additional information on required purchases of equipment and other items prior to opening.

Note 8 – Lobby and Hallway Furniture/Fixtures: We will provide consultation for the interior design and lobby design of your Franchised Business. The type and number of pieces of furniture and fixtures you require for your lobby, hallways, etc., will depend on the size of your Franchised Business and the number of employees you hire. The figures in the table are an estimate of these costs for a typical Franchised Business, and include the cost of a reception desk, lobby chairs and furniture, two televisions for the lobby, lighting, lockers (for customer use), and desks and chairs for employees. Additional equipment may be required for your Franchised Business. The estimate does not include the cost of shipping or installing furnishings or fixtures. You will purchase your equipment from third-party suppliers we have approved.

Note 9 – Computer System and Required Software: You will be required to purchase or lease the computer hardware, software, telecommunications equipment, and security system we specify in the Manual or otherwise in writing. The type and number of items required may vary depending on your Franchised Business. Currently, each franchised escape room business will need at least the following: one front desk computer, one point-of-sale ("POS") station, a minimum of two computer monitors, one printer, one multizone controller and amplifier kit, one ceiling speaker per game, two walkie-talkies for each game room (plus two as back-up), six to 10 security cameras, one WiFi router/access point, one network router, one telephone, and the software platform subscriptions we designate.

Note 10 – Initial Supplies: The figures in the table are an estimate of the cost of the initial supplies needed to open and operate a typical Franchised Business, including office and business supplies, and cleaning supplies. The type of items you purchase, and the amount of each, will depend on the size of your Franchised Business, the number of game rooms in your facility, the number of employees you hire, and your individual needs and preferences. You must purchase all products and supplies used in your Franchised Business only from suppliers we designate or approve.

Note 11 – Initial Training Expenses: Prior to the opening of your Franchised Business, you (or your principal owner, if you are an entity) must attend and complete, to our satisfaction, our initial training program for new Trapped franchisees (the "Initial Training Program"). The Initial Training Program will be a combination of classroom and on-the-job training and may include training provided electronically and remotely. Training will be approximately three (3) days in duration and will be provided at the Markham Location or in another location designated by us.

We will provide initial training (instructors and training materials) for one person without any additional fee. Additional individuals may attend training but must pay our then-current training fee designated in the Manual or otherwise by us in writing. Currently, this fee is $500 per trainer per day. We have the right to approve all individuals who attend initial training. You will be responsible for all costs of travel, lodging, meals, and other expenses incurred by your trainee(s) during training. The figures in the table above are an estimate of those costs for one person during the Initial Training Program. These costs vary greatly based on the time of year and the choices you make for travel, lodging, meals, etc. (See Item 11 for more information on this program.)

Note 12 – Grand Opening Advertising: You must spend at least $5,000 for your initial market introduction advertising campaign. During the Initial Training Program, we and you will collaborate to develop a plan for your grand opening advertising campaign, and you will then execute the agreed-upon plan. You will be responsible for securing any needed vendors or suppliers.

Note 13 - Insurance: Before you open your Franchised Business, you must procure (and maintain at all times during the term of the Franchise Agreement) at least the types and minimum amounts of insurance coverage as we specify in the Manual. The figures in the table are an estimate of the cost of obtaining this minimum coverage. See Item 8 for more information on the types and minimum amounts of insurance coverage required.

Note 14 - Additional Funds: The figures in the table are an estimate of the additional funds needed prior to the opening of your Franchised Business and of the start-up expenses incurred during the first three months of operation (less income earned, and not including any salary, finance costs, debt service, or reimbursements or other payments to you). This estimate also includes initial costs of employee recruitment, pre- and post-opening wages, other variable costs (e.g., ongoing electricity, telephone, heat, etc.), and general and administrative costs. The figures in the table are estimates only, and we cannot guarantee that you will not have higher costs. We have based this estimate on our management team's experience, including the experience of our affiliate-owned companies' ownership and operation of the Markham Location.

Item 8.
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases or Leases of Goods, Services, Supplies, Fixtures, Equipment, Inventory, Computer Software and Hardware, Real Estate, and Other Items. We will provide specifications for the equipment you will be required to purchase for your Franchised Business. The initial equipment package includes game room equipment and installations (including electronic equipment, game controllers and props, magnetic locks, decorations, a multizone controller and amplifier kit, one ceiling speaker per game, and two walkie-talkies for each game room (plus two as back-up)); lockers for customer use; game room cameras; six to 10 security cameras; a point-of-sale (POS) terminal; office equipment and supplies (including one front-desk computer), a minimum of two computer monitors, one printer, one WiFi router/access point, one network router, one telephone, and an initial subscription period to our required POS software platform). In order to maintain brand integrity, ensure consistency in quality, and consolidate purchasing power, you must purchase your initial equipment package from third-party suppliers we have approved or, depending on the item, from us.

You must sell or offer for sale only such products, merchandise, and services as we have expressly approved for sale; sell or offer for sale all types of products, services, and merchandise we specify; refrain from any deviation from our standards and specifications without our prior written consent; and discontinue selling and offering for sale any products, merchandise, and services that we disapprove at any time. You must maintain in sufficient supply (as we may prescribe in the Manual or otherwise in writing) and always use only those products acquired from suppliers we designate or approve, and such other game equipment and installations, materials, supplies, fixtures, furnishings, and signs that conform to our standards and specifications. You may not deviate from our standards and specifications by the use of nonconforming items without our prior written consent.

Before your Franchised Business opens, we will provide you, at no additional cost, our Automated Hints Delivery System and designs for four (4) game room themes, including full game layouts, instructions, and blueprints, and information on all game equipment, electronics, installations, props, and decorations needed to set up and prepare each game. Most of that equipment, electronics, and other items will be purchased from third-party suppliers we have approved, but certain items must be purchased from us or our affiliates. You must also purchase only from us any game room designs beyond the first four. We are currently the only approved supplier for all of these products. Neither we nor our affiliates are approved suppliers of any other goods or services. We may in the future offer or designate others to offer certain supplies or services, and we or our affiliates may become approved suppliers or the only approved supplier(s) for other goods and services. We do not have any current plans, however, to become an approved or the only approved supplier(s) of any other goods or services.

You may be required to participate in Internet and multi-area marketing programs, including yellow pages, directory, affinity, gift card and loyalty programs, contests and awards, and co-branding programs that we develop in the future. We may be the only approved supplier of these programs. Such programs may require your cooperation (including refraining from certain channels of marketing and distribution), participation (including payment of commissions or referral fees), and adherence to pricing to the extent permitted by law.

Before you open your Franchised Business, you must procure and then maintain at all times during the term of the Franchise Agreement, at your expense, insurance coverage providing the types and minimum amounts of coverage as we specify in the Manual. Our current minimum insurance requirements are as follows:

- comprehensive general liability insurance, with limits no less than $1 million per occurrence and $2 million in the aggregate;
- business income/interruption insurance covering at least 50% of annual Gross Sales;
- personal and advertising injury insurance with aggregate limit no less than $1,000,000;
- fire damage legal liability insurance with aggregate limit no less than $1,000,000 per occurrence;
- statutory workers' compensation insurance with limits no less than those required by law;
- business personal property coverage;
- tenant improvement coverage;
- employer's liability bodily injury - $500,000/$500,000/$500,000; and
- employment practices liability insurance - $500,000/$500,000.

These insurance policies must be written by a responsible carrier or carriers acceptable to us and must name us as an additional named insured. We may change these insurance requirements, upon reasonable notice to you, to conform to prudent business practices. If you fail to obtain or maintain the insurance required, we will have the right and authority (but not the obligation) to procure and maintain the required insurance in your name and to charge you for it, which charges, together with a reasonable fee for our expenses in so acting, will be payable by you immediately upon notice.

We do not require you to do business with us or purchase supplies from us or from any designated source other than as we describe above.

How We Issue Supplier Approvals. We base our specifications and product and supplier approvals on our discretionary determination of quality, value, and appearance. There are no written criteria for supplier approval. We must approve all of your supply sources in writing before their use. We may require suppliers to provide certain information, sign a non-disclosure agreement, guarantee our level of quality, and produce sufficient samples to allow us to test the sample at your expense. If you request our approval of a new product or supplier, you must cover the costs of any needed inspection, evaluating, or testing, plus $500 per day for each of our personnel reasonably taking part in the evaluation. We may issue specifications in the Manual or directives, in writing or electronically, and we may modify them at any time. We will respond to a written request to approve a supplier within 90 days of its receipt. We may revoke our approval of a supplier, in our sole discretion, at any time.

Our Specifications and Standards. To maintain uniform standards of quality, appearance, and marketing, it is essential that you conform to our standards and specifications. Our specifications are in our Manual. Therefore, you must conform all of your leases, fixtures, game rooms, goods, services, inventory, equipment, software, advertising, marketing, trademark usage,

trade dress, suppliers, and materials required for the operation of the Franchised Business, to our standards and specifications. You must follow our trademark and copyright usage directions. You will manage your own operations and employees.

Payments to Us and Affiliates from Suppliers and from Sales to You.

Payments to Us or Affiliates from Suppliers. Currently, neither we nor our affiliates receive any license fees, commissions, promotional fees, advertising allowances, rebates, convention promotions, payments for purchases of goods, or other payments based on required purchases by franchisees from third-party suppliers, but we reserve the right to receive such fees, commissions, allowances, rebates, promotions, and payments.

Revenue from Sales by Us or Affiliates to You. Currently, we are the only approved supplier of [[certain game equipment, electronics, installations, props, and decorations, and any game room designs beyond the first five (which we provide to you at no additional cost)]] for Franchised Businesses. We will derive revenue from franchisees' required purchases of these items. A number of our officers own an interest in our parent REG Entertainment. No officers own an interest in any other approved supplier.

Amounts of These Payments from Suppliers and from Sales to You. We are a new franchise offering as of the issuance date of this disclosure document; accordingly, in the fiscal year ended December 31, 2024, we and our affiliates did not derive any revenue on account of franchisees' required purchases and/or leases.

Extent of Required Purchases Compared to Your Total. We estimate that the cost of required purchases or leases from us or our affiliates, or from suppliers we specify or approve, will be approximately 30% to 60% of the total cost of purchases or leases required to establish your Franchised Business. During the operation of your Franchised Business, we estimate that the cost of required purchases or leases from us or our affiliates, or from suppliers we specify or approve, will be approximately 10% to 30% of your total annual cost of purchases and leases. In both establishing and operating your Franchised Business, the majority of required purchases will be from third parties that we specify or approve.

Cooperatives and Associations. There are no franchisee purchasing or distribution cooperatives, although we reserve the right to create one or both in the future.

Negotiated Prices. We may negotiate purchase arrangements with suppliers for the benefit of franchisees.

Material Benefits. We do not provide material benefits to you based solely on your use of designated or approved sources, other than that you will not be in default, will be able to renew or transfer, and will have the intangible benefit of uniform quality standards.

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Item 9.
FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	1.3, 6.1, 6.2, and Exhibits C and F	Item 11
b. Pre-opening purchases/leases	3.5 and 6.3	Items 5, 6, 7 and 8
c. Site development and other pre-opening requirements	6.2, 6.3, 7.4, 7.26, 7.28, 7.31, 7.32, and 8.6	Items 8 and 11
d. Initial and ongoing training	9.1, 9.2, and 9.3	Items 6, 7 and 11
e. Opening	6.3 and 6.4	Item 11
f. Fees	3	Items 5, 6 and 7
g. Compliance with standards and policies/Operating Manuals	7.1 and 7.2	Items 8 and 11
h. Trademarks and proprietary information	4 and 5	Items 13 and 14
i. Restrictions on products/services offered	1.2, 7.3, and 7.5	Items 8 and 16
j. Warranty and customer service requirements	19.3	Item 11
k. Territorial development and sales quota	1.4	Item 12
l. Ongoing product/service purchases	7.4 and 7.5	Item 8
m. Maintenance, appearance and remodeling requirements	2.2, 6.2, 6.5, and 6.6	Items 8 and 11
n. Insurance	14	Items 6 and 7
o. Advertising	8	Items 6, 7 and 11
p. Indemnification	14	Item 6
q. Owner's participation/management/staffing	7.13, 7.16, and 8.12	Items 11 and 15
r. Records/reports	10	Item 6
s. Inspections/audits	6.8 and 10.5	Items 6 and 11
t. Transfer	12	Item 17
u. Renewal	2.2	Item 17
v. Post-termination obligations	16	Item 17
w. Non-competition covenants	11	Item 17
x. Dispute resolution	17	Item 17
y. Guarantee of franchisee obligations	11.6 and Exhibit B	Item 15

Item 10.
FINANCING

Neither we nor any of our agents or affiliates offer any direct or indirect financing to you or guarantee any note, lease, or obligation for you.

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 Obligations Before You Open. Before you open your Franchise Business, we will:

1) Approve or disapprove, in our sole discretion, your proposed site within 30 days of receiving all required information and materials regarding the site. If we approve the site, you will be solely responsible for conforming the site to local ordinances and building codes and obtaining any required permits (Franchise Agreement, Section 1.3 and Site Selection Addendum).

2) Make available to you standard design plans and specifications for a prototypical Franchised Business and, in our reasonable discretion, provide consultation on the exterior and interior design, and signage design, of your Franchised Business (Franchise Agreement, Section 6.2).

3) Provide you with our Automated Hints Delivery System and designs for four (4) game room themes suitable for your Franchised Business, including full game layouts, instructions, and blueprints, and information on all game equipment, electronics, installations, props, and decorations needed to set up and prepare each game. (Franchise Agreement, Section 7.4).

4) Provide you a written list of initial equipment for the Franchised Business, for purchase, along with written specifications for the suppliers designated by us for such equipment; provided, however, that we are not required to provide detailed specifications for each piece of equipment, and we are not responsible for delivery or installment of such equipment (Franchise Agreement, Section 7.4).

5) Provide our Initial Training Program to you (or your principal owner, if you are an entity) and, if applicable, the individual you have designated and we have approved to handle day-to-day management of the Franchised Business, free of charge (Franchise Agreement, Section 9.1; see below in this Item 11 for information on the Initial Training Program).

6) Lend you a copy of the confidential Manual, in one or more volumes, or in electronic media, or on an Intranet or password-protected portion of the Internet, once you (or your principal owner, if you are an entity) complete the Initial Training Program to our satisfaction (Franchise Agreement, Section 7.1).

7) Provide you the right to establish within our Website (currently www.trapped.com) one or more webpages relating to your Franchised Business. (Franchise Agreement, Section 8.10).

8) Provide you a template document created by us for reporting sales, payroll, and inventory; and other management tools (Franchise Agreement, Section 10.1).

Our Obligations During Your Operation of the Franchised Business. After you open your Franchised Business, we will, at no additional charge, except as described below:

1) Provide, as we deem advisable, advice and consultation regarding the operations and marketing of your Franchised Business (Franchise Agreement, Section 9.4).

2) Conduct, as we deem advisable, inspections of your operation of the Franchised Business, at our cost (Franchise Agreement, Section 6.8).

3) Provide you with game theme updates and updates to our Automated Hints Delivery System (Franchise Agreement, Section 7.4).

4) Designate or approve suppliers who will make available to you, for purchase, products, supplies, equipment, and other materials used or offered for sale at the Franchised Business as we may designate in writing (Franchise Agreement, Sections 7.5 and 7.6).

5) At our option, assist you in establishing prices for the products and services you offer and sell, to the extent permitted by applicable law (Franchise Agreement, Section 7.11).

6) Review and approve advertising submitted to us by you (Franchise Agreement, Section 8.8).

7) Spend on local marketing, advertising, and promotion, on your behalf and in our sole discretion, any amounts we require you to pay to us in compliance with your local marketing obligations, as described in the Franchise Agreement (Franchise Agreement, Section 8.4).

Site Selection and Opening. A typical Franchised Business is approximately 2,500 to 4,000 square feet in size and contains four (4) separate game rooms, each ranging in size from 225 to 1070 square feet. Usually (but not always), the business is located in an urban or suburban area and has a store front with street exposure. Although we do not currently own or lease locations for franchisees' businesses, we reserve the right to do so in the future.

We do not select the location of your Franchised Business; it is your responsibility to do so. However, you must obtain our approval of the location. In evaluating your proposed site, we will base our approval/disapproval on factors such as cost, distance between locations, demographics of the surrounding area, traffic patterns, accessibility, general location and neighborhood, parking, and similar factors that we analyze based on our experience and our own subjective judgment. We cannot predict, represent, or warrant success, suitability, or income levels for any location. We may conduct on-site evaluations of your proposed site as we deem necessary and appropriate. If we conduct an on-site evaluation, we reserve the right to require you to reimburse us for our expenses, including costs of travel, lodging, and meals.

We will notify you in writing of our approval or disapproval of your proposed site within 30 days after receiving all required information and materials regarding the site. (Franchise Agreement, Section 6.2 and Site Selection Addendum.) If you fail to obtain our approval of a proposed site and acquire or lease the site within 180 days after signing the Franchise Agreement, we will have the right, in our sole discretion, to terminate your Franchise Agreement and you will

forfeit your Initial Franchise Fee. (Franchise Agreement, Sections 6.4). We have the right, but not the obligation, to provide you with reasonable extensions.

The typical length of time between the signing of the Franchise Agreement and the opening of the Franchised Business is approximately eight to 18 months. The factors that affect this length of time are the time it takes to mutually schedule and satisfactorily train you before the opening of the business, and the length of time of your pre-opening preparations, including your ability to obtain an acceptable location. Regardless of when you acquire or lease your location, you must have your Franchised Business open and operating within 730 days after the date of the Franchise Agreement. If you fail to meet that deadline, we will have the right, in our sole discretion, to terminate your Franchise Agreement and you will forfeit your Initial Franchise Fee. (Franchise Agreement, Section 6.4) We have the right, but not the obligation, to provide you with reasonable extensions.

Grand Opening Advertising. You must spend at least $5,000 for your grand opening advertising campaign, and such amount must be expended in period of time between thirty (30) days prior to the opening of the Franchised Business to thirty (30) days following the opening of the Franchised Business. During the Initial Training Program, we and you will collaborate to develop a plan for your market introduction, and you will then execute the agreed-upon plan. You will be responsible for securing any needed vendors or suppliers. (Franchise Agreement, Section 8.5)

Franchise Administration Fee. You must make monthly expenditures equal to $1,400 per month for (i) certain technology related services and products including, without limitation, the hardware and software necessary to operate the Computer System, point of sale system, member management system, and/or scheduling system; and (ii) certain System-wide local marketing, advertising, and promotion, in the manner we may specify in the Manual or otherwise in writing. We reserve the right to increase or decrease the Franchise Administration Fee at any time upon 30 days' notice to you, subject to the limits stated in the Franchise Agreement.

Local Advertising Requirement ("LAR"). During the term of the Franchise Agreement, you must expend the minimum amount of $1,000 per month on local advertising in your Territory (your "Local Advertising Requirement," or "LAR"). These amounts are paid to third parties and are typically not refundable. We have the right to ensure your compliance with your LAR expenditures.

Additional Advertising Efforts. We reserve the right to establish and require your contribution and participation in an advertising fund and/or an advertising cooperative. You must make reasonable efforts to participate in and cooperate with all other advertising and marketing programs selected by us, including those conducted via Internet or electronic media. All expenses of this independent advertising will be yours. In addition, we may (but are not obligated to) develop and run national and regional advertising promotions. You are required to participate fully in any such promotions, on terms we may reasonably require. (Franchise Agreement, Section 8.) Other than as described in this Item 11, we are not obligated to conduct advertising for the franchise system.

Our Approval. You must obtain our prior review and written approval for any marketing or use of our trademarks in any media (including Internet or electronic media), except when using materials approved by us within the preceding three months. If we do not approve the material with 30 days of the date of our receipt, we will be deemed to have disapproved them. (Franchise Agreement, Section 8.8.) You must follow our trademark and copyright usage directions. We control all Internet access, marketing, and usage, and you may not advertise on the Internet or a worldwide web page, including any social media platform, without our prior consent.

Advisory Council. We reserve the right to form a franchise Advisory Council to advise us with respect to national and local advertising issues and decisions, to coordinate franchisee efforts, and to promote the exchange of ideas and problem-solving methods. If we created an Advisory Council, it would serve in an advisory capacity only and would not have authority to directly modify policies of the System. However, we would weigh the input of this group in formulating plans, programs, and policies that affect franchisees. The Council would consist of four to six members comprised of franchisees from separate designated market areas. Members would be elected by the popular vote of other franchisees in the System. You would be required to participate in all Advisory Council programs we approve and, if implemented by the Advisory Council, to pay a fee to the Council to support its efforts. We would have the right to form, change, dissolve, or merge the Advertising Council.

Website. Unless approved by us or permitted in the Manual, you may not establish a separate Website in connection with your Franchised Business. However, you will have the right to establish one or more webpages within our Website, which is currently www.trapped.com, but may be changed by us in our sole discretion. You must update and add content to your webpage(s) as we require. We have the right to restrict your ability to edit your webpage(s), in our sole discretion. The term "Website" means an interactive electronic document contained in a network of computers linked by communications software, commonly referred to as the Internet or World Wide Web, including any account, page, or other presence on a social or business networking media site, such as Facebook, Twitter, LinkedIn, and on-line blogs and forums ("Networking Media Sites"). You may not make any posting or other contribution to a Networking Media Site relating to us, the System, our trademarks, or your Franchised Business that (a) is derogatory, disparaging, or critical of us, (b) is offensive, inflammatory, or indecent, (c) harms the goodwill and public image of the System and/or our trademarks, or (d) violates our policies relating to the use of Networking Media Sites. (Franchise Agreement, Section 8.11.)

Computer System and Required Software. We have the right to specify or require that you use certain brands, types, makes, and/or models of communications technology, computer systems, and hardware in the operation of your Franchised Business, including: (a) back office and POS systems, and data, audio, and video systems; (b) printers and other peripheral hardware or devices; (c) archival back-up systems; (d) Internet access mode and speed; and (e) physical, electronic, and other security systems (collectively, the "Computer System"). (Franchise Agreement, Section 7.26.)

We also have the right, but not the obligation, to designate, develop, or assign the development of, and to require you to install at your expense: (a) computer software programs for use with the Computer System, which may include web-based software programs and online task management and communications platforms (the "Required Software"); (b) updates, supplements,

modifications, or enhancements to the Required Software; (c) the tangible media upon which you record data; and (d) the database file structure of the Computer System. (Franchise Agreement, Section 7.26.)

You must purchase or lease, and maintain, the Computer System and the Required Software, which are described below. (Franchise Agreement, Section 7.26.) For a typical Franchised Business, the approximate cost of purchasing the Computer System is $3,000 to $5,000. Your Computer System and Required Software must be installed and operational before you open your Franchised Business.

Currently, the Computer System for a typical Franchised Business includes a POS terminal and stand, one front-desk computer, a minimum of two computer monitors, one printer, one WiFi router/access point, one network router, and one telephone. The Required Software includes a subscription to our required POS software platform, and to our required customer reservation system. As part of the Computer System, you must also purchase and install an audio and video surveillance system as designated or approved by us, including all hardware, software, maintenance, and updates. You must post signs in the Franchised Business approved in writing in advance by us that notify your employees and occupants of the facility of the existence of those systems. We may require you to provide us all data and images captured by the surveillance system. (Franchise Agreement, Section 7.31.) Currently, the surveillance system for a typical Franchised Business includes six to 10 security cameras and the associated software.

We have the right to require you to pay us third-party licensing fees for any component of the Computer System or Required Software, including management systems and billing and accounting systems. We will pay such licensing fees collected from you directly to the third-party suppliers. We also have the right to require you to pay these third-party suppliers directly. (Franchise Agreement, Section 3.2(b)) Currently, we expect these fees to be covered by your monthly Franchise Administration Fee.

You must keep your Computer System in good maintenance and repair and install all additions, changes, modifications, substitutions, and/or replacements to the Computer System or Required Software as we may reasonably direct periodically in writing, all at your own expense. You must upgrade or update your Computer System and Required Software at your expense as we may require. There is no limitation on how often we may require these upgrades or the cost of these upgrades. (Franchise Agreement, Section 7.26.) We estimate your ongoing cost to be approximately $500 to $1,000 per year.

You will use the Computer System and Required Software to record and maintain sales and customer data, schedule and track your provision of services, set employee schedules and handle payroll, record and account for your revenues and expenses, produce required Gross Sales and other reports, and for other purposes. We have the right at any time to independently access, remotely retrieve and use any data and information from your Computer System or Required Software that we deem necessary or desirable, there are no restrictions on our right to access this data and information. (Franchise Agreement, Section 7.26.).

Computer systems are vulnerable in varying degrees to computer viruses, bugs, worms, spyware, power disruptions, communication line disruptions, Internet access failures, Internet

content failures, hardware and software failures, and attacks by hackers and other unauthorized intruders and other disruptions. It is your responsibility to protect yourself from these problems. This may include taking reasonable steps to secure your systems (including continually updating firewalls, password protection, and anti-virus systems), and to use backup systems.

Table of Contents of the Manual. In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate your Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Manual. The Manual are confidential and remain our property. We may revise the contents of the Manual periodically, and you must comply with each new or changed standard. The table of contents of the Manual is attached to this Disclosure Document as Exhibit B. The current total number of pages is 106, and the number of pages devoted to each subject is stated in Exhibit B.

Training Program

Initial Training. Prior to the opening of your Franchised Business, you (or your principal owner, if you are an entity) must attend and complete, to our satisfaction, our Initial Training Program.

The Initial Training Program will be conducted after the signing of the Franchise Agreement and payment of the Initial Franchise Fee, and approximately 10 to 12 weeks before the opening of your Franchised Business. We expect to provide initial training on a quarterly basis but will increase the number of sessions as needed.

The Initial Training Program is approximately four (4) days in duration and is provided at such times and places as we designate. (Franchise Agreement, Section 9.1.) Currently, the Initial Training Program is held at the Markham Location or at another location we designate.

We will provide initial training (instructors and training materials) for up to two (2) individuals without any additional fee. Additional individuals may attend training but must pay our then-current training fee designated in the Manual or otherwise by us in writing. Currently, this fee is $500 per trainer per day. We have the right to approve all individuals who attend initial training. You will be responsible for all costs of travel, lodging, meals, and other expenses incurred by your trainee(s) during training.

The Initial Training Program includes a combination of classroom and on-the-job training and may include training provided via the Internet and/or by teleconference. The instructional materials are the contents of our Manual.

Training will be under the direction of Mr. Vic Zhou, who has more than 10 years of experience in the escape room industry, over eight of which have been with REG Entertainment. Other instructors may include managers or trained staff members at current Trapped escape room locations, and their identities are unknown at the present.

Our initial training program is further described in the chart below.

TRAINING PROGRAM			
SUBJECT	**Hours of Classroom Training**	**Hours of On-The-Job Training**	**Location**
Introduction to Trapped	8	0	Online
Game Theme Walk-through	8	8	Franchisee's Facility and Online
On-site Operations Training	0	16	Franchisee's Facility
Management Training	8	0	Markham, Ontario, Canada
Operations Shadowing and Training	0	24	Markham, Ontario, Canada
Totals	**24**	**48**	

Subsequent Training. If you request additional initial training or we require you (or your principal owner, if you are an entity) to take subsequent initial training, such training may be provided at our next scheduled initial training session or at your Franchised Business and will be provided at the then-current training fee. (Franchise Agreement, Section 9.3.)

We may also require you (or your principal owner, if you are an entity) to receive or attend additional or supplemental training as we may reasonably require, and you must pay our then-current training fee, or whatever charge is made by third-party trainers, for such training, plus travel, food, accommodations, and all other necessary expenses. The additional or supplemental training may be provided via the Internet and/or by teleconference or may be conducted in a classroom or on-the-job setting at your Authorized Location, the Markham Location, or another designated location, including at franchisee meetings, or other conferences or conventions, as determined by us. (Franchise Agreement, Sections 9.3 and 9.4)

Item 12.
TERRITORY

During the term of the Franchise Agreement, we will not establish or operate, or license any other person to establish or operate, a Franchised Business under the System and the Proprietary Marks at any location within the specified territory that will be described in the Franchise Agreement ("Territory"). The size of your Territory will vary depending on a variety of factors, including the population density surrounding your proposed location as of the date of the Franchise Agreement, and whether your Franchised Business will be located in an urban, suburban, or rural area. At our option, we may describe your Territory as a certain radius (in miles) from the center of your Authorized Location, or as a geographic area defined by certain streets, zip codes, highways, or state, county, or town lines. Generally, we will grant a territory that comprises an average of approximately 150,000 people. There is no guaranteed minimum territory.

Although you have the exclusive right to operate a Franchised Business in your Territory, we retain all other rights, including among others, on any terms and conditions we deem advisable, and without granting any rights to you: (a) to establish and operate, and license others to establish and operate, a Franchised Business under the System and the Proprietary Marks at any location outside your Territory; (b) to establish, acquire, franchise, or operate, without using the Proprietary Marks, any business of any kind at any location anywhere in the world (including within the Territory); (c) to sell products and services over the Internet or produce and sell any products or services anywhere (including within the Territory) through any channel of distribution other than a Franchised Business, including products under the same or different proprietary marks, which may compete with you; (d) to solicit customers anywhere, and to allow others to solicit customers anywhere; and (e) to purchase, or be purchased by, or merge or combine with, competing businesses, wherever located. Because we reserve these rights under the Franchise Agreement, we must disclose the following: You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Neither we nor an affiliate of ours currently operate, franchise, or have present plans to operate or franchise a business in the United States under a different trademark that sells goods and services similar to those being offered at your Franchised Business. However, we have the right, in our sole discretion, to begin operating or franchising such a business in your Territory at any time.

The franchise is granted for a specific location approved by us. You may not relocate your Authorized Location without our prior, written consent, which may be withheld in our sole discretion. Our approval will be based on the proximity of your proposed new site to the location(s) of other Trapped escape room businesses, on our analysis of the viability of the proposed site, and on other factors relevant to our business. If we provide our consent, you must pay us a fee of $5,000, plus our costs associated with reviewing your proposed relocation site.

Under the Franchise Agreement, you do not receive any option, right of first refusal, or similar rights to acquire additional franchises. You may not establish more than one Franchised Business in your Territory without entering into a separate Franchise Agreement.

Customer Restrictions. You or we may solicit customers anywhere, except as described in this Item 12 and in any policies we may develop regarding the impact of new Trapped escape room businesses on existing locations, taking into account factors relevant to our business. You are not entitled to any compensation from us from our solicitation or acceptance of orders anywhere. You do not have the right to make sales using other channels of distribution, such as the Internet, telemarketing, or other direct marketing, unless permitted by us in the Manual or otherwise in writing. In addition, we reserve the right to develop and run national and regional advertising promotions, and to require you to participate fully in any such promotions, on terms we may reasonably require.

Continuation of Territorial Rights. We cannot modify your territorial rights during the term of the Franchise Agreement, but we can modify your Territory upon renewal. The continuation of your territorial protection does not depend on your achievement of a certain sales volume, market penetration, or other contingency.

Item 13.
TRADEMARKS

You will be granted the right, and will undertake the obligation, under the terms of the Franchise Agreement, to establish and operate a Franchised Business under the System and the Proprietary Marks, including the mark "TRAPPED," and other trademarks, trade names, and service marks as we may designate as part of the System.

We are the owner of the following trademark(s) that have been registered on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"). We also claim common law rights in our trademark(s) based on our prior usage.

Trademark	Registration Number	Registration Date
TRAPPED	4861152	November 24, 2015

All required affidavits pertaining to the marks listed in the table above have been filed or will be filed by the applicable deadlines. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court; nor any pending infringement, opposition, or cancellation proceedings involving these trademarks. There is no pending material federal or state court litigation regarding our use or ownership rights in any of these trademarks. We are not aware of any infringing uses or superior prior rights that could materially affect your use of these trademarks.

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

You must promptly notify us of any suspected unauthorized use of our trademarks, any challenge to their validity, or any challenge to our affiliate's ownership of, our right to use and to license others to use, or your right to use, these trademarks. We have the sole right to direct and control any administrative proceeding or litigation involving the trademarks, including any settlements. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the trademarks. We will defend you against any third-party claim, suit, or demand arising out of your use of the trademarks. If we, in our sole discretion, determine that you have used the trademarks in accordance with the Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the trademarks in accordance with the Franchise Agreement, you must bear the cost of defense, including the cost of any judgment or settlement.

We reserve the right to modify, add to, or discontinue use of any of these trademarks, or to substitute different trademarks, for use in identifying the System and the businesses operating under the System. You must comply with any such changes, revisions and/or substitutions, and must bear the costs of modifying your signs, advertising materials, interior graphics, and any other items to conform to the new trademarks. You may not use any of our trademarks as part of your business entity name or Internet domain name or online address. We control all Internet access, marketing, and usage.

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You must not contest our ownership of the trademarks, or our right to use and to license others to use, these trademarks. Upon termination of the Franchise Agreement for any reason, you must cease using these trademarks in any manner.

Item 14.
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own or license the rights to any patents or registered copyrights that are material to the franchise, and there are no pending patent applications that are material to the franchise. Accordingly, there are no currently effective material determinations of the USPTO, U.S. Copyright Office, or the courts regarding any patents or registered copyrights that are material to the franchise, and no material proceedings pending in the USPTO or any court.

While we have not filed an application for copyright registration with the U.S. Copyright Office, we claim copyright protection for the original materials used in the System, including our Manual and any software, webpages, marketing materials, designs, creative works, and other original works, in any media. There is no currently effective agreement that limits our right to use and/or license our copyrights. We have no actual knowledge of any infringements that could materially affect your use of our copyrighted material. We are not obligated by the Franchise Agreement, or otherwise, to protect our copyrights or to defend you against claims arising from your use of our copyrighted material.

Confidential Operating Manual

In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate your escape room in accordance with the standards, methods, policies, and procedures specified in the Manual. Upon completion by you (or your principal owner, if you are an entity) of the Initial Training Program to our satisfaction, we will loan you a copy of the confidential Manual, in one or more volumes, or in electronic media, or on an Intranet or password-protected portion of the Internet.

You must treat the Manual (any other manuals created for or approved for use in the operation of your Trapped Business) and the information contained in the Manual as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make them available to any unauthorized person. The Manual will remain our sole property and must be kept in a secure place at your Franchised Business.

We may revise the contents of the Manual at any time, and you must comply with each new or changed standard. You must ensure that the Manual is kept current at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copy maintained by us at our home office will be controlling.

Confidential Information

We also claim trade secret protection with respect to our knowledge (including, for example, game designs, installations, and props, puzzle mechanics, and audio/visual components of escape rooms), trade secrets, methods, products, supplier lists, Manual, proprietary software (if any), confidential electronic and other communications, methods of Internet and trademark usage, marketing programs, research and development programs and initiatives, and the System generally.

You must not, during or after the term of the Franchise Agreement, communicate, divulge, or use for the benefit of any other person or entity any confidential information, knowledge, or know-how concerning the methods of operation of Franchised Businesses (including, for example, architectural plans, suppliers, equipment, game room installations, Automated Hints Delivery System, product costs, accounting methods, or advertising) that may be communicated to you or of which you may be apprised by virtue of your operation under the Franchise Agreement. You may divulge such confidential information only to those of your employees that must have access to it in order to operate your Franchised Business. Any and all information, knowledge, know-how, techniques, and other data that we designate as confidential will be deemed confidential for purposes of the Franchise Agreement.

You must follow our security procedures, which may require you (and any agent or employee who is allowed access) to sign any non-disclosure and/or Intranet, Extranet, and Internet usage agreements that we require. You must promptly tell us when you learn about unauthorized use of our confidential or proprietary information.

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

You (or your principal owner, if you are an entity), or a manager designated by you, must devote full time and best efforts to the management and operation of your Franchised Business. This individual must take an active role in the operation of the business and must be on the premises during peak hours of operation, as we specify in writing. Under our current requirements, you (or your principal owner, if you are an entity) must act in this capacity during the first six months after your Franchised Business opens to the public and must be on the premises for at least 40 hours per week during that time. After your Franchised Business has been open and operating for six months, you can designate a manager (a "Designated Manager") to handle day-to-day operations. Regardless of whether you employ a Designated Manager, you must remain actively involved in the management and operation of your Franchised Business.

The Franchised Business must at all times be under the direct, on-premises supervision of an individual who has satisfactorily completed the Initial Training Program required under the Franchise Agreement or as otherwise specified by us in writing. Accordingly, you (or your principal owner, if you are an entity) must attend and successfully complete our initial training, as described in Item 11. If you wish to employ a Designated Manager, then such manager must attend and successfully complete our initial training.

You (and your owners, if you are an entity) and your Designated Manager, if applicable, must sign the confidentiality and non-compete agreement attached as Exhibit E to the Franchise Agreement (which is Exhibit E to this Disclosure Document). In addition, if you are an entity, each of your equity or voting owners who own 5% or more of the entity must personally guarantee the Franchise Agreement, including confidentiality and non-competition covenants. A copy of the Guarantee is attached to the Franchise Agreement as Exhibit E.

Item 16.
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

To maintain uniform quality standards, you must follow our directions concerning the services and products you provide. You must sell all products and services we authorize. We may change the types of goods or services we authorize, and there are no limits on our right to do so. You must sell all products and services at retail and not sell any products or merchandise at wholesale or for resale, except upon our prior written approval.

You must sell or offer for sale only such products, merchandise, and services as we have expressly approved for sale; sell or offer for sale all types of products, services, and merchandise we specify; refrain from any deviation from our standards and specifications without our prior written consent; and discontinue selling and offering for sale any products, merchandise, and services that we disapprove at any time.

We have the right to establish minimum and maximum prices for the products and services you offer and sell. You must strictly adhere to the prices we establish. We retain the right to modify the prices from time-to-time in our reasonable discretion. You must comply with all of our policies regarding advertising and promotion, including the use and acceptance of coupons, participation in special offers, and participation in loyalty programs.

You are not limited in the customers to whom you may sell, except as to a multi-area marketing program.

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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 AGREEMENT	SUMMARY
a.	Length of the franchise term	2.1	10 years.
b.	Renewal or extension	2.2	If all conditions to renew are met, you have the right to renew the Franchise Agreement for up to two consecutive 5-year terms.
c.	Requirements for franchisee to renew or extend	2.2	Give written notice between 3 and 6 months before the end of the current term; make or provide for renovation of the premises of the Franchised Business as we reasonably require; not be in default of any agreement between us and you, or between any of our affiliates and you; complied with those agreements during their terms; satisfied all monetary obligations owed to us or to our affiliates, and met those obligations throughout the term of the Franchise Agreement; show to us that you have the right to remain in possession of the premises for the duration of the renewal period; sign our then-current franchise agreement that may have terms that are materially different from those in your original Franchise Agreement; sign a general release of us and our affiliates; comply with our then-current qualification and training requirements; and pay us a renewal fee of $5,000.
d.	Termination by franchisee	None	Subject to state law.
e.	Termination by franchisor without cause	None	Not applicable.
f.	Termination by franchisor with cause	15	We have the right to terminate the Franchise Agreement if you default. Depending upon the reason for termination, we may not provide you an opportunity to cure. See this Item 17(g) and (h) for further description.
g.	Cause defined – curable defaults	15.3, 15.4	You have 15 days to cure all defaults, except those described below in Item 17(h). Defaults capable of cure include: (1) failure to promptly pay monies owing to us or our affiliates when due; (2) gross or repeated understatement of Gross Sales; (3) failure to maintain sufficient levels of inventory; (4) failure to maintain the prescribed opening days and hours as specified; (5) failure to maintain and observe standards or procedures prescribed in the Franchise Agreement, the Manual or otherwise in writing; (4) failure to obtain required approvals; (5) acting in a manner that, although not criminal, is reflects adversely on the System or Marks, or that is inconsistent with or contrary to your lease or sublease for the premises; or (6) failing to comply with all applicable laws.
h.	Cause defined – non-curable defaults	15.1, 15.2	Your rights will automatically terminate without notice if you become insolvent, file for bankruptcy, or are subject to various legal actions or proceedings. We may terminate the Franchise Agreement, without any opportunity to cure the

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
			default, effective immediately upon notice, if (1) you fail to locate an Authorized Location and open the Franchised Business within the time prescribed by the Franchise Agreement or the Site Selection Addendum; (2) you (or your principal owner, if you are an entity) fail to complete the Initial Training Program, or you fail to provide training to your employees as required by the Franchise Agreement; (3) you cease to operate the Franchised Business or you lose the right to possession of the premises of the Franchised Business; (4) you are convicted of certain crimes; (5) a threat to public health or safety results from the operation of the Franchised Business; (6) you attempt to transfer your rights under the Franchise Agreement, in you (if an entity), or in the Franchised Business without our consent; (7) an approved transfer is not made within the time provided following death or mental incapacity; (8) you fail to comply with the covenants relating to non-disclosure and non-competition or fail to obtain execution of covenants from others, as required by the Franchise Agreement; (9) you disclose the contents of the Manual or other confidential information; (10) you submit false reports or knowingly maintain false books or records; (11) you misuse the Proprietary Marks or damage the goodwill in the Proprietary Marks; (12) you refuse to let us inspect the premises of the Franchised Business, or your books, records or accounts; (13) you receive a notice of default and do not initiate a cure immediately; (14) a supplier withholds deliveries or refuses to supply the Franchised Business because you have violated its credit terms; or (15) if after you cure any default, you commit the same default again.
i.	Franchisee's obligations on termination/ non-renewal	16	You must cease to operate the Franchised Business, pay past due and future amounts, de-identify your Franchised Business, cease to use and return the Manual and confidential information associated with the System, cancel any assumed name registration, and comply with non-disclosure and non-competition obligations.
j.	Assignment of contract by franchisor	12.8	We have the right to transfer or assign all or any part of our rights or obligations under the Franchise Agreement to any person or legal entity.
k.	"Transfer" by franchisee – defined	12.1	You may not transfer an interest in the Franchise Agreement or you (if an entity) or sell substantially all of the assets of the Franchised Business, without our prior written consent.
l.	Franchisor approval of transfer by franchisee	12.2	You must obtain our prior written consent before any assignment or transfer, by operation of law or otherwise of any interest in you (if an entity) or the Franchise Agreement.
m.	Condition for franchisor approval of transfer	12.2	We may impose any or all of the following conditions on our approval of your proposed transfer: you notify us of any proposed transfer at least 90 days prior to when the transfer is proposed to take place; you have satisfied your accrued monetary obligations and other obligations to us and our affiliates; you sign a general release of us; you and transferee execute a mutual general release of all claims against each other; the transferee enters into a written assignment, assuming and agreeing to perform your obligations under the Franchise Agreement, guarantees the performance of all those obligations, and/or signs our then-current form of franchise agreement (which may have materially different terms than those in your Franchise Agreement); the transferee meets our standards; you remain liable for all of your obligations to us in connection

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
			with the Franchised Business that arose before the transfer; the transferee completes any training programs then in effect; the transferee successfully completes any training we reasonably require; you pay us a transfer fee of $10,000; and you first offer to sell the interest to us.
n.	Franchisor's right of first refusal to acquire franchisee's business	12.6	We will have the option to purchase the seller's interest on the same terms and conditions offered by a third party.
o.	Franchisor's option to purchase franchisee's business	16.2	Upon the expiration or termination of the Franchise Agreement, we have the option to purchase from you any or all of the equipment, signs, fixtures and customer lists related to the operation of the Franchised Business (excluding your costs for professional services, such as architectural costs and legal costs), and to purchase any or all supplies and inventory of the Franchised Business at book value.
p.	Death or disability of franchisee	13	Upon your death, physical or mental incapacity, your executor, administrator, or personal representative must transfer your interest in the Franchise Agreement, the franchisee (if an entity), or the Franchised Business to a third party approved by us within 6 months after your death or mental incapacity. Those transfers will be subject to the same conditions as any other transfer except that transferee may assume existing agreement and not sign a new agreement, and no transfer fee is required but you must reimburse our out-of-pocket costs.
q.	Non-competition covenants during the term of the franchise	11.1	Subject to state law, you must not: (a) divert or attempt to divert any present or prospective business or customer of any Franchised Business to any competitor, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or (b) own, maintain, operate, engage in, be employed by, provide any assistance to, or have any interest in (as owner or otherwise) any business that offers or sells products, merchandise, or services which are the same as or similar to the products, merchandise, and services being offered by the escape room under the System.
r.	Non-competition covenants after the franchise is terminated or expires	11.2	Subject to state law, for a continuous uninterrupted period of 2 years following the transfer, expiration, or termination of the Franchise Agreement, or of a final order of a duly authorized arbitrator, panel of arbitrators or court of competent jurisdiction regarding any of the foregoing, you may not own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any business that: (i) offers or sells products, merchandise, or services which are the same as or similar to the products, merchandise, and services offered by the Franchised Business under the System; and (ii) is, or is intended to be, located at or within the county or municipality in which the Authorized Location is located; 25 miles of the Authorized Location; or 25 miles of any business operating under the Proprietary Marks.
s.	Modification of Agreement	19.11	No amendment, change, or variance from the Franchise Agreement will be binding on either party unless mutually agreed to by the parties and signed in writing.

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
t.	Integration/ merger clause	19.4	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in the latest franchise disclosure document furnished to you.
u.	Dispute resolution by arbitration or mediation	17.2, 17.3	Subject to applicable law, you must first bring any claim or dispute between you and us to our President and/or Chief Executive Officer, and make every effort to resolve the dispute internally. If unsuccessful, except as to actions relating to (i) use of the Marks, System, or Confidential Information, (ii) confidentiality and non-competition covenants, (iii) any claims to collect past due amounts, and (iv) injunctive relief or specific performance, before the filing of any litigation, we and you agree to mediate any dispute, controversy or claim in Kent County, Delaware before bringing suit. If mediation is unsuccessful, and except as qualified herein, we and you agree to arbitration in Kent County, Delaware.
v.	Choice of forum	17.5	All actions brought by you must be brought in Kent Country, Delaware. We have the right to commence an action against you in any court of competent jurisdiction (subject to applicable state law).
w.	Choice of law	17.9	Delaware law and the U.S. Federal Trademark Act (Lanham Act) apply (subject to applicable state law).

The State Addenda in Exhibit H describe certain state laws that, to the extent applicable, may supersede the Franchise Agreement in your relationship with us. There may also be court decisions that may supersede the Franchise Agreement in your relationship with us.

Item 18.
PUBLIC FIGURES

We do not use any public figure or personality to promote the franchise in any way.

Item 19.
FINANCIAL PERFORMANCE REPRESENTATIONS

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

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. Vic Zhou at 614 N. DuPont Hwy, Suite 210, Dover, Delaware 19901, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20.
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2022 to 2024

Outlet Type	Year	Outlets Operating at the Start of the Year	Outlets Operating at the End of the Year	Net Change
Franchised**	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned***	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	**2022**	0	0	0
	2023	0	0	0
	2024	0	0	0

** We have not offered franchises in the United States prior to the date of this Disclosure Document. Accordingly, as of December 31, 2024, we had no franchised outlets in the United States. As of the issuance date of this Disclosure Document, our affiliate, REG Entertainment, has twenty-one (21) franchised outlets in Canada.
*** We do not have any company-owned outlets in the United States. Our affiliate, Trapped Markham, Inc., owns and operates the Markham Location in Canada, as disclosed in more detail in Item 1.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than Us)
For Years 2022 to 2024

State	Year	Number of Transfers
Totals	**2022**	**0**
	2023	**0**
	2024	**0**

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Table No. 3
Status of Franchised Outlets
For Years 2022 to 2024

State	Year	Outlets Operating at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets Operating at End of Year
Totals	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Totals	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Totals	0	0	0

As noted in Item 1, we were formed in July 2024 and have not offered franchises in the United States prior to the issuance date of this Disclosure Document. Accordingly, and as reflected in Exhibit C, there were no franchisees who had an outlet transferred, terminated, canceled, or not renewed, or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the prior fiscal year, or who have not communicated with us within ten weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Since no Trapped franchises have been offered in the U.S. prior to the issuance date of this disclosure document, no current or former U.S. franchisees have signed confidentiality clauses during the last three fiscal years. There are no trademark-specific franchisee organizations

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associated with the franchise system being offered that we have created, sponsored, or endorsed or that have asked to be included in this Disclosure Document.

Item 21.
FINANCIAL STATEMENTS

Our fiscal year ends December 31 each year. Exhibit D contains our audited financial statement dated December 31, 2024. We have not been franchising for three (3) or more years and therefore cannot, and are not required to, provide the financial statements required by the FTC Franchise Rule for our last three fiscal years.

Item 22.
CONTRACTS

You will be asked to sign the following:

Exhibit E	Franchise Agreement
Exhibit F	Conditional Assignment of Telephone and Directory Listings
Exhibit G	Sample General Release
Exhibit H	State Addenda
Exhibit I	Franchise Disclosure Questionnaire
Exhibit J	Acknowledgment of Receipt of Completed Agreements
Exhibit L	Receipt of Disclosure Document

Item 23.
RECEIPTS

A receipt in duplicate is attached to this Disclosure Document as Exhibit K. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to us at 614 N. DuPont Hwy, Suite 210, Dover, Delaware 19901.

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Trapped US Franchise, Inc.
Franchise Disclosure Document

Exhibit A

List of Certain State Regulatory Authorities and Registered Agents

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
CALIFORNIA	Commissioner of Financial Protection and Innovation: Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (866) 275-2677 Sacramento: 2101 Arena Blvd. Sacramento, CA 95834 (866) 275-2677 San Francisco: One Sansome Street, Ste. 600 San Francisco, CA 94104-4428 (866) 275-2677 www.dfpi.ca.gov Ask.DFPI@dfpi.ca.gov	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (866) 275-2677 www.dfpi.ca.gov Ask.DFPI@dfpi.ca.gov
CONNECTICUT	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230
FLORIDA	[Not Applicable]	Senior Consumer Complaint Analyst Department of Agriculture and Consumer Services Division of Consumer Services 2005 Apalachee Pkwy. Tallahassee, Florida 32399-6500 (850)-922-2966 or (850) 488-2221
HAWAII	Commissioner of Securities Hawaii Dept. of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Business Registration Division Hawaii Dept. of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722

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STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
ILLINOIS	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465
INDIANA	Secretary of State Administrative Offices of the Secretary of State Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Securities Commissioner Securities Division Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
IOWA	[Not Applicable]	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, Iowa 50319-0066 (515) 281-4441
MARYLAND	Maryland Securities Commissioner Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-0368	Maryland Office of Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-0368
MICHIGAN	Michigan Dept. of Attorney General Consumer Protection Division Franchise Section 525 W. Ottowa G. Mennen Williams Bldg., 1st Floor Lansing, MI 48913 (517) 373-7117	Franchise Administrator Michigan Dept. of Attorney General Consumer Protection Division Franchise Section 525 W. Ottowa G. Mennen Williams Bldg., 1st Floor Lansing, MI 48913 (517) 373-7117
MINNESOTA	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 296-6328

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
NEBRASKA	[Not Applicable]	Staff Attorney Department of Banking and Finance Commerce Court 1200 N Street, Suite 311 PO Box 95006 Lincoln, NE 68509 (402) 471-3445
NEW YORK	Secretary of State 99 Washington Avenue Albany, NY 12231	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222
NORTH DAKOTA	North Dakota Securities Department Fifth Floor 600 East Boulevard Bismarck, ND 58505	Franchise Examiner North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505 (701) 328-4712
RHODE ISLAND	Director of Rhode Island Department of Business Regulation Division of Securities 1511 Pontiac Avenue John O. Pastore Complex – Bldg. 69-1 Cranston, RI 02920 (401) 462-9527	Associate Director and Superintendent of Securities Division of Securities 1511 Pontiac Avenue John O. Pastore Complex–Bldg. 69-1 Cranston, RI 02920 (401) 462-9527
SOUTH DAKOTA	Director of the Division of Securities Department of Labor and Regulation Division of Insurance – Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Franchise Administrator Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563
TEXAS	[Not Applicable]	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
UTAH	[Not Applicable]	Division of Consumer Protection Utah Department of Commerce 160 East Three Hundred South P.O. Box 45804 Salt Lake City, Utah 84114 (801) 530-6601
VIRGINIA	Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051
WASHINGTON	Director of Department of Financial Institutions Securities Division 150 Israel Rd. SW Tumwater WA 98501 (360) 902-8760	Administrator Dept. of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760
WISCONSIN	Wisconsin Commissioner of Securities P.O. Box 1768 345 W. Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington Ave., 4th Floor Madison, WI 53703 (608) 261-9555
FEDERAL TRADE COMMISSION		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street, NW Washington, D.C. 20580 (202) 326-3128

Trapped US Franchise, Inc.
Franchise Disclosure Document

Exhibit B

Table of Contents of Manual

Chapter Title	Number of Pages
Game Play Guideline	20 (average per game)
General Construction and Branding Guideline	10
Franchisee Training Manual	24
Facility Set-up Manual	6
SBA Funding Guide	1
Operations and Human Resources Documents	15
Grand Opening Marketing Guide	10
Game Master Examination and Study Guide	20
Total Pages	106

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Trapped US Franchise, Inc.
Franchise Disclosure Document

Exhibit C

List of Current and Former Franchisees

I. List of Current U.S. Franchisees

None. We have not offered Trapped franchises in the United States prior to the date of this Disclosure Document. Accordingly, as of December 31, 2024, we had no franchised outlets in the United States.

II. List of Current Canada Franchisees

Name of Franchisee	Business Address of Franchise	Telephone Number of Franchise	Business Address of Franchisee	Telephone Number of Franchisee
Trapped Halifax Blast - X Ltd.	1313 Barrington St, Halifax, NS B3J 1Y9	(902) 406-0011	1313 Barrington St, Halifax, NS B3J 1Y9	(902) 809-3411
Trapped Mississauga Hypatian Entertainment Inc.	2273 Dundas St W #5, Mississauga, ON L5K 2L8	905-997-6855	49 Dills Cres Milton, ON, L9T 5P2	(905) 997-6855
Trapped Calgary Trapped Calgary Ltd.	1139 Kensington Rd NW, Calgary, AB T2N 3P4	(587) 356-4488	1139 Kensington Rd NW, Calgary, AB T2N 3P4	(587) 356-4488
Trapped Coquitlam Runes & Riddles Entertainment Inc.	1300 Woolridge St #9, Coquitlam, BC V3K 6Y6	(778) 819-6777	1300 Woolridge St #9, Coquitlam, BC V3K 6Y6	(778) 819-6777
Trapped Edmonton 2233660 Alberta Ltd.	8944 82 Ave NW, Edmonton, AB, T6C 0Z3	(780) 450-2468	8944 82 Ave NW, Edmonton, AB, T6C 0Z3	(780) 293-5200
Trapped Vaughan 2775953 Ontario Inc.	60 Winges Road, Unit 6, Woodbridge, ON, L4L 6B1	(905) 850-8988	60 Winges Road, Unit 6, Woodbridge, ON, L4L 6B1	(647) 865-5577

Trapped Guelph Artzulie Art and Entertainment Inc.	259 Grange Rd Unit 4 Guelph, ON N1E 6R5	(416) 400-6036	259 Grange Rd Unit 4 Guelph N1E 6R5	(416) 400-6036
Trapped Newmarket 1000238420 Ontario Inc.	16655 Yonge Street Unit 25 Newmarket, ON L3X 1V6	(905) 830-1396	16655 Yonge Street Unit 25 Newmarket L3X 1V6	(905) 830-1396
Trapped Waterloo Captive 8 Entertainment Inc.	100 Lodge St, Waterloo, ON N2J 2V5	519-513-7077	100 Lodge St, Waterloo, ON, N2J 2V5	519-513-7077
Trapped Barrie Sinthetic Maya Corp.	347 Cundles Road East Unit M3, Barrie, ON, L4M 0G9	705-737-2960	347 Cundles Road East, Unit M3, Barrie, ON, L4M 0G9	705-737-2960
Trapped Burlington Digital Business Ally Ltd.	2007 Mount Forest Dr, Burlington, ON L7P 1H4	905-917-4595	2007 Mount Forest Dr, Burlington, ON L7P 1H4	905-917-4595
Trapped Ajax 1000189688 Ontario Inc.	Unit 8 – 190 Station Street, Ajax, ON, L1S 1R9	289-660-9895	Unit 8 – 190 Station Street, Ajax, ON, L1S 1R9	289-660-9895
Trapped Niagara Falls Rudraadi Entertainment Inc.	4501 Queen Street Niagara Falls, ON, L2E 2L4	289-296-3250	4501 Queen Street Niagara Falls, ON L2E 2L4	289-296-3250
Trapped Oshawa Havilah Entertainment Inc.	22 Stevenson Road Oshawa, ON, L1J 5L9	905-576-1444	22 Stevenson Road Oshawa, ON, L1J 5L9	905-576-1444
Trapped Ottawa Rilrock Entertainment Inc.	147 Rideau Street Ottawa, ON K1N 5X4	343-588-1609	147 Rideau Street Ottawa K1N 5X4	343-588-1609
Trapped Burnaby	3701 Hastings St. Unit 306, Burnaby, BC, V5C 2H6	236-484-2458	3701 Hastings St. Unit 306, Burnaby, BC, V5C 2H6	236-484-2458
Trapped Kanata	655 Kanata Ave, Unit J5, Kanata, ON, K2T 1H6	613-271-8283	655 Kanata Ave, Unit J5, Kanata, ON, K2T 1H6	613-271-8283

Trapped Toronto (Downtown West)	336 Queen Street West, Toronto, ON M5V 2A2	416-979-3993	336 Queen Street West, Toronto, ON M5V 2A2	416-979-3993

III. List of Former Franchisees (U.S. & Canada)

None.

Trapped US Franchise, Inc.
Franchise Disclosure Document

Exhibit D

Financial Statements

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Trapped US Franchise Inc.

(A Delaware Corporation)

Balance Sheet with Report of Independent Auditors
December 31, 2024

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Balance Sheet..... Page 3
Notes to the Financial Statements..... Page 4

Report of Independent Auditors

To the Member(s) of
Trapped US Franchise Inc.:

Opinion
We have audited the accompanying financial statement of Trapped US Franchise Inc. (the Company), a Delaware corporation which comprises the balance sheet as of December 31, 2024, and the related notes to the financial statements.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the Company as of December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after January 18, 2025.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue and auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Troy, MI
January 18, 2025

Trapped US Franchise Inc.
A Delaware Corporation
BALANCE SHEET
As of December 31, 2024

	December 31, 2024
ASSETS	
Current assets	
Cash and cash equivalents	$ 50,091
Total current assets	50,091
LIABILITIES AND MEMBERS' EQUITY	
Contributed capital	$ 50,091
Retained earnings	-
Members' equity	50,091
Total liabilities and members' equity	$ 50,091

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

Trapped US Franchise Inc.
(A Delaware Corporation)
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1. Organization

Trapped US Franchise Inc. (the "Company") is a Delaware corporation was formed under and pursuant to Delaware law. The Company was formed for the purpose of creating various escape room franchising opportunities for the brand "Trapped".

2. Summary of significant accounting policies and nature of operations

Basis of accounting
The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue and expenses
Operating income consists of contractual services which are recognized as revenue in the month earned as well as revenue from other contractual agreements.

Expenses are recognized in the month incurred and accrued as necessary per accrual basis reporting.

Cash and cash equivalents
Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

The Company maintains its cash in bank deposit accounts which could exceed federally insured limits. As of December 31, 2024 the cash balance was $50,091 and did not exceed the insured limit.

Accounts receivable
Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. No write-offs were made in the reporting period.

3. Related Party Transactions

There were no identified related-party activities during the year.

4. Subsequent events

Subsequent events have been evaluated through January 18, 2025, which is the date the financial statements were available to be issued. There were no subsequent events noted impacting the financials of the Company as of the balance sheet date.

Trapped US Franchise, Inc.
Franchise Disclosure Document

Exhibit E

Franchise Agreement

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TRAPPED US FRANCHISE, INC.

FRANCHISE AGREEMENT EDITION DATE: 2025

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EXHIBITS

Exhibit A - Data Sheet
Exhibit B - Guaranty Of Performance
Exhibit C - Lease Rider
Exhibit D - Conditional Assignment Of Phone Numbers & Domain Names
Exhibit E - Electronic Funds Transfer Authorization
Exhibit F - Site Selection Addendum
Exhibit G - Equipment & Product Revenue Participation Agreement (Voluntary)

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TRAPPED US FRANCHISE INC.
FRANCHISE AGREEMENT

This Franchise Agreement (the "Agreement") is entered into on _____(the "Effective Date") between: (i) **Trapped US Franchise, Inc.,** a Delaware corporation with a principal business address at 614 N. DuPont Hwy, Suite 210, Dover, Delaware 19901 ("we", "us" or "our"); and (ii) _____, a _____ with an address at _____ ("you" or "your"). You and we are collectively referred to as the "parties".

RECITALS

A. We and our affiliates have developed a valuable and distinct system (the "System") for businesses offering and providing live escape room experiences under the **TRAPPED**® mark (each a "Franchised Business").

B. We are engaged in the business of granting franchises to operate **TRAPPED**® escape room Franchised Businesses.

C. We and our owner and affiliates have devoted considerable time and expense to the development and refinement of the System and the goodwill associated with its marks, and we desire to license the non-exclusive use of that System and marks to franchisees.

D. The characteristics of the System include, but are not limited to: Franchised Business trade dress, designs, layouts, color schemes, branding and other identification methods; specifications for services, methods of operation, equipment, inventory, game designs, and game props; designated computer hardware and software programs, and website and social media specifications; member enrollment and marketing methods and procedures, booking methods and procedures; training procedures, operating procedures and customer service standards, methods and marketing techniques; mandatory and suggested policies, procedures, standards, specifications, rules and requirements; all as we outline in the operations manual(s) (the "Manual") and all other written materials we issue.

E. We and our franchisees use various trademarks, service marks, logos, trade dress, names, and other commercial symbols that we have created or licensed to designate to the public the goods or services originating from us and our affiliates and franchisees, including, without limitation, the registered mark "**TRAPPED**®", and all other future developed or designated trade names, trademarks and/or service marks, in connection with the System (collectively, the "Marks").

F. You have applied to us for a franchise to operate a Franchised Business and your application has been approved in reliance on all of your representations made in your application.

G. You agree that adherence to the terms of this Agreement and our standards and specifications are essential to your Franchised Business's operation and to the operations of the System.

NOW THEREFORE, in exchange for the commitments in this Agreement, and other valuable consideration, the receipt of which is acknowledged, the parties agree as follows:

AGREEMENT

1. GRANT OF LICENSE

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1.1. Grant. We grant to you, and you accept from us, the non-exclusive right and license, for the Term, to establish and operate a business that you hold out as associated with the Marks and that operates according to this Agreement, the System, and the Manual, as amended, at a certain location to be identified in the Data Sheet attached to this Agreement as Exhibit A (the "Authorized Location"). Nothing in this Agreement gives you any other right, title or interest in any of the Marks or the System. This grant to you does not include: (i) any right to offer any product or service via e-commerce without our prior written approval; (ii) any right to establish an independent website or to establish a URL incorporating the Marks or any variation thereof; (iii) any right to establish any social media presence; (iv) any right to distribute, market, or implement our products and services in any channel of distribution not specifically authorized under this Agreement; or (v) any right to sell products or services at wholesale prices from the Franchised Business.

1.2. Authorized Goods and Services Only. In your operation of the Franchised Business, you will offer and sell only those services and goods we specifically authorize and must sell all authorized services and goods we require. We are permitted to add to, modify, or discontinue at any time any of the goods and services that you are authorized to offer and sell. This grant permits and requires you to operate the Franchised Business in association with and using the Marks and the System, but not to operate any other business or to undertake any other activities we have not authorized. Without limiting the foregoing, you are prohibited from advising others who operate Competitive Businesses (as defined below). You may engage in advertising, promotional, marketing and related activities only as authorized under this Agreement and you agree that we have the unrestricted right to limit and regulate these activities, including, without limitation, the right to prohibit you from including any price information in promotional activities with circulation outside of the Territory.

1.3. Authorized Location. This Agreement grants you the right to operate the Franchised Business only at the Authorized Location identified in the Data Sheet. If we have not approved a location for you to operate the Franchised Business on the date you sign this Agreement, the parties will enter into the Site Selection Addendum attached as Exhibit G to this Agreement, the terms of which will govern the parties' site selection obligations. You are solely responsible for obtaining and building out the Authorized Location. We may designate an approved supplier for these services. We must approve the proposed location in our sole discretion. Before signing any purchase agreement or lease, you must provide us with a complete copy of all documents relating to the purchase or lease agreement for our review. If we do not approve the purchase or lease agreement for any reason in our sole discretion, then you must not sign that agreement. We may condition our approval of any proposed lease on, among other things, your and your landlord's signing of the Lease Rider (attached as Exhibit C to this Agreement) that: (i) grants us the right, but not the obligation, to assume the lease on (a) your default on the lease, or (b) termination, transfer or expiration of this Agreement; and (ii) authorizes and requires your landlord to disclose to us, on our request, sales and other information you have furnished to the landlord. Before signing any purchase or lease agreement, you must ensure that your operation of the Franchised Business at the proposed site will not violate any applicable law or regulation, including without limitation any zoning, parking, and use restrictions relating to the site. You must deliver a signed copy of the lease and the Lease Rider to us within 15 days of signing of the lease. You agree that our approval of a proposed site and the agreement for your purchase or lease of the Authorized Location does not constitute, and you will not assert that it constitutes, any representation, warranty, or guarantee by us that the Authorized Location is adequate or properly zoned or permitted for the purpose of operating the Franchised Business, that the purchase or lease agreement is fair or reasonable, or that your operation of the Franchised Business from the Authorized Location will be profitable or successful. We strongly encourage you to seek independent counsel from a lawyer or business adviser to assist you in selecting a location and negotiating a lease for the Authorized Location.

1.4. Territory. Except as otherwise provided in this Agreement, and subject to the reserved

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rights stated in Section 1.6 below, for so long as you comply with the terms of this agreement, we will not establish and operate, nor license to any party the right to establish and operate, any Trapped Franchised Business under the System and the Marks during the Term within the Territory identified on the Data Sheet (the "Territory"). We have the right, in our sole discretion, to grant you a smaller territory than: (a) a radius of 3 miles surrounding the Authorized Location, if the Authorized Location is in a rural area; or (b) a 5-block radius from the Authorized Location. We have the right, among others, to use and to license others to use the System and Marks for the operation of other System businesses at any location outside of your Territory. If the Authorized Location has not been determined when you sign this Agreement, we will designate the Territory once an Authorized Location is secured in accordance with this Agreement. Notwithstanding the foregoing, we have the right to open and operate, and to license other persons and/or entities the right to open and operate Franchised Businesses located in Non-Public Access Venues, including within the Territory. For purposes of this Agreement, the term Non-Public Access Venues means private businesses, military bases, government institutions, private clubs, and other facilities and captive venues that are not accessible to the general public.

1.5. Reserved Rights. We reserve all rights not expressly granted to you under this Agreement, including, without limitation, the right to: (i) offer and sell, and authorize others to offer and sell, any goods and services in, at or from any location outside of the Territory; manufacture, distribute, offer and sell, and authorize others to manufacture, distribute, offer and sell, any goods and/or services, including escape room entertainment products and services, in, at or from any location, including any location within the Territory either: (a) through alternative channels of distribution, including sales on the Internet, through kiosk locations, through print and online catalogs, through online videos, e-commerce sites, mobile applications, recorded media or broadcast media, and in retail locations; or (b) under any names or trademarks other than the Marks. For the purposes of this provision, alternative channels of distribution include any channels not explicitly authorized for use by you under this Agreement or the Manual; merge with, acquire, or be acquired by, including through purchase or sale of substantially all assets, any other person or entity, including our or your competitor (each an "M&A Transaction"), and continue to conduct in any location any business engaged in by the merging, acquiring, or acquired person or entity, including any business directly competitive with the Franchised Business regardless of where the business is located and to permit the business to operate under the Marks or any other name; (iv) use the Marks and System in connection with services and products, promotional and marketing efforts or related items, or in alternative channels of distribution, including the sale of products through retail stores and by the internet, including online videos and recorded media regardless of location; (v) develop, or become associated with, other concepts (either directly or through affiliate entities) and grant franchises under those concepts for locations anywhere, including in the Territory; (vi) use and license to engage in any other activities not prohibited in this Agreement; and (vii) advertise and/or authorize others to advertise, using the Marks, anywhere, including inside and outside the Territory. Without limiting the foregoing, we have the right to develop, administer and operate, whether directly or through an affiliate or licensee, digital platforms and digital products offering **TRAPPED** products and services to end users regardless of whether they are located in the Territory. Additionally, we have the right to sell **TRAPPED** merchandise through any outlet and from any location without restriction and we have the right to promote, offer, sell and provide **TRAPPED** products and services through mobile applications and other platforms. In the event of an M&A Transaction, we have the right to require you to convert the Franchised Business to a different name and you agree to: (a) participate, at your expense in this conversion; and (b) waive all claims, demands or damages arising from or related to the loss of the Mark, the System or any association or affiliation with the Marks or the System.

1.6 Acknowledgments. You agree as follows:

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1.6.1 You independently investigated the TRAPPED® franchise opportunity and recognize that (a) the nature of a TRAPPED® Franchised Business may evolve and change over time; (b) investment in a TRAPPED® Franchised Business involves business risks that could result in the loss of a significant portion or all of your investment, (c) the business abilities and efforts of your owners and other principals, management and staff are vital to your success; (d) attracting clientele for the Franchised Business will require you to make consistent marketing and promotional efforts; and (e) attracting and retaining customers will require you to provide quality services, to provide a high level of customer service and to adhere to the System.

1.6.2 You have not received and are not relying on any representations, warranties or guarantees, express or implied, as to the potential volume, sales, income or profits of a TRAPPED® Franchised Business, that any information you acquired from any System franchisee, including regarding sales, income, profit, and/or cash flows was not information provided by or obtained from us and we make no representations about that information or its accuracy.

1.6.3 You have represented to us, to induce us to enter into this Agreement, that all statements and representations you made and all information you provided to us are accurate and complete and you have made no misrepresentation or material omission in obtaining this franchise.

1.6.4 You will have sole authority and control over the day-to-day operations of your Franchised Business and your employees and/or independent contractors. You agree to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. Without limiting the foregoing, you are responsible for all decisions relating to hiring, firing, employee selection, promotion, termination, hours worked, rates of pay, benefits, work assigned, supervision, discipline and working conditions. At no time will you or your employees be deemed to be our or our affiliates' employees. You must include an express, conspicuous notation and acknowledgment on your employment applications and employment agreements stating that the prospective employee (in the case of an application) and the employee (in case of any employment agreement) acknowledges and understands that you, an independently owned and operated Franchised Business, are the employer, and that Trapped US Franchise, Inc. is not the employer.

1.6.5 Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed to state or imply that we are the employer of your employees and/or independent contractor, nor vice versa.

1.6.6 We have the right to enter into one or more agreements with one or more area representatives to provide certain services we must provide to you under this Agreement.

2. TERM OF AGREEMENT AND SUCCESSOR AGREEMENT

2.1 Term. The term of this Agreement begins on the Effective Date and expires on the 10-year anniversary of the Effective Date (the "Initial Term"), unless terminated earlier as authorized under this Agreement. For purposes of this Agreement, the term "Term" includes the Initial Term and any term under a Successor Franchise Agreement.

2.2 Offer of Successor Franchise Agreement. You may submit a request to enter into a successor franchise agreement to continue your operation of the Franchised Business for two (2) additional and consecutive terms of five (5) years each. We will not unreasonably withhold approval of your request,

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if you comply with and satisfy the following conditions:

(a) You give us written notice of your desire to sign a new franchise agreement, not less than 90 days and not more than 180 days before the end of the Term.

(b) You sign our then-current form of franchise agreement, the terms of which may vary materially from the terms of this Agreement and may include increased Royalty Fees, Franchise Administration Fees, and other fees.

(c) You are in full compliance with this Agreement, any other agreement between you and us, our affiliates or suppliers, the Manual, and any other System requirements.

(d) You have obtained, maintained, and are in good standing with all necessary and applicable licenses and permits.

(e) You are in compliance with all monetary obligations to us, our affiliates, and to all vendors, suppliers, lessors, and governmental and taxing authorities.

(f) You have made all modifications, repairs, updates, upgrades, and renovations we required for the Authorized Location, to the goods and services you offer, to your advertising, marketing and promotional programs, and to your computer, financial, and accounting systems, and are current on all then-required training programs.

(g) You have committed no more than 2 material defaults of this Agreement for which we have issued written notice and a demand for cure during the Term.

(h) You have demonstrated to our satisfaction that you have the right to operate the Franchised Business at the Authorized Location for the duration of the renewal term.

(i) You and your direct and ultimate personal owners, shareholders, members, and partners (as applicable), if you are an entity ("Owners"), sign a general release, in the form we specify, of all claims accruing before the end of the Term, in favor of us and our members, officers, directors, employees, affiliates, and agents, to the extent that release is permitted by applicable law.

(j) You meet all general requirements then applicable to approval of new franchisees.

(k) You pay a legal administration fee in the amount of $5,000 for the right to enter into the successor franchise agreement, which fee you will pay in lieu of any initial franchise fee otherwise required by that agreement.

2.3 Successor Agreement Contingent on Continued Compliance. Your ability to secure a successor franchise agreement is contingent on your continued compliance with all conditions stated above through the end of the Term, and we are permitted to withdraw our approval or cancel any pending agreement if your compliance lapses. No later than 10 days after receipt from us or the end of the Term (whichever occurs first), you and your Owners must sign a successor franchise agreement and ancillary agreements in our then-current form and must submit the signed copies to us. Those agreements will not be binding until signed by us.

2.4 Temporary Extension. If we and you do not enter into a successor franchise agreement, but you continue to operate the Franchised Business after the end of the Term with our consent, then that will

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be considered a temporary extension of this Agreement, which extension we are permitted to discontinue at any time and for any reason on 30 days' written notice. If we discontinue that extension, the discontinuation will be considered a non-renewal of this Agreement and not a termination. If we do not consent to your continued operation of the Franchised Business after the end of the Term, then this Agreement will expire at the end of the Term and under no circumstances will you continue to operate the Franchised Business.

3. FEES AND PAYMENT

3.1 Initial Franchise Fee. You will pay us an initial franchise fee (the "Initial Franchise Fee") of $35,000 when you sign this Agreement. The Initial Franchise Fee is fully earned when paid and not refundable under any circumstances, regardless of whether or not you ultimately open a Franchised Business.

3.2 Recurring Fees.

(a) Royalty Fee. You must pay to us a continuing monthly Royalty Fee of 7.5% of Gross Sales during the term of this Agreement. We reserve the right to require you to pay the Royalty Fee on a different recurring basis, including a weekly, bi-weekly, or quarterly basis, effective on notice to you. We also may designate a different method through which you must pay the Royalty Fee effective on notice to you. "Gross Sales" means all revenue generated in connection with the operation of the Franchised Business, and includes fees for all goods and services you lease or sell, whether for cash or credit, and all other income of any kind or nature related to the Franchised Business, including, without limitation (a) all revenue and income from the provision of game room entertainment services, membership fees, enrollment fees, third-party payor fees (including from insurance companies), revenue derived from the sale of clothing, merchandise and product sales. "Gross Sales" does not include any sales tax you collect from customers of the Franchised Business and pay to any taxing authority, and does not include the portion of the normal full price of any goods or services that you do not collect as a result of an authorized sales discount or employee discount. Your obligation to begin paying the Royalty Fee begins on the date the Franchised Business opens to the public.

(b) Franchise Administration Fee. You must pay to us a monthly franchise administration fee (the "Franchise Administration Fee") in the amount we designate, for (i) certain technology related services, products, licenses and/or sublicenses we designate, which may include, without limitation, hardware, software, network connections, and other equipment, hardware and software necessary to operate the Computer System, point of sale system, member management system, and/or scheduling system, and (ii) certain System-wide marketing efforts we undertake on behalf of the System generally. As of the date of this Agreement, the Franchise Administration Fee is $1,400 per month. We have the right to increase or decrease the Franchise Administration Fee at any time upon 30 days' notice to you, provided that amount of the Franchise Administration Fee will not exceed $2,500 per month during the initial term of this Agreement. You also must pay to us or our designee all fees assessed by suppliers for the technology used in the operation of the Franchised Business. Your obligation to pay the Franchise Administration Fee to us begins on the date you begin the Grand Opening Advertising, as required under Section 8.6. We reserve the right to require you to pay third-party suppliers directly for any technology we require you to use in the operation of the Franchised Business at any time effective on notice to you.

3.3 Form and Manner of Payments. You must pay us all one-time or non-periodic fees, including the Initial Franchise Fee, in the form of wire transfer, EFT or other form of payment acceptable to us in our sole discretion. You must pay us the Royalty Fee, Franchise Administration Fee, and any other

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monthly or regularly recurring fees (the "Recurring Fees") by an electronic funds transfer ("EFT") (unless we designate a different method) under which we automatically deduct all payments owed to us from your bank account. Before opening your Franchised Business, you must provide us with your bank name, address and account number, a voided check from your bank account, and must sign and give to us and your bank, all documents, including Exhibit F to this Agreement, necessary to effectuate the EFT Program and our ability to withdraw funds from your bank account via EFT. You must immediately notify us of any change in your banking relationship, including changes in account numbers. We reserve the right to require you to pay any fees due under this Agreement by any other means we specify from time to time. Without limiting the foregoing, we reserve the right to (a) require you to pay all Recurring Fees on a different recurring basis, including weekly, bi-monthly, monthly, or quarterly basis, and (b) designate a different method through which you must pay one or more of the Recurring Fees, effective on notice to you.

3.4 Overdue and Declined Payments. You will pay us simple interest on any overdue amount at the rate of either (i) 18% per annum, or (ii) the highest rate permitted by applicable state law in the state in which your Franchised Business is located. If the payment of any fee is denied or declined by your bank or financial institution, or if any other method of payment you provided fails to allow us to receive when due any payment, then you will reimburse us for all costs incurred in connection with that denial or decline. At our option, you also will pay us a late fee in the amount of $500 for each instance in which you fail to make a payment when originally due.

3.5 Game Equipment, Electronics, Fixtures, and Installation Package. Upon execution of this Agreement, you must purchase certain equipment, electronics, and fixtures (the "Pre-Opening Equipment Package") from us, our affiliate, or from a third-party supplier we designate that will be used in the operation of the Franchised Business, including without limitation certain electronic equipment, game controllers, magnetic locks, decorations, game props, and installations for the game rooms located at your Franchised Business. At our option, we may require that the fees paid for the Pre-Opening Equipment Package, as well as any other fees for purchases made from us or our affiliates, be collected through EFT. You must also purchase any and all other items and services necessary to establish, open, and operate the Franchised Business in accordance with our standards and specifications (including the computer hardware and software we designate).

3.6 Payment of State or Local Taxes Imposed on Us. You must pay to us all sales taxes, use taxes, personal property taxes and similar taxes that any taxing authority within your state(s) seeks to collect from us on account of your Gross Sales or on account of fees we collected from you, but excluding our ordinary income taxes or our receipts taxes arising out of fees due or paid from you or us. We are permitted to collect from you any imposed taxes in the same manner as Royalty Fees, or require you to make those payments directly to the applicable taxing authority or authorities.

3.7 Application of Payments. We are permitted to apply payments from you in any manner we choose against outstanding balances, regardless of how you designate your payments. We may set off from any amounts we owe to you any amount that you owe to us or to our affiliates. You have no right to, and will not, offset any payment owed to us for any amount owed or purportedly owed to you.

4. PROPRIETARY MARKS

4.1 Your Use of the Marks.

(a) You must use only the Marks that we designate, and only in the manner we authorize and permit.

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(b) You must use the Marks only in connection with the Franchised Business and only at the Authorized Location and in advertising for the Franchised Business.

(c) You must use all Marks without prefix or suffix and in conjunction with the symbols "TM", SM", "S" or "®", as applicable. You may not use the Marks in connection with the offer or sale of any products or services that we have not authorized for use in connection with the System. **You may not use the Marks, or any component thereof, including the word "Trapped," as part of your entity or other legal name.** Your entity name and all fictitious names under which you propose to do business must be approved by us in writing before use. You must use your corporate or limited liability company name either alone or followed by the initials "D/B/A" and the business name "Trapped." You must promptly register at the office of the county in which your Franchised Business is located, or any other public office as provided for by the laws of the state in which your Franchised Business is located, as doing business under that assumed business name.

(d) You must identify yourself as the owner of the Franchised Business (in the manner we require) in conjunction with any use of the Marks including, without limitation, on invoices, order forms, receipts, and business stationery, as well as at conspicuous locations at the Franchised Business as we designate in writing.

(e) You must prominently display the Marks on or in connection with any media advertising, promotional materials, posters, displays, receipts, stationery and forms that we designate and only in the manner that we prescribe.

(f) Your right to use the Marks is limited to the uses as are authorized under this Agreement, and any unauthorized use thereof is an infringement of our rights. If you use the Marks in any way contrary to the terms of this Section, then on our request and at our option, and without limitation to our other remedies, you must cease that use and cancel all registrations, domain names, and email addresses, or must transfer to us the rights to those registrations, domain names, and email addresses and must sign all further agreements necessary to carry out that transfer.

(g) You must not use the Marks to incur any obligation or indebtedness on our behalf.

(h) You must sign all documents we deem necessary to obtain protection for the Marks or to maintain their continued validity and enforceability.

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(i) You must promptly notify us of any suspected unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Marks. You agree that we have the sole right, though not the obligation, to direct and control any administrative proceedings or litigation involving the Marks, including any settlement thereof. We also have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We have the right, though not the obligation, to defend you against any third-party claim, suit, or demand arising out of your use of the Marks. In these circumstances, if we determine that you have used the Marks in accordance with this Agreement, we will bear the cost of the defense, including the cost of any judgment or settlement. If we determine that you have not used the Marks in accordance with this Agreement, you must bear the cost of the defense, including the cost of any judgment or settlement. In any litigation relating to your use of the Marks, you must sign all documents and do all acts as necessary to carry out the defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that litigation is the result of your use of the Marks in a manner not in accordance with this Agreement, we will reimburse you for your out-of-pocket costs in performing these acts.

(j) You will not use the Marks or any derivation thereof or confusingly similar mark in any domain name you own or control, or in any email address you or your agents use, except with our written consent.

(k) You agree that:

1. We own all right, title, and interest in and to the Marks and the goodwill associated with and symbolized by them, and we have the right to use, and license others to use, the Marks;

2. The Marks are valid and serve to identify the System and those who are authorized to operate under the System;

3. During the Term and after its expiration or termination, you must not directly or indirectly contest the validity of, or our ownership of, or right to use and to license others to use, the Marks;

4. Your use of the Marks does not give you any ownership interest or other interest in or to the Marks;

5. Your use of the System and Marks and any goodwill established by that use inures solely to the benefit of us or our affiliate, and, on the expiration or the earlier lawful termination of this Agreement for any reason, you will not receive or be assigned any monetary amount in compensation for your loss of use of the Marks;

6. The license of the Marks granted to you under this Agreement is nonexclusive and we retain the right, among others, (i) to use the Marks ourself in connection with selling products and services; (ii) to grant other licenses for the Marks; and (iii) to develop and establish other systems using the Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing you any rights therein; and

7. We reserve the right to substitute different proprietary marks for use in identifying the System and the businesses operating under the System. If we notify you in writing that the Marks have been modified or discontinued, you must discontinue use of the relevant Marks and begin using the new or modified Marks within 10 days, at your expense.

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5. CONFIDENTIAL INFORMATION

5.1 Definition. For purposes of this Agreement, the term "Confidential Information" means: information that we consider our trade secrets and other information, processes, methods, procedures, know-how, and techniques related directly or indirectly to the development, opening and/or operation of a Franchised Business, including but not limited to: information regarding the build-out of a Franchised Business; information about proprietary equipment; information about proprietary merchandise; information about proprietary game designs; any proprietary software we now or in the future create; the Manual; price marketing mixes related to the sale of goods or services offered or authorized for sale by System franchisees; standards and specifications for equipment, game room design, equipment layout, lighting, and training manuals, training systems, compensation systems, online social marketing systems, merchandise sales systems, location identification and acquisition systems, general operations; our copyrighted materials; our and/or our affiliates' patents; and methods and other techniques and know-how concerning the operation of the Franchised Business that may be communicated to you or of which you may be apprised by virtue of your operation of a Franchised Business (collectively, the "Confidential Information"). "Confidential Information" includes all information, knowledge, know-how, techniques, and other data that we designate as confidential. You agree that certain information, including (i) current customer and prospective customer names and addresses, (ii) information about credit extensions to customers, (iii) customer service and purchasing histories, (iv) rates charged to customers, and (v) sources of suppliers and purchasing arrangements with suppliers, also constitute our trade secrets and Confidential Information. You must not sell, transfer or use any customer information for any purpose other than marketing the Franchised Business in accordance with the terms of this Agreement. We and our affiliates have the right to use Franchised Business customer information in any manner and for any purpose. You must secure express consents and authorizations permitting our disclosure and use in accordance with all applicable laws, rules and regulations.

5.2 Non-Disclosure. You agree that we and our affiliates own all right, title and interest in and to the Confidential Information. You agree that you must not, during the Term or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information. You may divulge Confidential Information only to such of your employees as must have access to it in order to operate the Franchised Business. You will not use the Confidential Information in any other business or capacity and will maintain absolute secrecy and confidentiality of the Confidential Information. You must adopt, implement and maintain all necessary and reasonable procedures to prevent unauthorized use or disclosure of, or access to, Confidential Information, including, without limitation, requiring employees to sign confidentiality and non-disclosure agreements in a form acceptable to us. You agree that we have expended considerable time, effort, and money to develop the System, that the enumerated Confidential Information is not well known outside of the System, that the Confidential Information is of great value to us and our affiliates and is considered a proprietary and valuable asset, and that we are implementing this non-disclosure policy in an effort to protect the trade secrets and Confidential Information. You agree that in the event of the actual or threatened breach of this Section 5, our harm will be irreparable and that we have no adequate remedy at law to prevent this harm.

5.3 Employees. At our request, you must require your key employees, including the Designated Manager as defined in Section 7.12, and any other personnel having access to any of our Confidential Information, to enter into a Confidentiality and Restrictive Covenant Agreement in the form we approve.

5.4 New Concepts. If you, your employees, or your principals develop any new concept, process or improvement related to the operation or promotion of the Franchised Business, including game designs, facility interior design, operations manual, employee payroll structure, website content, mobile

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apps, and/or social media pages, you must promptly notify us and provide us with all necessary related information, without compensation. Any concept, process, intellectual property and/or improvement becomes our sole property and we will be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related thereto. You and your principals assign to us any rights you have or acquire therein, including the right to modify the concept, process or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. You and your principals agree to assist us in obtaining and enforcing the intellectual property rights to any concept, process or improvement in all countries, and further agree to sign and provide us with all necessary documentations for obtaining and enforcing these rights. You and your principals irrevocably designate and appoint us as your agent and attorney-in-fact to sign and file any documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any concept, process or improvement. If the foregoing provisions of this Section are found to be invalid or otherwise unenforceable, you and your principals grant to us a worldwide, perpetual, non-exclusive, fully paid license to use and sublicense the use of the concept, process or improvement to the extent the use or sublicense would, absent this Agreement, directly or indirectly infringe your rights therein.

6. LOCATION

6.1 Operation from Authorized Location. You will operate the Franchised Business exclusively at and from the Authorized Location. If known as of the Effective Date of this Agreement, the Authorized Location is the Authorized Location identified in the Data Sheet. If we have not approved a location for you to operate the Franchised Business as of the date you sign this Agreement, the parties will enter into the Site Selection Addendum attached as Exhibit G to this Agreement, the terms of which will govern the parties' site selection obligations.

(a) No Warranty. You agree that our approval or acceptance of any site for the Franchised Business will not, under any circumstances, constitute a warranty or representation, whether express or implied, as to the potential success or profitability of the Franchised Business at the Authorized Location. You understand that the Franchised Business site selection, while subject to our approval, is your responsibility and you are encouraged to work with professional advisors in determining suitability for a proposed site before entering into any binding lease or purchase agreement for the site. You agree that we have no responsibility to you if the site you secure for the Franchised Business fails and agree not to allege anything to the contrary.

6.2 Design, Construction, Remodeling.

(a) Qualified Personnel. You will employ qualified personnel to perform all design, construction, and remodeling work at the Authorized Location in accordance with plans and specifications we approve. You must also provide us with any requested information concerning the personnel you employed for design, construction, or remodeling. We may require you to use our approved or designated architects and/or contractors in connection with any design, construction, build-out or remodeling and pay these contractors all required fees, costs and expenses.

(b) Design and Plans. You agree that it is your sole responsibility to prepare all required construction and build-out plans and specifications for the Franchised Business and to ensure that all plans and specifications comply with all applicable laws, rules and regulations, including those rules governing public accommodations for persons with disabilities (including the Americans with Disabilities Act), and all other applicable ordinances, building codes, zoning regulations, permit requirements and lease restrictions. We will provide you our sample, prototypical specifications for construction, remodeling

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and/or decorating the location and general floor plans and general interior layout and design. You will submit to us for approval all construction and design plans for adapting our specifications to your Authorized Location. We will review those plans and will approve or disapprove them in writing no later than 30 days after receipt. You agree that our review is limited to ensuring compliance with our required design and other requirements and will not include any assessment of whether or not the plans and specifications meet the requirements of all applicable laws, rules, ordinances and regulations, which will at all times remain your sole responsibility.

(c) Permits and Licenses. You will obtain and maintain in good standing all licenses, permits and certifications required for lawful construction, build-out and remodeling of the Authorized Location.

(d) Funding. At our request, you will provide to us written evidence of your funding or funding commitments in a form acceptable to us, and you authorize us to contact any funding sources directly to discuss all financial aspects of the construction or remodeling of the Authorized Location.

(e) Quality of Work. You will ensure that all design, construction, and remodeling work is performed in a competent and professional manner, and that the completed Authorized Location meet all specifications we identify.

(f) Game Construction and Alteration. You agree and acknowledge that only us or our designee may perform construction of, or alterations to, any of the game rooms within your Franchised Business.

(g) Progress Reports and Site Visits. You will provide us with any progress reports we request during the course of any design, construction, and remodeling work. We are permitted to visit and inspect the Authorized Location at any time during the design, construction, and remodeling process.

(h) Completion. Your completion of the construction or remodeling process will include the complete construction of the Franchised Business at the Authorized Location, the installation of all equipment, fixtures, furnishings, and signage required by our specifications, the completion of all carpentry, electrical, painting, and finishing work, and any other preparations necessary to render the Authorized Location fit for use for the Franchised Business, all at your expense.

6.3 Opening. You must, on or before the Opening Deadline, (a) secure our approval to open the Franchised Business, which approval will not be unreasonably withheld, and (b) open the Franchised Business for business. We may condition our approval on your satisfaction of the following pre-opening conditions:

(a) You must not be in default under any franchise agreements between us and you and/or your affiliates;

(b) On completion of all construction and remodeling work, and at our option, we will inspect the Authorized Location and identify any additional actions that you must take to comply with our specifications. You will promptly take all required actions;

(c) You must have conducted the Market Introductory Advertising campaign (as defined below) as required under Section 8.6 of this Agreement before opening the Franchised Business for business;

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(d) You must have completed the initial training program as required under this Agreement before the Opening Deadline;

(e) You must have secured all licenses, permits, approvals, bonds and other permissions required under all applicable laws, rules, regulations and procedures for the lawful operation of the Franchised Business at the Authorized Location;

(f) You must have adopted for use a form of membership agreement that (i) we have approved and (ii) that you have independently verified, after consultation with your legal counsel, is in compliance with all applicable laws, rules and regulations. You must send us copies of all membership agreements you intend to use at least 30 days before you begin using any agreement;

(g) You have paid all amounts due to us and our affiliates;

(h) You have provided us with certificates of insurance evidencing your compliance with the insurance coverage requirements stated in this Agreement and in the Manual;

(i) You must have met our designated pre-opening criteria (as stated in the Manual or other written specifications); and

On your final compliance with all specifications and pre-opening requirements, we will grant approval for you to open for business. You will not open for business until we have issued that approval, but you must promptly open for business once we have issued our approval. If you believe we have failed to adequately provide any services required to be provided to you before opening, including training, support or any other pre-opening obligation, you must notify us in writing within 90 days following the opening of the Franchised Business (the "Pre-Opening Notification"). If you do not provide the Pre-Opening Notification, you are deemed to conclusively agree that all pre-opening obligations we are required to perform were sufficient, in compliance with this Agreement, and satisfactory.

6.4 Opening Deadline. Under the process defined above, you will: (a) secure our approval of your Authorized Location no later than 180 days after the Effective Date; and (b) open for business no later than 730 days after the Effective Date (the "Opening Deadline").

6.5 Maintenance and Appearance. You will maintain the Authorized Location in a clean, orderly, and attractive manner at all times when open for business and will promptly conduct any repairs and replacements necessary to maintain the Authorized Location in compliance with the standards and specifications stated in the Manual.

6.6 Upgrades and Alterations. You will make any additions, alterations, upgrades, repairs and replacements we require in connection with your operation of the Franchised Business at your sole expense, including without limitation periodic redecorating, refurbishment, remodeling, replacement of signs, fixtures or materials, and upgrading and/or replacement of equipment. Without limiting the foregoing, you must ensure that, at all times during the Term, you take the following actions at your expense (i) regular and thorough cleaning; (ii) repainting and redecorating of the interior and exterior of the Franchised Business premises as we direct; and (iii) repair and/or replace, as we designate, damaged, worn-out and/or obsolete equipment, fixtures and/or furnishings. You agree that we have the right to change the trade dress and you agree to comply with and implement all modifications necessary to comply with these changes at your sole expense.

6.7 Use of Authorized Location. You will use the Authorized Location only for the purpose of

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operating the Franchised Business in strict compliance with this Agreement. In particular, but without limitation, you will offer and sell only goods and services we permit at the Authorized Location, and you will allow at the Authorized Location only those displays, advertisements, and promotional materials we authorize.

6.8 Inspections. You will permit us or our agents or representatives to enter the Authorized Location at any time during normal business hours and with or without prior notice for the purposes of conducting inspections, taking photographs, sampling game room play sessions (including by using "secret shoppers"), and speaking with employees and customers. You will cooperate fully with our agents or representatives by providing any assistance that those agents or representatives reasonably request, and by allowing those agents or representatives access to every part of the Authorized Location and to remove reasonable quantities of products or other goods for purposes of testing or examining samples. On notice from us or our agents or representatives, and without limiting our other rights under this Agreement, you will promptly remedy any deficiencies detected during any inspection. In the event that, in our sole discretion, our or our designees' inspection reveals deficiencies, we reserve the right to require you, your Designated Manager, and/or any other management personnel of your Franchised Business to attend additional training at a location we designate or at your Authorized Location, and pay to us our then-current training fee in connection with such additional training.

6.9 No Relocation. You will not relocate the Franchised Business or operate from any site other than the Authorized Location without our written consent. If, for any reason, the lease term is shorter than the Term and the lease cannot be renewed or extended, or you cannot continue for any other reason to occupy the Authorized Location, you must relocate your Franchised Business to a mutually acceptable site within your Territory to complete the unexpired portion of the Term. You must notify us of your intention to relocate, procure a site acceptable to us within 90 days before closing your existing Franchised Business, pay to us a relocation fee in the amount of $5,000 plus the costs we incur in evaluating your proposed relocation site, and reopen the Franchised Business at the new authorized location within 60 days of closing your existing Authorized Location.

7. GENERAL OPERATIONAL REQUIREMENTS

7.1 Manual. We will provide you with access to the Manual online through electronic access in the form we designate. You must operate the Franchised Business in strict compliance with the Manual, which you agree we have the right to modify from time to time. The Manual will remain confidential and our exclusive property. You must not disclose, duplicate or make any unauthorized use of any portion of the Manual and you must protect the confidentiality of any usernames and passwords used to access the Manual. The provisions of the Manual constitute provisions of this Agreement as if fully stated herein. You must ensure that your copy of the Manual is current and up to date. If there is a dispute relating to the contents of the Manual, the master copy that we maintain at our corporate headquarters will control.

7.2 Compliance with Manual. Without limiting other provisions in this Agreement, you will operate the Franchised Business in compliance with this Agreement and the Manual, including by operating the Franchised Business strictly in accordance with the standards of customer service, safety, cleanliness, environmental care, consistency, training, brand image, advertising, and promotion we prescribe. You agree that, to ensure that the System remains competitive and responds to changes in technology, customer preference, and other factors, we may, by written notice to you, add to, delete from, modify, or otherwise change the System and the Manual, including without limitation by adding new or enhanced services and products, new operational requirements, and new techniques and methods of operation. We will provide any revisions to you in a written form of our choosing. You will immediately adopt all revisions that do not require any material expenditure by you and adopt all other revisions within a reasonable time not to exceed

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30 days after your receipt of the revision. You agree that you may be required to incur an increased cost to comply with any changes at your expense.

7.3 Authorized Products and Services. You agree that you will offer and sell only the authorized goods and services, and that your control over those goods and services and the methods of their delivery is essential to maintaining and improving the reputation and goodwill associated with the Marks. You will not offer any additional or alternative goods or services without our written consent, and your submission to us of any proposal to offer or sell additional goods or services will constitute an assignment of any rights in those goods or services for us to offer or sell them ourself, to make them available to other franchisees, and to make them and any revisions, alterations, or derivations available to you and any other franchisee. You will provide all services and goods we approve. You must at all times maintain sufficient levels of inventory and other products, of the type, quantity and quality as specified in the Manual or otherwise in writing, to adequately satisfy consumer demand. You must offer and sell all private label or branded products that we designate for sale by System franchisees. You must reorder and stock in sufficient supply all proprietary and/or branded products as necessary to meet reasonably expected consumer demand at the Franchised Business throughout the Term. We are permitted to add to, modify, or eliminate elements of the authorized goods or services at any time in our sole discretion.

7.4 Equipment and Assets used in Franchised Business Operations. You must purchase and use in connection with the operation of the Franchised Business, all game equipment, as well as audio and visual entertainment equipment, fixtures, furnishings, signs and supplies we designate (the "Equipment and Furnishings") from suppliers we designate or approve, which may be us or our affiliate(s). You must only play the music we approve or designate, and you must only display visual entertainment (including audio and/or videos) we approve or designate. We have the right to require you to pay to us or a third party all licensing fees for the right to play or display the music or content in the Franchised Business's operation. You are responsible for ensuring that any music played and/or visual entertainment displayed in the operation of the Franchised Business is in compliance with all applicable laws, rules and regulations.

7.5 Designated Sources of Goods, Services, Supplies, Materials, and Equipment. You will use all vendors and suppliers, which may include us and/or our affiliates, as we designate, as a required source for any goods, services, supplies, materials, and equipment. We and our affiliates are permitted to receive any payment or benefit from any vendors or suppliers resulting from any franchisee purchase or lease, and we and our affiliates are permitted to impose markups on products and services we and/or our affiliates supply, and to derive revenue and other material consideration on account of your purchase or lease of any goods, services, supplies, materials, or equipment. We and our affiliates have the right to use these payments, benefits and consideration in any manner, without restriction, for any purposes we and/or our affiliate(s) deem appropriate. We will, to the extent we deem necessary, provide you with specifications for products, inventory and equipment you must purchase, and regarding any designated suppliers from which you must purchase any product, inventory, goods, and supplies necessary for the start-up and ongoing operation of the Franchised Business.

7.6 Supplier Approval. If you wish to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, you must provide us the name, address and telephone number of the proposed supplier, a description of the item you wish to purchase, and the purchase price of the item, if known. At our request, you must provide us, for testing purposes, a sample of the item you wish to purchase. You must provide, at our request, all information we reasonably request related to the proposed supplier, including, without limitation, information related to insurance coverage, fulfillment capabilities, dealings with competitive systems, and quality control standards, among other information. You must pay us a testing and evaluation fee in the amount of $500 per day for each of our personnel taking part in the evaluation, and you must reimburse us for our reasonable testing costs, regardless of whether we

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approve the item or supplier. Nothing in the foregoing will be construed to require us to approve any particular supplier. We may base our approval of any proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation we deem necessary or desirable in our System as a whole. We are not required to approve an unreasonable number of suppliers for a given item, which approval might, in our reasonable judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers. We may revoke our approval of a product or supplier when we determine, in our sole discretion, that the product or supplier no longer meets our standards. On receipt of written notice of our revocation, you must cease purchasing products from that supplier. You must use products purchased from approved suppliers solely in connection with the operation of your Franchised Business and not for any competitive business purpose.

7.7 System Suppliers. We may establish business relationships, from time to time, with suppliers who may provide services or produce, among other things, certain furnishings, supplies, fixtures, equipment and inventory according to our proprietary standards and specifications, private label equipment, or private label goods that we have authorized and prescribed for sale by System franchisees ("System Suppliers"). You agree that these products and services are essential to the operation of the Franchised Business and to the System generally. You further agree that your failure to pay System Suppliers may interfere with the suppliers' willingness to supply the System, which may result in other System franchisees' inability to obtain product or ability to obtain product only on less favorable credit terms. Accordingly, you agree to pay System Suppliers as and when due. We have the right to change the System Suppliers at any time during the Term. We and our affiliates have the right to become a System Supplier for any product, service, equipment and/or item, and to require you to pay us and/or our affiliates for these products, services, equipment and/or items, at any time on notice to you.

7.8 Compliance with Laws. You must operate the Franchised Business in full compliance with all applicable laws and regulations, including those relating to the construction, design and operation of the Franchised Business (including, without limitation, all regulations relating to sexual harassment and discrimination, membership agreements and entertainment venues generally, environmental safety, occupational hazards and health, consumer protection, trade regulation, worker's compensation, unemployment insurance, ERISA, withholding and payment of federal and state income taxes, social security taxes and sales, use and property taxes, and the applicable provisions of the Americans with Disabilities Act ("ADA")). You must obtain and maintain all licenses, permits, and approvals (for yourself and your employees and agents) required by the jurisdictions in which you operate. You agree that we have not researched the specific laws and regulations applicable to your Franchised Business, and that you are solely responsible for compliance with these laws and regulations.

7.9 Agreements with Members. You agree that it is your responsibility to ensure that all waivers, notices, membership agreements, contracts and other legal documents used in the operation of your Franchised Business comply with all applicable laws, rules and regulations and with our standards and specifications (to the extent permissible under applicable law). We have the right to provide a suggested form of any waiver, notice, membership agreement and/or contract for you to review with your local counsel to ensure compliance with all applicable laws, rules and regulations. If your counsel advises modifications to any forms on account of applicable regulations, you must provide us with advance written notification of the proposed modifications. We have the right to disapprove of any proposed membership agreement, contract, and waiver or notice if we determine that it does not comply with our standards and specifications. You agree that our approval or disapproval of any proposed form will not constitute an evaluation of whether or not the form is in compliance with applicable laws, rules and/or regulations. You must prominently display in the Franchised Business and in all membership agreements, waivers, contracts, legal documents, stationery and advertising materials that you are the independent owner of the Franchised Business and a licensed System franchisee.

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7.10 Franchised Business Game Services. You must conduct all game services at the Franchised Business in accordance with the System. We have the right to discontinue any game room themes, designs, and/or offerings at any time during the Term, in which event, you must cease such offering, as we designate.

7.11 Pricing. To the fullest extent permissible under applicable law, we have the right to designate pricing for services and goods offered and sold at the Franchised Business. We may communicate mandates in the Manual or otherwise in writing. If we designate pricing restrictions, you must comply with these requirements and will only charge prices as we establish in the Manual or otherwise in writing.

7.12 Forms of Customer Payment; Customer Information. You will maintain agreements or arrangements with any financial institution, payment provider or credit/debit card issuer or sponsor we designate, in order that the Franchised Business may accept customers' credit cards, debit cards, checks, and other methods of payment we designate. You agree that we have the right to unrestricted access to all of your customer and member information, including customer and member names, addresses, telephone numbers, email addresses and other collected information (the "Franchised Business Customer Info"). To the fullest extent permissible under applicable law, we and/or our affiliates will have the right to access and use the Franchised Business Customer Info for business activities, and you must provide this information to us on our request. You must obtain from all your Franchised Business's customers all consents and authorizations, including as required under applicable law, and provide these customers with all disclosures required under applicable law, enabling you to transmit Franchised Business Customer Info to us and our affiliates, and permitting us and our affiliates the right to use this information for any legally permissible purposes. If this Agreement is terminated or expires and you do not enter into a Successor Franchise Agreement, we and/or our designee have the unrestricted right to use the Franchised Business Customer Info in any manner we deem necessary or appropriate, including, without limitation for the purpose of communicating the closure of the Franchised Business and the transfer of customers and/or members to one or more other System businesses. We may periodically coordinate or conduct market research studies and/or similar programs and you agree to assist us in collecting and disclosing to us or our designee, information from your customers or members, including surveys and other questionnaires or similar information gathering methods.

7.13 Designated Manager. After your Franchised Business has been opened for six (6) months, you may appoint a manager qualified to perform and manage the core operations required for the Franchised Business ("Designated Manager"). The Designated Manager must attend and successfully complete our designated initial training program and management examination to our satisfaction. You must ensure that the Franchised Business's operation is at all times under the Designated Manager's direct control. If you are an individual, then you are permitted to be the Designated Manager. Your appointment of the Designated Manager constitutes your consent for the Designated Manager to engage in any communications on your behalf with us, and to bind you to us with respect to any agreements, commitments, or consents.

7.14 Equipment Use. We will provide you, to the extent we deem necessary, with our written specifications for certain equipment, signs and fixtures for the Authorized Location. You will obtain and use all equipment we require and will refrain from using any equipment prohibited or that we have not approved. You must purchase equipment, signs and fixtures from suppliers we designate, or as we otherwise approve in writing.

7.15 Member Programs; Promotional Programs. You agree that we have the right to require you to offer and participate in member programs, including charitable promotions, loyalty programs, reciprocity and transfer programs, discounts and other promotions at your sole expense. You are responsible for ensuring compliance with all applicable laws, rules and regulations in connection with offering and

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participating in these programs and promotions. Without limiting the foregoing, we have the right to establish programs in which some and /or all of the System businesses will provide products and/or services to certain groups of customers and/or prospective Franchised Business customers and/or members. You must participate in all these programs, to the fullest extent permissible under applicable law. We and our affiliates have the right to receive payments from third parties in connection with any programs and/or promotions, without restriction.

7.16 You are Solely Responsible for Your Employees.

7.16.1 You agree to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. To the extent any System standards, resources in the Manual or other written materials address any employment related matters, those are not mandatory but are merely recommendations, suggestions or guidelines.

7.17 Agreements with Other Parties. You will advise all third parties that you are an independent contractor and that all debts, liabilities and obligations you incur are for your account only and not us and will identify you as an "Independently owned and operated franchisee of "Trapped US Franchise, Inc." on all invoices, agreements, and correspondence.

7.18 Ensuring Your Compliance. Without limiting any right or remedy in this Agreement, we are permitted to take any reasonable measures to ascertain and ensure your compliance with all requirements of this Agreement and the Manual.

7.19 Personal Conduct. You agree to refrain from committing any act or pursuing any course of conduct that tends to bring our Marks or System into disrepute.

7.20 Best Efforts. You must use best efforts to promote and increase the demand for the Franchised Business's services and goods. All of your advertising and promotion must be completely factual and must conform to the highest standards of ethical advertising. You agree to refrain from any business or advertising practice that may be injurious to the Franchised Business, or the goodwill associated with the Marks, the System and us.

7.21 Trade Secrets and Confidential Information. You must maintain the confidentiality of all Confidential Information as stated in Section 5 of this Agreement.

7.22 Image. You agree that we have developed the System to offer services and sell products that will distinguish the Franchised Business from other businesses and chains that offer escape room entertainment services, products and services or similar products and services at different prices and with less attention paid to the quality of such services, including customer service. You agree to offer products and services and to conduct the Franchised Business in such a manner that will serve to emulate and enhance the image we intend for the System. You further agree that each aspect of the System is important not only to you but also to us and to other System franchisees to maintain the highest operating standards, achieve system wide uniformity and increase the demand for the products sold and services rendered by System franchisees. You agree to comply with the standards, specifications and requirements we provide to uniformly convey the distinctive image of a Trapped Franchised Business. You must, in the Franchised Business's operation, use only displays, forms and other specified materials imprinted with the Marks and colors as we prescribed from time to time.

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7.23 Payment of Debts. You are solely responsible for selecting, retaining and paying your employees, purchasing goods and equipment for use in the operation of the Franchised Business, and determining whether, and on what terms, to obtain any financing or credit that you deem advisable or necessary for the conduct of the Franchised Business. You agree to pay all current obligations and liabilities to suppliers, lessors and creditors on a timely basis. You agree to make prompt payment of all federal, state and local taxes, including but not limited to individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, and personal property and real estate taxes, arising from your operation of the Franchised Business. You agree to indemnify us in the event that we are held responsible for these taxes.

7.24 Pending Actions. You must notify us of legal proceedings, in writing, within 5 days of the commencement of any action, suit or proceeding or the issuance of any order, suit or proceeding of any court, agency or other government instrumentality, including the receipt of any notice or citation, which may adversely affect the operation or financial condition of you or the Franchised Business.

7.25 Payments to Third Parties. You will pay all vendors, suppliers, landlords, lessors, government agencies, and other third parties all amounts when due without liability to us. At our request, you will provide us with proof of payment to third parties. You agree that any failure to pay suppliers timely will damage our reputation and the reputation of other franchisees, and in the event of your failure, we have the right, but not the obligation, to pay all or any portion of the sum due, together with accrued interest and penalties, and to collect reimbursement from you. You consent to our directly contacting and obtaining any information from any current or former supplier, vendor, or lessor of yours at any time.

7.26 Computer Software, Hardware, and Computerized Point-of-Sale System. You must purchase, install, use and maintain the computer software, hardware, point of sale system and other electronics and technology systems we designate, including without limitation all hardware and software components designated as part of the Pre-Opening Equipment Package. You must purchase, install, use and maintain all hardware and software necessary to ensure continuous access to any proprietary intranet system or other electronic platform we designate for communications between us and you and to any web-based software we designate that we have developed or may develop and/or designate for use for the System. You must purchase all computer hardware as necessary for the efficient operation of the Software, including without limitation, a computerized point-of-sale system we designate for the Franchised Business's operation, including any accompanying computers, modems, credit/debit card readers, cash drawers, receipt printers, and other associated equipment, and credit card machine and a scanner. We have the right to require you to update or upgrade computer hardware components and/or Software as we deem necessary from time to time. In addition, we have the right to require you to enter into a separate maintenance agreement for the computer hardware and/or Software. Notwithstanding the fact that you must buy, use and maintain the computer hardware and Software meeting our standards and specifications, you have the sole and complete responsibility for: (i) the acquisition, operation, maintenance and upgrading of the computer hardware and Software; and (ii) all consequences that may arise if the computer hardware and Software is not properly operated, maintained and upgraded. You will allow us to access your computerized and electronically stored data, at any time. We reserve the right to require you to install a "systems backup solution" that backs up critical data in your computer system using an off-Authorized Location storage scheme. You will not allow any unauthorized person to access any proprietary intranet or other computerized systems. We have the right to modify the required computer hardware components and required software programs and platforms at any time, and you must comply with all modifications. You must use the computer system and all software we require in the manner we designate, including to: (a) track customer and member information, purchase orders, receipts, and attendance information; (b) generate sales reports and other forms and reports related to the Franchised Business's operation; and (c) track inventory.

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7.27 Intranet. You must participate in any System-wide area computer network, intranet system or extranet system, including any confidential intranet website that we implement and require to use the area computer network, intranet system or extranet system to, among other things: (i) submit your reports due under this Agreement to us online; (ii) view and print portions of the Manual; (iii) download approved advertising materials; (iv) communicate with us and other System franchisees; and (v) participate in online training. You agree to use the facilities of any area computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Manual, including those related to the encryption of Confidential Information and prohibitions against the transmission of libelous, derogatory or defamatory statements.

7.28 Data Access. You grant us unlimited independent access to the data generated by your computerized point of sale system, computer system and technology system, without restriction, and will permit us to poll via electronic connection your computer, point of sale and technology systems for any purpose, including to compile sales data, consumer trends, labor costs, and any other financial and marketing information we deem appropriate.

7.29 Email; Internet Access. You must at all times have email/high speed internet access capabilities at the Authorized Location.

7.30 Camera System. You must, at your sole expense, purchase, install, maintain and use the camera systems we specify. This system must be turned on and operational at all times during the Term and must be accessible to us for monitoring on the Internet or otherwise. You agree that you are solely responsible for complying with all applicable laws, rules and regulations in connection with the use of the camera system, including all applicable privacy and customer notification requirements.

7.31 Telephone. You must obtain a new telephone number and telephone listing at your expense, to be listed under the "Trapped" name and not under your corporate, partnership, or individual name, and to be used exclusively in your operation of the Franchised Business. You also must purchase, use and maintain (unless we otherwise designate), a "soft phone" (software-based equivalent to your business desk phone or personal smartphone) from an approved or designated supplier for the operation of the Franchised Business. You agree to sign the Conditional Assignment of Your Telephone Numbers, Facsimile Numbers and Domain Names attached as Exhibit E, which provides that, on the expiration, transfer or termination of this Agreement for any reason, you must terminate your use of the telephone number and listing, as well as any other facsimile numbers and listings and domain names and Internet listings and assign same to us or our designee. You must answer the telephone in the manner we specify in the Manual.

8. ADVERTISING, MARKETING, PROMOTIONS, AND DISPLAYS

8.1 Brand Fund. Although we have not done so as of the Effective Date of this Agreement, we reserve the right to establish, maintain and administer, directly or through our designee, one or more regional and/or national advertising, marketing, and promotional funds for advertising, marketing, public relations programs, brand development, and/or promotions we select in our sole discretion. If established, you must pay the Brand Fund Contribution to us, which will not exceed one percent (1%) of Gross Revenue during the term of this Agreement. Franchisees who joined the System before the issuance date of this Franchise Agreement may not be required to contribute to the Brand Fund or may be required to contribute at different rates. We will contribute the Brand Fund Contribution we collect from you to the Brand Fund. We have the right to use and/or to designate the use of the Brand Fund to pay all expenses related to media placement, commissions, market research, creative and production costs, website development and optimization, development and implementation of mobile applications, social media activities, preparing

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and producing advertising and/or marketing videos, ad-word purchasing programs, public relations, artwork, printing, administration of regional and/or multi-regional advertising programs, purchasing direct-mail and other media advertising, developing and administering marketing and advertising training programs and materials, conducting market research, creating, developing and/or optimizing System websites and/or mobile applications, and all other expenses, or compensation reasonably related to advertising, marketing, public relations and/or promotions, including, without limitation, salaries and compensation of marketing personnel. We are permitted to perform any Brand Fund functions ourself through our employees, representatives, agents, or affiliates, in which case we may compensate ourself or our affiliate from Brand Fund Contribution payments for the reasonable cost of performing those functions, including reasonable allocations of overhead and administrative expenses.

8.2 No Specific Brand Fund Allocation Required. You agree that the purpose of the Brand Fund, if and when established, is to maximize general public recognition and patronage of the services and goods offered by franchisees and to build the value of the Marks, us and the System. We have no obligation to ensure that you benefit directly or on a pro rata basis from the expenditure of any Brand Fund Contributions or from the placement or conduct of advertising, marketing, or promotional activities, and your own benefits will vary depending on your proximity to other franchisees, the competition from other industry operators in your area or region, the types of media reasonably available and the costs of those media, and other factors. We reserve the right to defer or reduce contributions of any System franchisees. We have the right to suspend, reinstate and/or terminate the Brand Fund temporarily or permanently, in our sole discretion.

8.3 Brand Fund Accounting. In connection with the Brand Fund, if and when established: (i) we will account for the Brand Fund separately from our other accounts or assets (but we are not required to maintain a separate bank account); and (ii) we may establish a separate entity to receive payments and administer the Brand Fund with comparable rights and restrictions established in this Agreement, in which case we may require you to submit Brand Fund Contribution payments directly to that separate entity. The Brand Fund may borrow from us or others to cover deficits or invest any surplus for future use. We and others may charge interest at an annual rate 1% greater than the rates we pay to our lenders. We may spend on behalf of the Brand Fund, in any fiscal year, an amount greater or less than the aggregate contribution of all Franchised Businesses in the Brand Fund for that year. We will prepare an unaudited internal annual statement of monies collected and contributed to the Brand Fund and costs the Brand Fund incurred and will, provided that you submit a written request for the report no later than 120 days following the close of each fiscal year, provide a copy of the annual statement to you on completion. We have the right to require the Brand Fund to be incorporated or operated through a separate entity at any time.

8.4 Advertising by Us. We are under no obligation to conduct any advertising in your Territory; however, we reserve the right to conduct this advertising if we choose to do so in our sole discretion. We undertake no obligation to ensure that any Brand Fund expenditures in or affecting your geographic territory are proportionate to or equivalent to the contributions you make to the Brand Fund. We have no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Brand Fund. You are not a third-party beneficiary of any other franchise agreement and have no right to require or enforce any contributions from other franchisees to, or with respect to the administration of, the Brand Fund. You have no proprietary right in the Brand Fund, or the media created for it, and Brand Fund Contribution funds are not held in trust and do not create any trust or fiduciary duties on behalf of us.

8.5 Grand Opening Advertising. You must conduct a grand opening marketing campaign in accordance with our standards and specifications before opening the Franchised Business for business (the "Grand Opening Advertising Campaign"). You must spend a minimum of $5,000 on this Grand Opening Advertising Campaign during the 30-day period leading up to the opening of the Franchised Business and

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in the 30-day period following the opening of the Franchised Business, or as we otherwise require. During the Grand Opening Advertising Campaign, you will, in accordance with all applicable laws, rules and regulations, and in accordance with our specifications or as we otherwise approve. You are encouraged to spend more than the required amount on the Grand Opening Advertising Campaign. Your Grand Opening Advertising Campaign does not decrease or affect your obligations with respect to local advertising, any Ad Co-op (as defined below), or any payments of the Brand Fund Contribution.

8.6 Local Advertising Requirement. Each month during the Term, we may require you to spend the minimum amount of $1,000 per month on local advertising, marketing, and promotions within the area reasonably surrounding the Authorized Location (the "Local Advertising Requirement," or "LAR"). You must provide us a report documenting all local advertising expenses in the Monthly Report defined in Section 10.1.

8.7 Local Advertising and Initial Marketing Content and Restrictions. You are permitted to conduct your own advertising and promotions in your reasonable discretion, in addition to those we require, except that:

(a) You will ensure that your local advertising and promotions reflect favorably on and do not disparage the Marks, us, and any other franchisee.

(b) Before use, you must submit to us all print and other materials intended for media placement or public display (either in print or electronically), and a description of all proposed public or marketing events. You will use only materials we approved or provided and will participate only in events we approve. You must submit to us, at least 15 business days before publication or use, samples of all sales, promotional, and advertising materials you desire to use and that we have not previously approved, including, but not limited to, print, radio and television advertising, signage, supplies and packaging. Our failure to approve or disapprove the materials within 15 business days of receipt is deemed a rejection. If you submit to us for approval any materials or proposals, then we are permitted to adopt those materials or proposals for general use in advertising or promotions, in which case you will take any action we reasonably request to document and confirm an irrevocable and perpetual assignment to us of any copyright and a waiver of any moral rights relating to that advertising or promotion in consideration of the continued use of the Marks and System.

(c) Your local advertising efforts will include advertisement of the Franchised Business in any print or online directory listings we require, which advertisements you must submit to us for approval before placement.

8.8 Advertising Co-op. We are permitted to establish or to authorize any number of co-operative advertising programs (an "Ad Co-op") to coordinate advertising, marketing, and promotions among franchisees within a certain region, among certain common types of franchisees, or for other designated purposes. You will participate fully and in good faith in any Ad Co-ops we require. We are permitted, though not required, to delegate to any Ad Co-op the full or limited right to direct its own operations, and you will follow all rules and procedures the Ad Co-op prescribes; except that no Ad Co-op we create or manage will be permitted, without our consent: (i) to impose any fee or mandatory contribution to the members on an unequal basis; or (ii) to allocate votes among members on any basis other than one vote per Franchised Business. We are permitted, but not obligated, to resolve any disputes between you and any other franchisee concerning any Ad Co-op matter, and you will honor and adhere to any decision or direction we issue concerning that dispute. For the sake of clarity, any contributions or fees you paid for an Ad Co-op constitute fees to meet the local advertising requirement described in Section 8.7. If we administer the Ad Co-op, we will make available to you an unaudited annual statement of operations. Further, we will

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make available the books and records of the Ad Co-op to you for review on your reasonable written notice.

8.9 On-Site Displays. At your Franchised Business, you will use and display only the signs, displays, advertising and other materials we approve.

8.10 Websites & Digital Marketing. We have the right to maintain an interactive website for the benefit of us and our franchisees (the "Trapped Home Page").

(a) We will determine, in our sole discretion, all features of the Trapped Home Page, including the domain name, content, format, and links to other websites. We also have the right to modify, suspend or temporarily or permanently discontinue the Trapped Home Page at any time, in our sole discretion. We and our affiliates have the right to sell merchandise directly to retail and/or wholesale customers via the Internet under the "Trapped" name and the Marks, to create a website or home page containing the "Trapped" name and the Marks, and the exclusive right to reserve or to use "Trapped" or any derivative or related or similar domain name or e-mail address (without regard to domain name suffix).

(b) You are not permitted to access the TRAPPED® website in any manner, such as linking, framing, or using the Marks as "keywords" or "adword" purchasing in conducting SEO marketing. In addition, you are not permitted to establish your own web page without securing our prior written consent, which may be granted or withheld in our sole discretion. Except as we approve in advance in writing, you must not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other social media platform or other public computer network in connection with the Franchised Business, including any profile on Facebook, Instagram, TikTok, X, LinkedIn, YouTube or any other currently existing or future developed social media and/or networking site or mobile application ("Social Media Site"). We reserve the right to modify or remove any postings you make on any Social Media Site at any time at our sole discretion. We have the right directly, or through our affiliates or designee, to establish, develop, administer and maintain one or more websites, mobile applications and/or future developed technology (each a "Trapped App") for franchisees, Franchised Business customers and/or prospective customers. You must, if we require, use and promote the use of the Trapped Apps.

1. You may not advertise any goods or services on any website or on any Social Media Site without securing our prior written consent, which we may withhold in our sole discretion.

2. You may not use any of the Marks in any Internet website, home page or Social Media Site, including your Trapped Site, without our prior written consent.

3. You will not create, affiliate yourself with, or advertise on any website without our written consent. If we grant our consent for your website, then you will adhere to any guidelines or restrictions on the content or design of that website, and will remove or alter any content as we direct at any time.

(c) NO WARRANTY. TO THE MAXIMUM EXTENT PERMITTED BY LAW, WE DISCLAIM ALL WARRANTIES (WHETHER EXPRESS, IMPLIED OR STATUTORY) RELATED TO THE AVAILABILITY AND/OR PERFORMANCE OF THE WEBSITE, ANY TRAPPED APP, SOFTWARE, AND/OR ANY SOCIAL MEDIA SITE OR PAGE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, WE WILL NOT BE LIABLE FOR ANY DIRECT OR INDIRECT DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY CONSEQUENTIAL, PUNITIVE OR INCIDENTAL DAMAGES OR

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DAMAGES FOR LOST PROFITS OR LOSS OF BUSINESS) RELATED TO THE USE, OPERATION, AVAILABILITY OR FAILURE OF ANY WEBSITE, SOCIAL MEDIA SITE, MOBILE APPLICATION OR SOCIAL MEDIA PAGE.

8.11 Your Participation. Without limiting other provisions in this Agreement, you will fully participate in all advertising, marketing, and promotions activities we require, including the introduction or test marketing of new goods or services, grand openings, joint marketing efforts with other franchisees, trade shows, industry events, and other programs we direct or approve at your sole expense.

8.12 Advisory Council. We have the right to require that a franchisee advisory council be formed, changed, dissolved or merged at any time, in our sole discretion. If formed, the council will serve in an advisory capacity only and will be governed by the bylaws and rules we designate or approve.

9. TRAINING, ASSISTANCE AND ANNUAL CONVENTION

9.1. Initial Training. We will provide our initial training program (the "Initial Training Program") to you (or your operating principal if you are an entity) and, if applicable, the individual that you have designated and we have approved to handle the day-to-day management of the Franchised Business (a "Designated Manager"). We will not charge any tuition or our then-current training fee to provide the Initial Training Program or appropriate components thereof for up to two (2) total individuals, provided both individuals attend such training at the same time prior to opening the Franchised Business. We agree and acknowledge that: (i) certain portions of the Initial Training Program may be provided by us remotely via telephone calls, webinars or other online learning management system/technology; (ii) other portions of the Initial Training Program must be attended and completed at our headquarters or other designated training facility for a period that typically lasts around four (4) business days; and (iii) you shall bear all of your costs and expenses incurred by you and all other trainees in connection with the Initial Training Program, including without limitation, travel, lodging, meals, and local transportation.

9.2. Third-Party Training. Before opening for business, you will participate in and complete to our satisfaction any training with third-party providers of software, hardware, cameras and other operational aspects of the Franchised Business.

9.3. Subsequent Training. Your Franchised Business must be managed at all times by at least one (1) individual who has completed our Initial Training Program. You will ensure that Designated Manager, as applicable, and any other employees participate in and complete to our satisfaction, any additional training, remediation training, refresher courses and/or education programs we require. We reserve the right to provide the Designated Manager as applicable, training online through our designated technology, and/or at our designated corporate Franchised Business. We reserve the right to change any portion of the Initial Training Program in our sole discretion and require your compliance with the changes. The current cost of subsequent training, including on-going and remedial training, is $500 per day per trainer; however, we reserve the right to charge you our then-current training fee (which may be an hourly rate, a flat rate and/or a rate assessed per day of training) for your required attendance at any subsequent training or training of new Designated Manager(s), and you will pay for any travel, accommodations, wages, and other costs for your representative attending any subsequent training programs.

9.4. Assistance; Online Training. We will provide initial and continuing advisory assistance in the operation of the Franchised Business as we deem necessary or advisable. We will provide assistance, in our discretion, by telephone, facsimile, intranet communication and on-site visits. If you require and request additional on-site assistance from us, subject to the availability of our personnel, we will provide you with assistance at our then-current rate for providing ongoing assistance, plus expenses, including our

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travel and lodging expenses. You agree that, for any training program that we require, we may provide, supplement or replace any and all portions of the training program by online or remote access training modules ("Remote Access Training"). You must participate in and complete all Remote Access Training as we designate.

9.5. Annual Convention. We are permitted to establish an annual convention or meeting of franchisees (the "Annual Convention"), which you and your Designated Manager must attend. We reserve the right to charge a registration fee per person for attendance at the Annual Convention and you must pay the travel, accommodations, wages, and all other expenses for your representative(s) attending the Annual Convention. You must pay this registration fee even if you fail to attend the Annual Convention.

9.6. Delegation. You agree that we have the unrestricted right to delegate the performance of any portion of our obligations under this Agreement, including training obligations, to designees, area representatives, affiliates, or any other third party.

10. RECORDS AND REPORTING

10.1. Reports. You must use the Computer System to collect and provide us with all data we specify or require. You must provide and permit us unrestricted access to your Computer System. In addition to the reports automatically available to and accessible by us electronically, you must, no later than the 15th day of each calendar month (or any other date we designate), provide to us in a form and format we prescribe: (a) a report of all payrolls during the preceding month (the "Monthly Report"), (b) a report relating to customer information containing the detail we prescribe, and (c) all other monthly reports we require. Your submission of the Monthly Report to us will constitute your representation that the contents of the Monthly Report are accurate to the best of your knowledge. You must pay to us a fee of $100 per day for every day after the 15th day of the calendar month you fail to deliver the Monthly Report (the "Late Reporting Fee").

10.2. Records. You must establish and maintain, at your sole expense, a bookkeeping, accounting and recordkeeping system that complies with our requirements and specifications at all times during the Term. You will keep accurate records and books of account in relation to the Franchised Business, including records of all goods and services provided to customers, all prices charged, all customer and member information, and all Gross Sales received or credited, in a form and detail we prescribe or approve in the Manual. You will acquire at your own expense and use (in accordance with our specifications and requirements) all accounting or other record-keeping software (including any web-based software or system) we require. We have the unrestricted right to electronically access all your accounting and recordkeeping software, as well as any other data related to the operation of the Franchised Business in the form and manner we designate. You will preserve for at least 7 years after the end of each fiscal year all books and records related to that year.

10.3. Annual Reporting. At our option, in addition to the Monthly Reports, you must submit to us, no later than 90 days after the end of each fiscal year, the following information concerning the fiscal year, which you must certify as correct:

(a) A statement of Gross Sales for the year as finally adjusted and reconciled after the close and review of your books and records for the year. If that statement discloses any underpayment of Royalty Fees or any other payments due to us, then you must pay to us, at the time of submitting the annual statement, the amount of that underpayment. We will credit to your account any overpayment disclosed by this statement; however, we are not precluded from disputing whether an overpayment has occurred.

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(b) Complete financial statements, including a balance sheet, income statement, monthly profit and loss statement, and statement of changes in financial position, all prepared in accordance with U.S. generally accepted accounting principles and prepared by a certified public accountant or other state licensed public accountant.

(c) Annual state and local sales tax returns or reports, and federal, state, and local income tax returns.

(d) Metrics and other financial information we reasonably request regarding the Franchised Business's operation.

(e) Any other reports and financial information (including up-to-date personal financial information on your guarantors) as we reasonably require.

10.4. Corporate Records. If you are an entity, then you must provide to us on request copies of any corporate records, including certificates of incorporation, organization or other documentation establishing your entity status, your articles of incorporation or organization and bylaws, operating agreement, any up-to-date shareholder, member or partnership agreement, and documents reflecting entity ownership.

10.5. Inspection and Audit Rights. We and any designee are permitted, with or without prior notice, during the regular business hours of the Franchised Business but without undue disturbance to it, to inspect and audit the Franchised Business, including without limitation to enter into the Authorized Location or any other location at which you maintain records, and to inspect and take copies of any paper or electronic records relating in any way to the Franchised Business. You are responsible for the payment to us of the cost of inspection, evaluation, and testing, plus $500 per day for each of our personnel reasonably taking part in the evaluation. We are permitted to direct an independent auditor to audit the Franchised Business for any time period for which you must maintain records, and you must comply with all reasonable requests for records and financial data relating to that audit. If any audit reveals an understatement of Gross Sales of (i) 2% or less, then you must immediately pay the full amount owed with interest at 18% per annum or the highest rate of interest allowed by law, whichever is less; (ii) more than 2% but less than 5%, you must immediately pay the full amount owed with interest and pay our cost of conducting the audit, including but not limited to travel, lodging, meals, wages, and expenses of our personnel, and any reasonable accounting and legal fees we may incur; (iii) more than 5%, or more than 2% three (3) or more times in any twelve (12) month period during the Term of this Agreement, then we may terminate this Agreement pursuant to Section 15.3 of this Agreement. Our collection of the payments described above is not an exclusive remedy and does not preclude our enforcement of any rights under this Agreement related to your non- performance or insufficient performance of obligations.

10.6. Use of your Data. We are permitted to use and disclose any information or data received from, and any other information concerning, you for any valid business purpose, including without limitation disclosure to current or prospective franchisees, disclosure to current or prospective investors, and disclosure to or as required by any governmental or regulatory authority.

11. YOUR COVENANTS

11.1. Restrictive Covenants During the Term. During the Term, neither you, your officers, directors, principals, or Designated Manager, nor any member of your immediate family or your officers, directors, principals, or Designated Manager may, directly or indirectly:

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(a) own, manage, be employed by, lend money to, extend credit to or participate or serve in any capacity for any (i) escape room entertainment business, or (ii) any other business offering related entertainment services, or (iii) any other business offering products and services offered or authorized for sale by System franchisees (each a "Competing Business"), or (iv) any business offering or granting licenses or franchises for the right to operate a Competing Business; provided, however, that this Section does not apply to your operation of any other Trapped Franchised Business under a license or franchise agreement with us;

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

11.2. Restrictive Covenants After the Term. For 2 years after the transfer, termination, or expiration of this Agreement, neither you, your officers, directors, principals, or Designated Manager, nor any member of your immediate family or your officers, directors, principals, or Designated Manager may, directly or indirectly enter into any business that is competing in whole or in part with us by granting franchises or licenses to operate a Competing Business.

(a) For 2 years following the transfer, termination, or expiration of this Agreement, you will not:

1. own, manage, be employed by, lend money to, extend credit to or participate or serve in any capacity for a Competing Business that is located: (i) at the Authorized Location; (ii) within a radius of 25 miles from the Authorized Location; (iii) within a radius of 25 miles from any Franchised Business of a then-existing franchisee of us, (iv) or within a radius of 25 miles from a then-existing Franchised Business we or our affiliate operate using the Marks; or

2. solicit, service, or sell to, directly or indirectly, any customer or member who was a customer or member of the Franchised Business before the effective date of transfer, termination or expiration of this Agreement, as applicable; except that this covenant will not restrict you from engaging in general advertising or marketing to the extent not prohibited by your non-competition covenant.

11.3. Restrictive Covenants of Your Owners. You must ensure that your Owners, Designated Manager and any other individual who will have access to Confidential Information or who will participate in our initial training program, sign a confidentiality and restrictive covenant agreement in the form we approve, containing substantially similar covenants of non-competition, non- solicitation, and non-disclosure as are in this Agreement. You agree that you are responsible to ensure each such agreement is in compliance with, and enforceable under, applicable law. Our entry into and continuing obligations under this Agreement are conditioned on your timely delivery of those fully signed agreements to us, including from individuals who become Owners after the signing of this Agreement.

11.4. Consideration for Covenants; Severability. You and your Owners give these covenants in part as specific consideration for use of the Marks, for access to the Manual, trade secrets, and other proprietary materials and information related to the System, and for our training programs. The unenforceability of all or part of any covenant in any jurisdiction will not affect the enforceability of that covenant in other jurisdictions or the enforceability of the remainder of the covenants or this Agreement. If any covenant is held by a court of competent jurisdiction to be broader in time, scope, or subject matter than legally permitted, then we and you state our intent that the court impose that covenant to the maximum lawful extent. We are permitted at any time to reduce the time, scope, or subject matter of any your or your Owner's covenant to render it enforceable under applicable law. You agree that the restricted periods in

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this Section 11 (inclusive of all subparts) will be tolled during any time in which you are in violation of its obligations.

11.5. No Defense. You agree that the existence of any claim you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants in this Section 11. You agree to pay all expenses (including reasonable attorneys' fees) that we incur in the enforcement of this Section 11. You agree that money alone cannot adequately compensate us if there is a violation of any of your non-competition covenants and that injunctive relief is essential for our protection and the protection of the System. You therefore agree that in any case of any alleged breach or violation of this Section, we may seek injunctive relief without posting any bond or security, in addition to other remedies that are available to us at equity or law.

11.6. Owner Guaranty. All Owners personally and unconditionally guarantee without notice, demand, or presentment, the payment of all of your monetary obligations under this Agreement, and any other agreement between you and us and/or our affiliates, as if each were an original party to this or any other agreement in his or her individual capacity. All personal guarantors further agree to be bound by the restrictions of your activities on transfer, termination, or expiration and nonrenewal of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All personal guarantors must sign a continuing personal guarantee in the form attached as Exhibit B.

12. TRANSFER

12.1 Assignment, Transfer, or Encumbrance. Your rights under this Agreement are personal to you and/or your current owners. We have granted this franchise in reliance on your and your owners' business skill, financial capacity and personal character. Accordingly, neither you, nor any immediate or remote successor to any part of your interest in this franchise, nor any individual, partnership, corporation, limited liability company or other legal entity that directly or indirectly owns any interest in this franchise or in your shares, membership interests or partnership interests (if you are a corporation, limited liability company or partnership) will sell, assign, transfer, convey or give away, any direct or indirect interest in (a) this franchise, (b) the Franchise Agreement, (c) the Franchised Business, and/or (d) in any legal entity that owns this franchise (each a "Transfer") without first obtaining our prior written consent, which may be granted or withheld in our sole discretion. Any purported Transfer by operation of law or otherwise, not having our prior written consent, will be null and void and will be a material breach of this Agreement for which we may then terminate without the opportunity to cure. Without limiting the foregoing, you agree that a transfer requiring our prior written consent will be deemed to occur on any sale, resale, pledge, encumbrance, transfer or assignment of: (a) any fractional partnership ownership interest if you are a partnership; (b) any membership interest, if you are a limited liability company; (c) any fractional portion of your voting stock or any increase in the number of outstanding shares of your voting stock that results in a change of ownership, if you are a corporation. Any new partner, shareholder, member or manager (as applicable) must personally guarantee your obligations under this Agreement. You are not permitted to and will not offer, sell, or grant any subfranchise in the Franchised Business. We may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise.

12.2 Minimum Conditions of Transfer. You agree that our consent to any assignment or transfer will be subject, at a minimum, to the prior performance or satisfaction of the conditions stated below. These conditions are non-exclusive, and we are permitted to impose any other conditions we deem reasonable in our sole discretion, and are permitted to waive, defer, or modify any of these conditions in our sole discretion.

(a) You are in full compliance with: (i) this Agreement, (ii) any other agreement

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between you and us, our affiliates, and/or our designated/approved suppliers and vendors, (iii) the Manual, and any other System requirements, including all accrued monetary obligations;

(b) Your owners and affiliates are in compliance with any other agreement between any owner or affiliate, on the one hand, and us, and/or any of our affiliates, on the other hand;

(c) Before the transfer's effective date, you have performed all modifications, repairs, updates, upgrades, and renovations we require to the Franchised Business, to the goods and services you offer, to your advertising, marketing and promotional programs, and to your computer, financial, and accounting systems, as we designate.

(d) Before the effective date of transfer, you must pay us a transfer fee in the amount of $10,000. If you are a legal entity and you request our consent to add a new minority owner who will own less than a 20% interest in the legal entity after the Effective Date, then we will not assess a transfer fee.

(e) You provide to us in writing the terms of the proposed transfer and we determine, in our sole discretion, that the terms of the proposed transfer are reasonable and will not unduly hinder the transferee's ability to operate the Franchised Business successfully.

(f) The transferee submits any information or documents then required of new franchisees, and the transferee meets all of our subjective and objective standards, including without limitation experience, financial capacity, talent, skills, and qualities of character, applicable to new franchisees and is not in the same business as us as a licensor, franchisor, independent contractor, or franchisee.

(g) At our option, either (i) the transferee agrees in writing to assume this Agreement; or (ii) the transferee (and each of its owners) signs our standard form of franchise agreement then being offered to new System franchisees, as well as personal guaranty agreements, and all other ancillary agreements as we require or specify for the Franchised Business, in which event, these agreements will supersede this Agreement in all respects. You agree that our then-current form of franchise agreement may vary materially from this Agreement.

(h) You obtain and submit satisfactory evidence of consent of lenders, lessors, governmental authorities, and any other third parties we deem necessary, for any transfer to the transferee of leases, agreements, permits, approvals, and licenses for the Franchised Business.

(i) You and your Owners, and the transferee and the transferee (if it has had any previous relationship with us or our affiliates) sign a general release, on our form, of all claims accruing before the effective date of transfer, in favor of us and our members, officers, directors, employees, affiliates, and agents, to the extent that release is permitted by applicable law.

(j) The transferee must satisfactorily complete our training program at the transferee's expense within the time frame we require.

(k) You or transferee must provide us a copy of the signed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of, and agreement to, faithfully perform all of your obligations under this Agreement.

(l) You (and your principals if you are a partnership, corporation or limited liability

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company), and the members of their respective families must agree to comply with the post-termination provisions of this Agreement.

(m) The transferee must obtain, within the time limits we set, and maintain thereafter, all permits and licenses required for the Franchised Business's operation.

(n) Our approval of the transfer will not constitute a waiver of any claims we have against the transferring party.

12.3 Transfer to a Corporation or Limited Liability Company. If you are an individual and desire to assign your rights in this Agreement to a corporation or limited liability company, and if all of the following conditions are met, we will consent to the transfer without assessing the transfer fee stated in Section 12.2(d), and the assignment will not be subject to our right of first refusal in Section 12.6:

(a) The corporation or limited liability company is newly organized and its activities are confined to operating the Franchised Business;

(b) You are, and at all times remain, the owner of 100% of the outstanding shares of the corporation or a controlling interest in the limited liability company;

(c) The corporation or limited liability company agrees in writing to assume all of your obligations under this Agreement; and

(d) All stockholders of the corporation, or members and managers of the limited liability company, as applicable, sign our form of personal guaranty, which will include, without limitation, (i) a guaranty of the corporation's or limited liability company's prompt payment and performance of all its obligations to us and our affiliates under this Agreement and (ii) a guaranty of any other agreement between you and us and/or our affiliates and sign a non-compete agreement as stated in Section 11.3.

12.4 Non-Exclusive Additional Bases for Denial. For sake of clarity and without limitation, in addition to the bases identified above, we also are permitted to deny approval of transfer if we have elected to discontinue, permanently or temporarily, to sell franchises, either generally or in the geographic area in which the Franchised Business operates or is located; or if we would not sell a franchise directly to the transferee under normal circumstances.

12.5 No Security Interest in Agreement or Franchised Business. No agreement between you and a transferee will include any provision that grants you any security interest in this Agreement, the Authorized Location, or the Franchised Business without our written consent. You agree that we have no obligation to enforce, and will not be bound by, either directly or indirectly, any terms of any agreement between you and a transferee.

12.6 Right of First Refusal. No later than 5 days after your receipt of a bona fide offer from a third party acceptable to you or any offer you originate or extend and a prospective purchaser accepts, to purchase or acquire all or part of you or the Franchised Business (the "Assets"), you will deliver to us a signed copy of the complete offer. We or our assignee is then permitted to purchase and acquire the Assets and your rights under this Agreement at the same price and on the same terms as offered to you. We are permitted to substitute cash for any other form of consideration in the offer and to pay the entire purchase price at closing. If we elect to exercise this right to purchase, we will do so in writing within 30 days after receiving your notice. If we do not exercise this right to purchase, then subject to the other transfer provisions in this Agreement, you are permitted to transfer the Assets to the offeror, but only on the terms

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disclosed to us in writing. If the terms of the offer materially change at any time before transfer, then you will notify us of the change, and we have a renewed right of first refusal as provided in this Section. If you do not transfer the Assets to the offeror within 90 days from the date on which you delivered a signed copy of the complete offer to us, then you will again extend this first right of refusal to us before making any transfer or assignment.

12.7 Sales of Securities. In addition to your other obligations, if you sell or offer to sell securities or other ownership interests in you such that that sale is regulated by any applicable law, then you will: (i) fully comply with all applicable laws; (ii) disclose to offerees and purchasers that neither we nor our employees, affiliates or agents are an issuer or underwriter, or are in any way liable or responsible for the offering; (iii) ensure that we have a reasonable time to the review any reference to us or our franchisees in any prospectus or offering documents before you use or distribute them; (iv) pay our actual legal costs incurred for our review; (v) defend and indemnify us, our officers, directors, employees, affiliates, and agents from all liability, cost, damage, claim, and expense and from ongoing obligations to shareholders and to governmental agencies arising out of or relating to the offer, sale, or continuing investment; and (vi) sign any further indemnities and provide any further assurances us reasonably require.

12.8 Transfer or Assignment by Us. This Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interests. We are permitted to sell or assign this Agreement and/or our rights in this Agreement in whole or in part, and to sell or issue stock, other ownership interests, or our assets, wholly or in part, whether privately or publicly. Without limiting the foregoing, we have the right to purchase, merge, acquire and/or affiliate with existing franchise systems, networks and/or chains, whether or not competitive, and to operate, franchise and/or license these businesses under the Marks. We also are permitted to assign performance of our rights and obligations under this Agreement to any affiliate or third party, or to retain any affiliate or third party to perform those obligations and to receive the benefit of those rights. You agree that sale, assignment, purchase, merger or other transfer transaction may require you to discontinue use of the existing Marks and begin using alternate trademarks, service marks, and trade dress, to adopt new elements and discontinue existing elements of the System, and to adhere to new policies and procedures under the Manual, and you will comply with these requirements.

13. YOUR DEATH OR INCAPACITY

13.1. Death or Incapacity Defined. For the purposes of this Agreement, your death or incapacity is deemed to have occurred on any of the following:

(a) If you are an entity, an Owner of 50% or more of you dies or, according to reasonable medical opinion, becomes mentally or physically incapacitated for a substantial period of time.

(b) If you are an individual, you die or, according to reasonable medical opinion, become mentally or physically incapacitated for a substantial period of time.

13.2. Notification by Heirs or Estate. You or your heirs or estate must notify us in writing within 30 days after your death or incapacity (the "Incapacity Notice"). If your heirs or estate desire to continue operating the Franchised Business, then the Incapacity Notice will include the following:

(a) The identity of the heir(s) or attorney(s)-in-fact expected to inherit or control your or the deceased or incapacitated Owner's interest in the Franchised Business (each an "Heir" or collectively the "Heirs") and the basis for that expectation.

(b) A summary of the plan for the transition of the Franchised Business to new

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ownership or control.

(c) The identity of a qualified individual who is immediately available to perform, on an interim basis, any functions you or the deceased or incapacitated Owner previously performed for the Franchised Business.

(d) Written confirmation of the Heirs' intent to assume any personal liability required by any vendor or supplier and to sign any guaranty and other ancillary agreements we require of you or the deceased or incapacitated Owner.

13.3. Heirs' Responsibilities Upon Acceptance. If we allow the Heir to continue operation of the Franchised Business, the Heir must sign our then-current franchise agreement for the unexpired term of the franchise, or furnish a personal guaranty of any partnership, corporate or limited liability company obligations to us and our affiliates, and successfully complete our training program (which we will provide at our then-current tuition rate).

13.4. Our Option. Subject to Section 13.2, on your death or incapacity, we have the option, which we will exercise within 30 days of our receipt of the Incapacity Notice:

(a) To terminate this Agreement, with an effective date of termination 90 days after our written notice of our election. You agree that this termination is for good cause; or

(b) If the Heirs have stated in the Incapacity Notice that they desire to continue operating the Franchised Business, to permit the transfer of your interest in the Agreement to one or more Heirs under the transfer provisions in this Agreement, except that we will not exercise any right of first refusal with respect to that transfer.

13.5. No Liability to Contesting Heirs. You will defend, indemnify, and hold harmless us from any claim relating to the identity of the rightful Heirs or the legitimacy of any appointment of an attorney-in-fact or other representative of an incapacitated franchisee or Owner. We are entitled to rely on any representation by any individual reasonably purporting to be a rightful Heir or duly appointed attorney-in-fact or representative and any other reasonable indicia of entitlement to ownership or control of you or the Franchised Business. If a dispute among any claimants clouds the ownership or control of you or the Franchised Business, then we may terminate this Agreement for good cause on 30 days written notice. We are under no obligation to operate the Franchised Business or incur any obligation on behalf of any incapacitated franchisee.

13.6. Our Appointment of Interim Manager. At any time after the death or incapacity and before the appointment (if any) of an approved Designated Manager, we may appoint an interim manager to operate the Franchised Business. You will compensate that interim manager directly at a rate we reasonably determine, and the interim manager will be considered your agent. During any period in which the Franchised Business is operated by the interim manager, you will remain obligated to all creditors and other third parties for all debts, obligations, and contracts relating to the Franchised Business, and you will remain solely responsible for any loss or damage the Franchised Business incurs.

14. INDEMNIFICATION AND INSURANCE

14.1. Your Indemnification. You will protect, defend, indemnify and hold harmless us, our members, officers, directors, employees, affiliates, and agents against all claims, demands, actions, causes of action, losses, damages, costs, suits, judgments, debts, losses, fines, assessments, taxes, liens, attorneys'

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fees, disbursements, penalties, expenses, and liabilities of any kind or nature arising directly or indirectly from: (i) the operation of your Franchised Business, including the use, condition, or construction, equipping, decorating, maintenance or day-to-day operation of the Franchised Business, the sale of any service or merchandise sold from the Franchised Business, and your advertising; (ii) your use of the Marks; (iii) the transfer of any interest in this Agreement or your Franchised Business in any manner not in accordance with this Agreement; (iv) the infringement, alleged infringement, or any other violation or alleged violation by you or any of your principals of any patent, mark or copyright or other proprietary right owned or controlled by third parties; (v) libel, slander or any other form of defamation of us, the System or any franchisee or developer operating under the System, by you or by any of your principals; (vi) any violation or alleged violation of any applicable law, rule or regulation; and (vii) any allegation that we or any of our affiliates is a joint employer or otherwise responsible for your acts or omissions related to your employees. Your duties to defend, indemnify, and hold harmless will not be affected by the fact that a claim is asserted directly against us for our alleged acts or omissions, so long as this Section otherwise would apply. Notwithstanding the foregoing, you have no obligation to indemnify or hold an indemnified party under this Section harmless for any losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the indemnified party's gross negligence, willful misconduct, or willful wrongful omissions. Nothing in this Section limits your obligation to defend us and any other indemnified party under this Section.

14.2. Notice and Defense of Claims Against Us. You will promptly notify us in writing of any notices received or claims made (whether orally or in writing) indicating any person's intent to assert any claim or initiate any action against you or us, and you will use your best efforts to prevent the claim or action. If any suit or other legal action within the scope of your above duty to defend, indemnify, and hold harmless is initiated against us and known to you, then you will immediately notify us in writing, and, at our request, will appoint counsel on our behalf and at your expense, to defend the suit or action. We and you will cooperate in good faith in the defense of the suit or action and in resolving where possible any conflicts of interest to allow a single attorney or law firm to represent all defendants or respondents, but you will bear all associated costs and fees, and will reimburse us if we incur any material administrative expenses or incur any fees for our own legal counsel's involvement or oversight. You have no obligation to indemnify us or hold us harmless for any losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by our gross negligence, willful misconduct or willful wrongful omissions.

14.3. Our Indemnification. We will indemnify you against any losses or damages you incur as a result of any successful claim of trademark infringement brought by a third party that is related solely to your authorized use of the Marks in accordance with the terms of this Agreement.

14.4. Insurance. You must obtain and maintain, for the duration of the Term, all insurance policies as we designate in the Manual or through other written communications. You also are responsible for complying with insurance requirements imposed under your lease and applicable law. If coverage under the lease or applicable law differs from our requirements, the higher limits will apply. The insurance policies must be written by a responsible carrier or carriers acceptable to us and must include coverage that meets our minimum specifications. We reserve the right to require you to secure insurance coverage from a designated vendor. You must provide us with a Certificate of Insurance on an annual basis evidencing your compliance with all insurance requirements. Without limiting our broad rights under this paragraph, to the extent available, we may require you to obtain insurance for contractual liability, errors and omissions, and employer's liability (workers' compensation), with policy limits in amounts we specify in the Manual. You will ensure that all insurance policies name us and our parents and affiliates as additional insureds (on a primary and non-contributory basis). We are permitted to establish reasonable minimum standards for coverage that underwriters must meet for insurance, which we may state in the Manual. Before opening for

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business, you will provide us with certificates of insurance for all policies and will obtain any other insurance required by law. You will maintain in good standing all required insurance during the Term, and will immediately notify us of any lapse, alteration, or cancellation or any policy or coverage. All insurance policies must provide for 30 days prior written notice (10 days for non-payment of premiums) to us of any material modification, cancellation or expiration of the policy. We are permitted (but not required) to acquire any insurance coverage or pay any insurance premium on your behalf, in which case you must pay us, on demand, the premium cost and administrative costs of 18% for our obtaining the insurance. We may make revisions to any insurance requirements on reasonable notice to you. All insurance policies must be written by an insurance company with an A.M. Best's Key Rating Guide minimum rating of A or better. In addition to the information listed above, you must carry all insurance as your lease, your lender and equipment lessors require, and worker's compensation insurance as required by applicable law. Your obligations under this Section 14, including your indemnification obligations, continue in full force and effect after and notwithstanding the expiration of termination of this Agreement.

14.5. Minimum Coverage. At a minimum and subject to additional requirements that we designate in our sole discretion, including through the Manual or otherwise in writing, your insurance will cover all claims for injury, damage (including property damage), and death that arise directly or indirectly out of the Franchised Business. We make no representation or warranty that compliance with these insurance requirements will insure or protect you against all insurable risks or losses. As of the Effective Date of this Agreement, our minimum coverage amounts for each required coverage are:

(a) comprehensive general liability insurance, with limits no less than $1 million per occurrence and $2 million in the aggregate, endorsement in the name of Trapped US Franchise, Inc., and a waiver subrogation in favor of Trapped US Franchise, Inc.;

(b) business income/interruption insurance covering at least 50% of annual Gross Sales

(c) personal and advertising injury insurance with aggregate limit no less than $1,000,000, with additional insured endorsement in the name of Trapped US Franchise, Inc. and a waiver of subrogation in favor of Trapped US Franchise, Inc.;

(d) fire damage legal liability insurance with aggregate limit no less than $1,000,000 per occurrence;

(e) statutory workers' compensation insurance with limits no less than those required by law;

(f) business personal property coverage;

(g) tenant improvement coverage;

(h) employer's liability bodily injury in the amount of $500,000 per occurrence and :$500,000 in the aggregate; and

(i) employment practices liability insurance in the amount of $500,000 per occurrence and $500,000 in the aggregate.

14.6. Claims Cancellation. You must provide us with copies of any insurance claims or insurance cancellations within 24 hours. You have a 24-hour opportunity to cure any lapses in insurance coverage.

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You must submit a certification of insurance that demonstrates compliance with this Section.

14.7. Notice of Insurance-Related Claims. You must notify us in writing of any act, omission, or event that could materially affect you or the Franchised Business and must provide that notice simultaneously with your notice to your insurance carrier.

14.8. Modification of Requirements. We have the right to increase or otherwise modify the minimum insurance requirements on 30 days prior written notice to you, and you will comply with any modification within the time period stated in the notice.

14.9. Insurance and Indemnification Are Separate Obligations. Your compliance with the insurance requirements in this Agreement, and the availability of insurance coverage to defend and indemnify us, will not relieve you of your obligations under the indemnification provisions of this Agreement, which are separate and independent. If your insurer denies or limits coverage to us for any claim falling within the scope of the applicable policy or your obligations in this Agreement, then you will provide that defense and indemnity directly.

15. TERMINATION

15.1. Automatic Termination. We are permitted to terminate this Agreement immediately if you:

(a) make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the Franchised Business;

(b) have proceedings begun against you to have you adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, and the proceedings are not dismissed within 60 days, or a trustee or receiver is appointed for you or the Franchised Business without your consent, and the appointment is not vacated within 60 days;

(c) attempt to assign, transfer, or make unauthorized use of the Marks, or disclose or make unauthorized use of the Manual or other confidential materials or information; or

(d) purport to sell, transfer or otherwise dispose of you or any interest in the Franchised Business in violation of Section 13.

15.2. With Notice and Without Opportunity to Cure. We have the right to terminate this Agreement on notice, without providing you an opportunity to cure for any of the following breaches or defaults:

(a) If you or your principals have misrepresented or omitted material facts in your application or other materials provided to us before the parties' entering into this Agreement;

(b) If you abandon or cease operation of the Franchised Business or stop communicating with us;

(c) If you, yourself or through any Owner, are held liable for, are convicted of, or plead guilty or no contest to a felony or any other law relevant to the Franchised Business;

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(d) If you fail to meet the required schedule to obtain the Authorized Location, complete construction, and open for business within the time required under this Agreement.

(e) If you or your principals commit any fraud or misrepresentation in the operation of your Franchised Business.

(f) If you fail to successfully complete initial training as required in this Agreement.

(g) If we send you 3 or more written notices to cure under Sections 15.3 or 15.4 in any 12-month period.

(h) If you or the Owners materially breach any other agreement with us or any of our affiliates, or the lease for the Authorized Location, or threaten any material breach of any agreement or Lease, and fail to cure the breach within any permitted period for cure.

(i) If you violate any health, safety or sanitation law, ordinance or regulation, including those regulating entertainment businesses generally, or operate the Franchised Business in a manner that presents a health or safety hazard to customers, or the general public.

(j) If you violate the in-term restrictive covenant in this Agreement, including as stated in Section 11.1.

(k) If a levy of writ of attachment or execution or any other lien is placed against you or any of your principals or any of their assets that is not released or bonded against within 30 days.

(l) If you or any of your principals become insolvent.

(m) If you offer any unauthorized and unapproved products or services at or from the Franchised Business.

(n) If you order or purchase supplies, signs, services, furnishings, fixtures, equipment or inventory from any currently unapproved supplier.

(o) If you misuse or make unauthorized use of our proprietary software program, if any.

(p) If you fail to maintain insurance or to repay us for insurance we paid for, or otherwise fail to adhere to the insurance requirements in this Agreement.

(q) If you fail, within 15 calendar days after notification of non-compliance by federal, state or local government authorities, to comply with any law or regulation applicable to the Franchised Business.

(r) If any government action is taken against you that results in any obligation on us that in our sole judgment is uneconomical, not in our best interests, or would result in us having an unintended relationship or obligation.

(s) If you fail to comply with the anti-terrorism provisions of Section 19.17.

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(t) If you take for your own personal use any assets or property of the Franchised Business, including employee taxes, FICA, insurance or benefits.

(u) If there are insufficient funds in your bank account to cover a check or EFT payment to us 3 or more times within any 12-month period.

15.3. On 15 Days' Notice to Cure. We have the right to terminate this Agreement if any of the following defaults remain uncured after providing notice and expiration of the 15-day cure period:

(a) If you fail to pay when due any sums owed to us, any of our affiliates, or any of our designated suppliers.

(b) If any audit reveals that you understated your Gross Sales, or your local advertising expenditures, by (1) more than 5%, or (2) more than 2% on three or more occasions during any 12-month period, or if you failed to submit timely reports and/or payments for any 3 reporting periods within any 12-month period, as described in Section 11.

(c) If you fail to immediately endorse and deliver to us any payments due to us from any third party that is erroneously remitted to you.

(d) If you fail to maintain the minimum sufficient levels of inventory to adequately meet consumer demand.

(e) If you fail to maintain the prescribed days or hours of operation at the Franchised Business.

(f) If you fail to maintain the strict quality controls reasonably required by this Agreement and/or the Manual.

(g) If you conduct yourself in a manner that, although not criminal, reflects adversely on the System, the Marks, or the services or products offered through the System.

(h) If you fail to procure or maintain any licenses, certifications, or permits necessary for the operation of your Franchised Business.

15.4. Termination by Us After 30-Day Opportunity to Cure. If you violate any other provision of this Agreement, then we may terminate this Agreement if you do not fully cure that violation within 30 days after our written notice of default. If your violation is not reasonably susceptible to cure, then we have the option to: (i) terminate this Agreement immediately on written notice; or (ii) require you to take any remedial measures we prescribe in our sole discretion, and if you fail to implement those remedial measures in the time and manner we require, then we may terminate this Agreement immediately on subsequent notice.

15.5. Cross-Default. If any act or omission would give rise to our right to terminate another franchise agreement or other agreement between, on the one hand, us or our affiliate, and on the other hand, you, the Designated Manager, or any entity that is majority-owned by one or more of your Owners, then we may terminate this Agreement in the same manner and on the same notice (if any) required by the other franchise agreement.

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15.6. Remedies Other Than Termination. If you commit any act or omission that would give rise to our right to terminate, then we may, instead of or in addition to terminating, withhold, postpone, or forgo any services, payments, access to any electronic systems or other materials, or any other obligations imposed on us by this Agreement or the Manual, until you have cured your violation or have otherwise remedied the default to our satisfaction.

15.7. Nonwaiver. Our delay in exercising or failing to exercise any right or remedy under this Agreement or our acceptance of any late or partial payment due will not constitute a waiver of any of our rights or remedies against you.

15.8. Final Charges. On termination for your default, you must promptly pay to us all damages, costs and expenses, including reasonable attorneys' fees, we incur as a result of the default, which obligation will give rise to and remain, until paid in full, a lien in our favor against all of your personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Franchised Business.

15.9. Liquidated Damages. The parties agree that, if this Agreement is terminated as a result of your default before the expiration of the Term, it would be impossible to calculate with reasonable precision the losses that we would incur because of the unpredictability of future business conditions, inflationary prices, the impact on our reputation from having a closed location, our ability to replace the Franchised Business in the same market, and other factors. Accordingly, if this Agreement is terminated as a result of your default, we are entitled to recover as liquidated damages, and not as a penalty, an amount equal to the average monthly Royalty Fees and Franchise Administration Fees due and owing to us for the period preceding the effective date of the termination multiplied by (i) 36, or (ii) the number of months remaining the in the Term of this Agreement had it not been terminated.

16. RIGHTS AND DUTIES ON TERMINATION OR EXPIRATION

16.1. Your Obligations. On expiration, termination, or transfer of this Agreement, all covenants, guarantees, and other post-termination obligations will remain in effect. In addition:

(a) you must pay all Royalty Fees, Franchise Administration Fees, and any other fees based on Gross Sales for all Gross Sales received through the effective date of expiration, termination, or transfer, on the date those fees would have been due but for the expiration, termination, or transfer, and must pay all other amounts then due.

(b) you must promptly return to us at your expense the Manual, any item bearing the Marks, along with all other manuals and Confidential Information we loaned to you, as well as any other copyrighted or proprietary materials or software relating to the System in your possession, custody, or control.

(c) you must immediately cease doing any business under or associated with the Marks and immediately and permanently cease use of any Confidential Information.

(d) you must cancel any trade name registrations that use any Mark or derivative of any Mark, and furnish us evidence satisfactory to us of compliance with this obligation within 30 days after the termination, expiration or transfer of this Agreement; and must refrain from identifying yourself as our franchisee or licensee.

(e) you must remove from the Authorized Location and any other property in your possession, custody, or control all Marks and signs displaying any Marks, including any trade dress

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associated with us or the System;

(f) you must immediately cease using all email addresses, telephone numbers and listings, facsimile numbers and listings, and Internet listings used in the operation of the Franchised Business and direct the applicable company to transfer all numbers and listings to us or our designee under the Conditional Assignment of Telephone Numbers attached as Exhibit D or, if we direct, to disconnect the numbers and delete the listings;

(g) you must comply with all applicable laws relating to notification of Franchised Business members and customers of the Franchised Business's closure. Additionally, you must comply with our designated procedures for providing notification to members and customers in a format we approve of the Franchised Business's closure and/or termination or expiration of your license to operate the Franchised Business. You are solely liable for paying all refunds to members and customers. We have the unrestricted right to contact all members and customers for any purpose;

(h) you must allow us or our designee to verify your compliance with all post-termination obligations, and must allow us to make a final inspection and audit of your books, records, and accounts;

(i) you must immediately vacate the Authorized Location if we exercise our rights under the Lease Rider attached as Exhibit C;

(j) you must cease to use in advertising or in any other manner, any methods, procedures or techniques associated with us or the System;

(k) you must sign from time to time any necessary papers, documents, and assurances to effectuate the intent of this Section 16; and

(l) We may exercise all other remedies available under this Agreement or by law.

16.2. Option to Purchase Personal Property.

(a) On the termination or expiration of this Agreement, we or our designee also will have the option, but not the obligation, to purchase any personal property used in the operation of your Franchised Business by providing you written notice of our election within 60 days after termination or expiration and paying you the book value for the personal property within 60 days of our notice. For purposes of this paragraph, "book value" means the amount you actually paid for the personal property less depreciation (calculated by using the straight-line depreciation method on a 5-year depreciation schedule, irrespective of the depreciation method or schedule you use for accounting purposes). Notwithstanding the foregoing, to the extent that we exercise our right to purchase any personal property that is subject to a lease or finance agreement, the purchase price of the personal property will be the amount of your remaining obligations under the lease or finance agreement, as applicable. We are entitled to offset the purchase price by the amount of money you owe to us for any payments necessary to acquire clear title to property or for any other debt. If we exercise our option to purchase, pending the closing of the purchase, we may appoint a manager to maintain the Franchised Business's operation, or we may require that you close the Franchised Business during this period without removing any assets. You must maintain in force all insurance policies required under this Agreement until the date of the closing of our purchase. We have the unrestricted right to assign this option to purchase personal property. We are entitled to all customary warranties and representations in our purchase of your property, including, without limitation, representations and

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warranties as to ownership and condition of and title to the property; liens and encumbrances on the property; validity of contracts and agreements; and liabilities affecting the property, contingent or otherwise.

(b) Exclusions. We may exclude from the personal property purchased cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the Franchised Business's operation or that we have not approved as meeting standards for the Franchised Business.

17. DISPUTE RESOLUTION

17.1. Internal Dispute Resolution. You must first bring any claim or dispute between you and us to our President and/or Chief Executive Officer, after providing notice as stated in Section 17.2. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

17.2. Mediation. The parties have reached this Agreement in good faith and with the belief that it is advantageous to each of them. In recognition of the strain on time, unnecessary expense and wasted resources potentially associated with litigation and/or arbitration, and in the spirit of cooperation, the parties pledge to try to resolve any dispute amicably, without litigation or arbitration. Other than an action we bring under Section 17.4 of this Agreement, and with the exception of injunctive relief or specific performance actions, before the filing of any arbitration, you and us agree to mediate any dispute, controversy or claim between us and/or any of our affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Franchisor Related Party"), on the one hand, and you and/or any of your affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Franchisee Related Party"), including without limitation, in any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) the parties' relationship; or (c) the events occurring before the entry into this Agreement. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any arbitration or legal action, including any action to interpret or enforce this Agreement. This agreement to mediate survives any termination or expiration of this Agreement.

(a) Mediation will be conducted Kent County, Delaware (or, if our corporate headquarters is no longer in Kent County, Delaware, the county where our corporate headquarters is then-located). Persons authorized to settle the dispute must attend each mediation session in person. The party seeking mediation (the "Initiating Party") must begin mediation by sending the other party/parties a written notice of its request for mediation (the "Mediation Notice"). The Mediation Notice must specify, to the fullest extent possible, the nature of the dispute, the Initiating Party's version of the facts surrounding the dispute, the amount of damages and the nature of any injunctive or other relief the party claims, and must identify one or more persons with authority to settle the dispute for the Initiating Party.

(b) On receipt of the Mediation Notice, the parties will endeavor, in good faith, to resolve the dispute outlined in the Dispute Notice. If the parties are unable to resolve the dispute within 20 days after the date the Mediation Notice is provided by the Initiating Party to the other party, either party may initiate a mediation procedure in accordance with this provision. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible within 30 days of the notice from the party seeking to initiate the mediation procedures. The parties agree to participate in the mediation procedure to its conclusion, as stated in this section.

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(c) The mediator will advise the parties in writing of the format for the meeting or meetings. If the mediator believes it will be useful after reviewing the position papers, the mediator will give both himself or herself and the authorized person designated by each party an opportunity to hear an oral presentation of each party's views on the matter in dispute. The mediator will assist the authorized persons to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties. All mediation sessions will be strictly private. The mediator must keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party.

(d) The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible. The mediation may be concluded: (a) by the signing of a settlement agreement by the parties; (b) by the mediator's declaration that the mediation is terminated; or (c) by a written declaration of either party, no earlier than at the conclusion of a full day's mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any arbitration or legal action or seek another remedy before the expiration of 5 days following the mediation. A party may begin arbitration within this period only if the arbitration might otherwise be barred by an applicable statute of limitations or to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

(e) The mediator's fees and expenses will be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert or counsel for any party with respect to the dispute or any related or similar matter in which either of the parties is involved. The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct, statement, promise, offer, view or opinion, whether oral or written, made during the mediation by the parties, their agents or employees, or the mediator is confidential and will be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible will not be excluded from discovery or made inadmissible simply because of its use in the mediation.

17.3 Arbitration. Except as qualified below and in Section 17.4, and if not resolved by the negotiation and mediation procedures in this Section 17, any dispute, controversy or claim between you and/or a Franchisee Related Party, on the one hand, and us and/or any Franchisor Related Party, on the other hand, including, without limitation, any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement, the parties' relationship, (c) the events leading up to the entry into this Agreement, (d) the Territory, (e) the scope or validity of the arbitration obligation under Section 17.3 (which you and we agree is to be determined by an arbitrator and not a court), (f) any System standard; (g) any claim based in tort or any theory of negligence; and/or (h) any lease or sublease for the Franchised Business, will be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the American Arbitration Association under its then-current commercial arbitration rules and procedures.

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

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jurisdiction of the courts. The arbitration must take place in Kent County, Delaware (or, if our corporate headquarters is no longer in Kent County, Delaware, the county where our corporate headquarters is then-located). The arbitration will be heard before one arbitrator. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least 5 years of significant experience in franchise law. Any issue as to whether a matter is subject to arbitration will be determined by the arbitrator. A judgment may be entered on the arbitration award by any state or federal court with jurisdiction thereof.

(b) In any arbitration proceeding, each party will submit or file any claim that would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim that is not submitted or filed in the proceeding will be forever barred. In any arbitration, each party in the arbitration will be bound by the provisions of any limitation on the period in which claims must be brought under this Agreement or applicable law, whichever first expires.

(c) The arbitrator's decision is final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; (3) certify a class or a consolidated action; or (3) make any award that extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. The arbitrator has the right to make a determination as to any procedural matters that court of competent jurisdiction would be permitted to make in the state in which our main office is located. Further, the arbitrator will decide all factual, procedural, or legal questions relating in any way to the dispute between the parties, including, without limitation, questions relating to whether Section 17.3 is applicable and enforceable as against the parties; the subject matter, timeliness, and scope of the dispute; any available remedies; and the existence of unconscionability and/or fraud in the inducement.

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

(e) The arbitrator has subpoena powers limited only by the laws of the State of Delaware. The parties ask that the arbitrator limit discovery to the greatest extent possible consistent with basic fairness to minimize the time and expense of arbitration. The parties to the dispute will otherwise have the same discovery rights as are available in civil actions under the laws of the State of Delaware. All other procedural matters will be determined by applying the statutory, common laws, and rules of procedure that control a court of competent jurisdiction in the State of Delaware.

(f) Other than as required by law, the entire arbitration proceedings (including, without limitation, any rulings, decisions or orders of the arbitrator), will remain confidential and will not be disclosed to anyone other than the parties to this Agreement.

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

(h) We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding for the arbitration proceeding to take place and by doing so are not deemed to have waived or relinquished our right to seek recovery of those costs against you.

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17.4 Exceptions to Arbitration. Notwithstanding anything in Section 17.2 or to the contrary, the parties agree that the following claims are not subject to mediation or arbitration: Any controversy, dispute, or claim that concerns an allegation that you have violated (or threaten to violate, or poses an imminent risk of violating):

(a) Any provision relating to use of the Marks, the System or any Confidential Information;

(b) Any federally or state protected intellectual property rights in the Marks, the System, or in any Confidential Information;

(c) Any of the restrictive covenants in this Agreement, including the confidentiality and non-competition covenants; or

(d) Any claims to collect past due amounts owed to us and/or our affiliates.

We may seek immediate injunctive relief in the state or federal courts in any court with personal jurisdiction over you if you are violating or threatening to violate any restrictive covenant in this Agreement or if you are infringing on our rights in the Marks. In such an action, we may, but are not obligated to, assert any other existing claims against you.

17.5. Selection of Venue. If the arbitration clause in Section 17.3 is inapplicable or unenforceable, and subject to our right to obtain injunctive relief in any court of competent jurisdiction, the following provision will govern: The parties agree that the United States District Court for the District of Delaware (or, if our corporate headquarters is no longer in Kent County, Delaware, the applicable District Court where our corporate headquarters is then-located), or if this court lacks subject matter jurisdiction, the State Superior Court in Kent County, Delaware (or, if our corporate headquarters is no longer in Kent County, Delaware, the county where our corporate headquarters is then-located), will be the exclusive venue and exclusive proper forum in which to adjudicate any case or controversy arising out of or related to, either directly or indirectly, this Agreement, ancillary agreements, or the business relationship between the parties. The parties further agree that, in this litigation they will not contest or challenge the jurisdiction or venue of these courts. You agree that this Agreement has been entered into in the State of Delaware and that you are to receive valuable and continuing services emanating from our headquarters. Without limiting the generality of the foregoing, the parties waive all questions of jurisdiction or venue for the purposes of carrying out this provision. You agree that this location for venue is reasonable and the most beneficial to the needs of, and best meets the interest of, all the members of the System. Nothing in this Agreement will prevent us from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect our interests.

17.6. Third-Party Beneficiaries. Our officers, directors, shareholders, agents and/or employees are third party beneficiaries of the provisions of this Agreement, including the mediation and arbitration provisions in Section 17, each having authority to specifically enforce the right to mediate claims you assert against that person(s).

17.7. Prior Notice of Claims. As a condition precedent to you beginning an action for damages or for violation or breach of this Agreement, you must notify us within 30 days after the occurrence of the violation or breach, and failure to timely give notice will preclude your claim for damages.

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17.8. No Right to Offset. You must not withhold all or any part of any payment to us or any of our affiliates on the grounds of our alleged nonperformance or as an offset against any amount us or any of our affiliates allegedly may owe you under this Agreement or any related agreements.

17.9. Governing Law. All matters relating to mediation or arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1, et. seq.). Except to the extent governed by the Federal Arbitration Act or other federal law, this Agreement, the franchise and all claims arising from or in any way related to the relationship between us, and/or any of our affiliates, on the one hand, and you, and any of your owners, guarantors and/or affiliates, on the other hand, will be interpreted and construed under the laws of the state of Delaware, which laws will prevail on any conflict of law, except that any law regulating the sale of franchises or governing the relationship of a franchisor and our franchisee will not apply unless jurisdictional requirements are met independently without reference to this Section.

17.10. Attorneys' Fees. If you are in breach or default of any monetary or nonmonetary material obligation under this Agreement or any related agreement between you and us and/or our affiliates, and we engage an attorney to enforce our rights (whether or not formal judicial proceedings are initiated), you must pay all reasonable attorneys' fees, court costs and litigation expenses we incur, which obligation will give rise to and remain, until paid in full, a lien in favor of us against all of your personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Franchised Business. If you institute any legal action to interpret or enforce the terms of this Agreement, and your claim in the action is denied or the action is dismissed, we are entitled to recover our reasonable attorneys' fees, and all other reasonable expenses incurred in defending against same, and to have this amount awarded as part of the judgment in the proceeding.

17.11. Limitation of Action. You agree that no cause of action arising out of or under this Agreement may be maintained by you against us unless brought before the expiration of one year after the act, transaction or occurrence on which the action is based or the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us, whichever occurs sooner, and any action not brought within this period will be barred as a claim, counterclaim, defense, or set-off.

17.12. You waive the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by us, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising under this Agreement, except on a ground expressly provided in this Agreement, or under any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

17.13. Waiver of Damages. You waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against us arising out of any cause whatsoever (whether the cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, your recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

17.14. WAIVER OF JURY TRIAL. THE PARTIES AGREE TO WAIVE THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN ANY ARBITRATION, ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, FOR ANY CLAIMS RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NEGOTIATION OF THIS AGREEMENT, THE EVENTS LEADING UP TO THE SIGNING OF THIS

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AGREEMENT, OR THE BUSINESS RELATIONSHIP RELATING TO THIS AGREEMENT OR THE FRANCHISE, WHETHER BROUGHT IN STATE OR FEDERAL COURT, WHETHER BASED IN CONTRACT THEORY, NEGLIGENCE OR TORT, AND REGARDLESS OF WHETHER OR NOT THERE ARE OTHER PARTIES IN THE ACTION OR PROCEEDING. This waiver is effective even if a court of competent jurisdiction decides that the arbitration provision in Section 17 is unenforceable. Each party agrees that it has had full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary, intentional, and not the result of unequal bargaining power.

17.15. No Class or Collective Actions. You agree that any arbitration, or, if applicable, litigation between you and/or any you Related Party, on the one hand, and us and/or any us Related Party, on the other hand, will be on such party's individual claim and that the claim or claims subject to arbitration and/or litigation will not be arbitrated or litigated on a class-wide, associational or collective basis.

18. YOUR REPRESENTATIONS AND WARRANTIES

18.1. Your Independent Investigation. You agree that your operation of your Franchised Business may be governed by federal, state, and local laws, regulations, ordinances, and licensing and permitting requirements. You agree that, before entering into this Agreement, you have performed your own investigation and analysis of applicable law and the local market for this industry and have determined, to your full satisfaction, that you will be able to offer the authorized goods and services to members at the Authorized Location sufficiently to allow you to operate a successful business. You agree that you are entering into this Agreement as a result of your own independent investigation to the Franchised Business and not as a result of any representations about us or the System made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms in this Agreement, or in any disclosure document, prospectus, or similar document required or permitted to be given to you under applicable law. You agree that you have read and understand the Franchise Agreement, the attachments to the Franchise Agreement, and all agreements related thereto. You agree that we have accorded you ample time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Agreement. You agree that we have advised you to seek franchise counsel to review and evaluate this Agreement.

18.2. No Reliance on Us to Investigate. You agree that you have not relied and are not relying on us to perform any investigation or analysis of any laws, regulations, or market conditions that might affect your operation at the Authorized Location, and further agree that we have made no representation about your ability to lawfully operate the Franchised Business.

18.3. Risk of Operations. You recognize the uncertainties of the Franchised Business, and therefore acknowledge that, except as stated in this Agreement, no representations or agreements have been made to or with you regarding the success or profitability of the Franchised Business or the suitability of the Authorized Location. Without limiting the foregoing, you acknowledge that this franchise opportunity is a newly offered opportunity with no track record or operating history, other than as disclosed in our FDD. You accept all risks, including the risk of loss of your entire investment. You further agree that any information you obtain from any franchisee does not constitute information obtained from us, nor do we make any representations as to the accuracy of this information.

18.4. Legal Authority to Operate. You represent and warrant that you have full legal authority to operate the Franchised Business, and if an entity, you have been duly formed and authorized in whatever manner required by and among your Owners. You will ensure that you remain fully licensed and authorized to operate the Franchised Business for the Term.

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18.5. Receipt of Documents. You agree that this Agreement and our Franchise Disclosure Document, or "FDD", have been in your possession for at least 14 days before you signed this Agreement and before your payment of any monies to us, refundable or otherwise, and that any material changes to this Agreement were memorialized in writing in this Agreement for at least 7 days before you signed this Agreement. You represent and warrant that before signing this Agreement, you were given ample opportunity to review and examine our FDD and this Agreement. NO ORAL, WRITTEN OR VISUAL CLAIM OR STATEMENT THAT CONTRADICTS THE FDD WAS MADE, AND YOU ENTER INTO THIS AGREEMENT WITHOUT RELIANCE ON ANY STATEMENT OR REPRESENTATION MADE BY ANY PERSON EXCEPT AS INCLUDED IN THIS AGREEMENT OR THE FDD.

18.6. No Personal Liability. You agree that fulfillment of all of our obligations in this Agreement or based on any oral communications that may be ruled to be binding in a court of law will be our sole responsibility and none of our agents, representatives, nor any individuals associated with our franchise company will be personally liable to you for any reason. You agree that nothing that you believe you have been told by us or our representatives will be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

18.7. Execution of Agreement. EACH OF THE UNDERSIGNED PARTIES WARRANTS THAT IT HAS THE FULL AUTHORITY TO SIGN THIS AGREEMENT. IF YOU ARE A PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY, THE PERSON SIGNING THIS AGREEMENT ON BEHALF OF THE PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY WARRANTS TO US, BOTH INDIVIDUALLY AND IN HIS OR HER CAPACITY AS PARTNER OR OFFICER, THAT ALL OF THE PARTNERS OF THE PARTNERSHIP, ALL OF THE SHAREHOLDERS OF THE CORPORATION OR ALL OF THE MEMBERS/MANAGERS OF THE LIMITED LIABILITY COMPANY, AS APPLICABLE, HAVE READ AND APPROVED THIS AGREEMENT, INCLUDING ANY RESTRICTIONS THAT THIS AGREEMENT PLACES ON RIGHTS TO TRANSFER INTERESTS IN THE PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY. THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY US.

19. GENERAL PROVISIONS

19.1. Relationship of the Parties. You are an independent contractor responsible for full control over the internal management and daily operation of your Franchised Business, and neither party to this Agreement is the agent, principal, partner, employee, employer or joint venture partner of the other party. You may not act or represent yourself, directly or by implication, as our agent, partner, employee or joint venture partner, and you may not incur any obligation on our behalf or in our name. All stationery, business cards and contractual agreements you enter into must contain your corporate or fictitious name and a conspicuously displayed notice, in the place we designate, that you operate your Franchised Business as an independently owned and operated Trapped franchise and that you independently own and operate the Franchised Business as a System franchisee. At our request, you must prominently display a "Franchises Available" sign in the form we prescribe and in the place that we designate. Nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name; and we will not assume liability for, or be deemed liable as a result of, any such action; nor will we be liable by reason of your acts or omissions in the operation of the Franchised Business or for any claim or judgment arising therefrom against you or us.

19.2. Compliance with Law and Tax Regulations. You will comply with all applicable laws, regulations and legal requirements in the Franchised Business's operation and to the extent this Agreement

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is inconsistent with applicable law, applicable law will prevail. Without limiting the foregoing, you are solely responsible for compliance with all laws and payment card provider standards relating to the security of customer and member information, including information generated through the Information Technology System or any computer system, including the Payment Card Industry Data Security Standards. You are solely responsible for all consequences that may arise if any your system is not properly operated, maintained or upgraded or if the Technology System fails to operate as expected or anticipated. You will promptly pay when due all taxes, fees, debts, expenses, and assessments of the Franchised Business, including payroll taxes. You will take all reasonable actions not to permit a tax sale or seizure by levy of execution or similar writ or warrant to occur.

19.3. Warranties and Guarantees. We are not liable for any guarantee or warranty you make or offer to any customer or member or other person.

19.4. Entire Agreement. This Agreement, inclusive of all exhibits, constitutes the entire, full and complete agreement and understanding between the parties and supersedes all prior agreements. No other representations, promises, warranties or agreements have induced you to sign this Agreement with us. Both parties agree that there are no oral or written representations, promises, assurances, warranties, covenants, "side-deals", rights of first refusal, options or understandings other than those in this Agreement. This Agreement supersedes all prior agreements, no other representations, promises, warranties, assurances, covenants, "side deals", rights of first refusal, options or understandings having induced you to sign this Agreement. The Parties agree that, in entering into this Agreement, they are each relying on their own judgment, belief and knowledge as to any claims and further agree that no promise, inducement or agreement or any representations and warranties not expressed in this Agreement have been made to procure their entering into this Agreement. The parties agree that they have read, fully understand and fully agreed to the terms of this Agreement. Except for those permitted to be made unilaterally by us under this Agreement, no amendment, change, or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and signed by their authorized officers or agents in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim the representations we made in the FDD we furnished to you before entering into this Agreement.

19.5. Business Judgment. We and you agree that this Agreement grants us the discretion to make certain decisions, to vary the terms of other franchisees' agreements or our enforcement of rights under those agreements, and to take or forgo business-related actions in a manner that may favorably or adversely affect your interests. We will use our business judgment in exercising our discretion based in part on our assessment of our own interests and the interests of all franchisees, which may outweigh your interests. You agree that we have no liability to you for the exercise of our discretion in this manner, and that even if we have multiple motives for a particular action or decision, so long as at least one motive is a reasonable business justification, that single motive will eliminate any liability by us to you related to that action or decision.

19.6. Other Franchisees. You agree that, to the extent we enter into other franchise agreements with other franchisees, we are not obligated to enforce our rights under those agreements for your benefit. In particular, but without limitation, you agree that we are not obligated to enforce any right to restrict the area or territory in which any other franchisee operates its Franchised Business, so long as we do not explicitly grant any rights to other franchisees that would violate any territorial limitations in this Agreement.

19.7. Consent. Unless otherwise stated, any provision that refers to our "consent" will mean our prior written consent, which consent we are permitted to withhold or deny for any reason in our sole discretion.

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19.8. Cumulative Remedies. The rights and remedies in this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

19.9. Further Documentation. The parties will acknowledge, sign and deliver all further documents, instruments or assurances and will perform all further acts or deeds as reasonably required to carry out the terms of this Agreement.

19.10. Surviving Provisions. Without limitation, the terms of this Agreement that by their nature require performance or forbearance after transfer, expiration or termination, that impose any obligation to defend or indemnify, or that relate to the resolution of disputes arising out of this Agreement, remain enforceable notwithstanding the transfer, termination, or expiration of this Agreement. This Agreement inures to the benefit of and is binding on the respective heirs, legal representatives, successors, and permitted assigns of the parties, subject to the restrictions on transfer in this Agreement.

19.11. Signing, Amendment, and Modification. The submission of this Agreement to you does not constitute an offer by us. This Agreement will only become effective when it has been signed by duly authorized representatives of both us and you. No modification or amendment of this Agreement will be effective unless it is in a writing signed by authorized representatives of us and you, except that we are permitted to modify unilaterally the Manual and other System specifications and directives as provided in this Agreement, and you must comply with those modified specifications and directives.

19.12. Notice. Either party delivering to the other any written notice required under this Agreement will provide that notice by traceable means to the contact information identified below. The party serving the notice will have the burden of establishing that notice was received by the other party, but receipt will be deemed proven by any third-party carrier's or process server's written verification (including a standard form receipt in paper or electronic form) of its delivery of the notice to the other party or to the contact information identified below. Each party is permitted to change its contact information by delivering written notice to the other identifying the new information. Unless a party notifies the other of alternative contact information, all notices will be sent: If to us: at the address identified in the Preamble to this Agreement. If to you, at the address stated on Exhibit A.

19.13. Non-Waiver of Rights. Our failure to insist on strict compliance with any provision of the Franchise Agreement or any related agreements will not be a waiver of our right to do so, any law, custom, usage or rule to the contrary notwithstanding. Our delay or omission respecting any breach or default will not affect our rights respecting any later breaches or defaults. Our election to exercise any remedy available by law or contract is not a waiver or preclude exercise of any other remedy.

19.14. Severability. If any part of this Agreement, for any reason, is declared invalid by a court of competent jurisdiction, then that declaration will not affect the validity or enforceability of any remaining portion. The remaining portion will remain in force and effect as if this Agreement were signed with the invalid portion eliminated or curtailed.

19.15. Currency. All monetary figures in this Agreement are described in United States Dollars, and the parties will make all payments in that currency.

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19.16. Force Majeure. If, as a result of hurricane, tornado, typhoon, flooding, lightning, blizzard and other unusually severe weather, earthquake, avalanche, volcanic eruption, fire, riot, insurrection, war, terrorist attack, explosion, a pandemic resulting in government mandated closure of the Franchised Business (including due to COVID-19), or act of God (a "Force Majeure"), compliance by either party with the terms of this Agreement is rendered impossible or would otherwise create an undue and commercially unreasonable hardship on that party, then both parties will be excused from their respective obligations under this Agreement for the duration of the Force Majeure and for a reasonable recovery period thereafter, but otherwise this Agreement will continue in full force and effect. Notwithstanding the foregoing, a Force Majeure will not relive a party of any (i) payment obligations for monies owed; (ii) obligations that existed before the start of the period of the Force Majeure; (iii) obligations that start after the period of the Force Majeure, or (iv) other obligations that are not necessarily prevented or materially hindered or delayed during the period of Force Majeure.

19.17. Anti-Terrorist Activities. You certify that neither you, nor your owners, principals, employees nor anyone associated with you are listed in the Annex to Executive Order 13224 (the "Annex"). You agree not to hire or have any dealings with a person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you, your owners, principals, employees, or anyone associated with you being listed in the Annex. You agree to comply with and/or fully assist us in our efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with our compliance, you certify, represent, and warrant that none of your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you and your owners or principals are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions you must take to comply with all Anti-Terrorism Laws, and you agree that your indemnification responsibilities as provided in Section 14.1 of this Agreement pertain to your obligations under this Section 19.17. Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your owners, principals or employees will constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or one of our affiliates in accordance with the terms of Section 15.5 of this Agreement. "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies lists and any other requirements of any Governmental Authority (including without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts or acts of war.

[The next page is the signature page.]

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SIGNED on the date below and effective as of the Effective Date between:

TRAPPED US FRANCHISE, INC.	**«Entity_Name»**
By: _____	By: _____
Name:	Name: _____
Title:	Title: _____
Date Signed: _____	Date Signed: _____

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EXHIBIT A

TRAPPED® FRANCHISE AGREEMENT DATA SHEET

1. Effective Date: _____

2. Your Information: (Check the appropriate box)

□ Individual
□ Limited Liability Company
□ Corporation

Your Name:

State of Formation/Incorporation (if applicable): _____

Your Address: _____

Your Telephone: _____

Your Email: _____

List the Full Name of Each Owner	Owner Address	Ownership Interest in Franchisee (if applicable) *(List Number of Units, Shares, Percentage Interest, as applicable)*

3. Approved Franchised Business Authorized Location: The Franchised Business will be located at (check (a) or (b), as applicable):

□ a. _____
(Street Address, City, State and Zip Code)

□ b. Site Selection Area: The Franchised Business Authorized Location has not been determined as of the Effective Date of this Agreement. You must secure the approved Franchised Business Authorized Location in accordance with the terms of the Franchise Agreement and Site Selection Addendum within the general area described below:

_____
*Indicate city, county or area within which You are to secure an approved Franchised Business location. Note: This area is **not** the "Territory" for the Franchised Business.*

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4. Territory. The Territory will be comprised of the area identified on the below map:

[INSERT TERRITORY MAP]

We may determine the Territory using the mapping service and/or software of its choice.

5. Guarantor Information:

Guarantor Name	Guarantor Address

6. Designated Manager: _____

Designated Manager Address: _____

TRAPPED US FRANCHISE, INC.

By: _____
Name:
Title:

Date Signed: _____

[FRANCHISEE]

By: _____
Name: _____
Title: _____

Date Signed: _____

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EXHIBIT B TO THE FRANCHISE AGREEMENT

GUARANTY OF PERFORMANCE

This Guaranty and Assumption of Obligations is given as of _____, by _____ (whether one or multiple persons or entities, the "Guarantor").

1. In consideration of, and as an inducement to, the signing of the Franchise Agreement (the "Franchise Agreement") by Trapped US Franchise, Inc. ("Franchisor"), and «Entity_Name» ("Franchisee"), Guarantor personally and unconditionally: (i) guarantees to Franchisor and Franchisor's successor and assigns, for the term of the Franchise Agreement and as provided in the Franchise Agreement, that Franchisee will punctually pay and perform each and every undertaking, agreement and covenant stated in the Franchise Agreement; and (ii) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. Guarantor waives the right to assert as a defense to Franchisor claims under this Guaranty that Franchisor had the right to procure any insurance on Franchisee's account.

2. Guarantor waives: (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; (iv) any right Guarantor may have to require that an action be brought against Franchisee or any other person as a condition of liability.

3. Guarantor consents and agrees that: (i) Guarantor's direct and immediate liability under this Guaranty is joint and several; (ii) Guarantor will render any payment or performance required under the Agreement on demand if Franchisee fails or refuses punctually to do so; (iii) liability is not contingent or conditioned on Franchisor's pursuit of any remedies against Franchisee or any other person; and (iv) liability is not diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that Franchisor may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which is continuing and irrevocable during the term of the Franchise Agreement.

4. Guarantor represents and warrants that, by signing the Guaranty: (i) any financial statements and other financial information that Guarantor has submitted to Franchisor are limited to the separate property of Guarantor and any marital property (community property) against which Franchisor is entitled to enforce its rights under this Guaranty and do not include any separate property of Guarantor's spouse against which Franchisor may not enforce this Guaranty; and (ii) if no signature appears below for Guarantor's spouse, Guarantor is either not married or, if married, is a resident of a state that does not require the consent of both spouses to encumber the assets of a marital estate (i.e., community property).

5. Guarantor consents and agrees that:

(a) Guarantor's liability under this undertaking is direct, immediate, and independent of the liability of, and is joint and several with, Franchisee and the other parties who may be held liable for Franchisee's performance of the Franchise Agreement;

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(b) Guarantor will render any payment or performance required under the Franchise Agreement on demand if Franchisee fails or refuses punctually to do so;

(c) We are Franchisor is entitled to proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action or having obtained any judgment against Franchisee; and

(d) Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due under this undertaking (including any amounts spent in pursuing payment from Franchisee) or any negotiations relative to the obligations guaranteed or in enforcing this undertaking against Guarantor.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was signed.

GUARANTOR(S)	**Percentage Ownership in Franchisee**
Signature: _____ Name: _____	___%
Signature: _____ Name: _____	___%
Signature: _____ Name: _____	___%

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EXHIBIT C TO THE FRANCHISE AGREEMENT

Lease Rider

THIS AGREEMENT dated as of _____ among: (i) Trapped US Franchise, Inc. ("Franchisor"); (ii) _____ ("Landlord"); and (iii) _____ ("Tenant/Franchisee").

Introduction

A. On _____, Tenant/Franchisee and Franchisor entered into a Trapped US Franchise, Inc. Franchise Agreement (the "Franchise Agreement"). Under the Franchise Agreement, Franchisor granted Tenant/Franchisee the right, and Tenant/Franchisee undertook the duty, to operate a Trapped Franchised Business (the "Franchised Business" or the "Franchised Business") at the Premises (defined below).

B. Simultaneously with entering this Agreement, Landlord and Tenant/Franchisee are entering a lease agreement (the "Lease"). Under the Lease, Tenant/Franchisee leases the following premises: _____ (the "Premises").

C. To protect Franchisor's rights and interests under the Franchise Agreement, Landlord grants certain rights to Franchisor under the Lease as stated below.

Agreement

The parties agree as follows:

1. Notices. At the same time notices are sent to Tenant/Franchisee, Landlord must provide Franchisor with copies of all written notices of default that it sends to Tenant/Franchisee. Landlord agrees to send copies by first-class mail, postage prepaid, to Franchisor at its address stated above or any other address as Franchisor may notify Landlord in writing.

2. Right to Cure. If Tenant/Franchisee defaults under the Lease, Franchisor has the right (but not the duty) to cure the default within 15 days following the expiration of any applicable cure period. Furthermore, in this event, Franchisor may immediately commence occupancy of the Premises as the tenant under the Lease without obtaining Landlord's or Tenant/Franchisee's consent. Franchisor may thereafter assign the Lease to another Trapped® franchisee or to an entity Franchisor owns and/or controls. If it does, Franchisor must first obtain Landlord's written approval of the assignee. Landlord, however, must neither unreasonably withhold nor delay its approval thereof. Landlord will acknowledge this assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

3. Right to Assign. At any time (including, without limitation, on the expiration or sooner termination of the Franchise Agreement) without Landlord's prior consent, Tenant/Franchisee may assign the Lease to Franchisor. In this event, Franchisor may thereafter assign the Lease to another Trapped® franchisee or to an entity Franchisor owns and/or controls. If it does, Franchisor must first obtain Landlord's written approval of the assignee. Landlord, however, must neither unreasonably withhold nor delay its approval thereof. Landlord will acknowledge this assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

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4. Right of First Refusal. Landlord agrees that on the expiration or termination of the Lease, Franchisor has the first right of refusal to lease the Premises as the new tenant.

5. Expiration or Termination of Franchise Agreement. Landlord agrees that the expiration or termination of the Franchise Agreement will constitute a default under the Lease, giving Franchisor the right, but not the obligation, to cure default by succeeding to Tenant/Franchisees interests under the Lease in accordance with Section 2 above.

6. Acknowledgement of Rights. Landlord acknowledges Franchisor‘s rights under the Franchise Agreement to enter the Premises to: (i) make any modifications or alterations necessary in Franchisor‘s sole discretion to protect its franchise system and its trademarks without being guilty of trespass or any other tort or crime; and (ii) remove any trade fixtures, interior or exterior signs and other items bearing Franchisor’s trademarks or service marks on the expiration or termination of the Franchise Agreement.

7. Modification of Lease. Without Franchisor’s prior written consent, Landlord and Tenant/Franchisee may not amend, modify, supplement, terminate, renew or extend the Lease.

8. Miscellaneous.

a. In the event of any inconsistency between the terms of this Agreement and the terms of the Lease, the terms of this Agreement control.

b. All of the terms of this Agreement, whether so expressed or not, are binding on, inure to the benefit of, and are enforceable by the parties and their respective personal and legal representatives, heirs, successors and permitted assigns.

c. The provisions of this Agreement may be amended, supplemented, waived or changed only by a written document signed by all the parties to this Agreement and making specific reference to this Agreement.

d. This Agreement may be signed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument. Confirmation of signing by facsimile signature page is binding on any party so confirming.

IN WITNESS WHEREOF, the parties have duly signed and delivered this Lease Rider as of the date noted above.

TRAPPED US FRANCHISE, INC.	**[FRANCHISEE]**
By: _____	By: _____
Name:	Name: _____
Title:	Title: _____
Date Signed: _____	Date Signed: _____

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LANDLORD

By: _____
Name: _____
Title: _____

Date Signed: _____

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EXHIBIT D TO THE FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF YOUR TELEPHONE NUMBERS AND DOMAIN NAMES

1. _____ ("Assignor"), in exchange for valuable consideration provided by Trapped US Franchise, Inc. ("Assignee"), receipt of which is acknowledged, conditionally assigns to Assignee all telephone numbers and domain names, as well as any listings associated therewith, that Assignor uses in the operation of its Trapped® Franchised Business at Assignor's above-referenced address (the "Assigned Property"). The Assigned Property includes the following:

Telephone Number(s): _____

2. This assignment becomes effective automatically on termination or expiration of Assignor's franchise. In that event, Assignor must do all things required by the telephone company and/or domain name registrar to assure the effectiveness of the assignment of Assigned Property as if Assignee had been originally issued the Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company and/or domain name registrar, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company to effectuate this Assignment and agrees to fully cooperate with the telephone company and/or domain name registrar, as well as the Assignee, in effectuating this assignment.

ASSIGNEE	**ASSIGNOR**
TRAPPED US FRANCHISE, INC.	**[FRANCHISEE]**
By: _____	By: _____
Name:	Name: _____
Title:	Title: _____
Date Signed: _____	Date Signed: _____

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EXHIBIT E TO THE FRANCHISE AGREEMENT

ELECTRONIC FUNDS WITHDRAWAL AUTHORIZATION

Bank Name: _____

ABA# : _____

Acct. No.: _____

Acct. Name: _____

Effective as of the date of the signature below, _____ **("Franchisee")** authorizes Trapped US Franchise, Inc. ("Company") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to make the following payments to Company under the Franchise Agreement for the franchise located at : (1) all Royalty Fees; (2) Brand Fund Contributions; (3) Direct Software Fees; (4) Franchise Administration Fees; (5) Music Licensing Fees; and (6) any fees that Company imposes under the terms of our Franchise Agreement from time to time. Withdrawals will occur on a monthly basis, or on any other schedule as Company specifies in writing. Company also is authorized to deposit funds into the above-referenced account, electronically or otherwise. This authorization remains in full force and effect until terminated in writing by Company. Franchisee will provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

AGREED:

ATTEST:	**[FRANCHISEE]**
By: _____	By: _____
Name: _____	Name: _____
	Title: _____
	Date Signed: _____

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EXHIBIT F TO THE FRANCHISE AGREEMENT

SITE SELECTION ADDENDUM

Trapped US Franchise, Inc. ("we", "us" or "our") and _____ ("you" or "your"), have as of _____, entered into a Franchise Agreement for the operation of a Trapped® Franchised Business using our Marks and System (the "Franchised Business") and desire to supplement its terms, as stated below. The parties agree as follows:

1. Within 90 days after the effective date of the Franchise Agreement, you will, at your sole expense find a location within the Site Selection Area (defined below), which location is subject to our prior approval, which we may grant or withhold in our sole discretion. The site must be within the following territory:

_____ (the "Site Selection Area").

2. Your failure to obtain a site for the Franchised Business in the Site Selection Area within the time required in Section 1 is a default under the Franchise Agreement and this Site Selection Addendum. Time is of the essence.

3. You agree that our approval of a site does not constitute an assurance, representation or warranty or any kind, express or implied, as to the suitability of the site for the Franchised Business or for any other purpose. Our approval of the site indicates only that we believe the site complies with acceptable minimum criteria we established solely for our purposes as of the time of the evaluation. Both parties to this Agreement agree the application of criteria with respect to other sites and premises may not be predictive of potential for all sites and that, after our approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from our criteria could change thereby altering the potential of a site. These factors are unpredictable and are beyond our control. We will not be responsible for the failure of a site under any circumstances, including your failure to achieve revenue or operational expectations. You agree that your acceptance of a franchise for the operation of the Franchised Business at the site is based on your independent investigation of the site's suitability.

4. When you secure a Authorized Location that we approve within the Site Selection Area, we will designate the Territory for the Franchised Business, as outlined in the Franchise Agreement. You must develop, open and operate the Franchised Business at the Authorized Location in accordance with the Franchise Agreement. Both the Authorized Location of the Franchised Business and your designated Territory will be stated in Exhibit A to the Franchise Agreement once determined.

5. This Site Selection Addendum is an integral part of the Franchise Agreement between the parties, and the terms of this Site Selection Addendum are controlling with respect to the subject matter hereof. Except as modified or supplemented by this Site Selection Addendum, the terms of the Franchise Agreement are ratified and confirmed, including those terms related to governing law, venue and dispute resolution that also will apply to any disputes arising out of or related to this Site Selection Addendum.

[Signature Page Follows]

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IN WITNESS WHEREOF, the parties have duly signed this Addendum on the day and year first above written.

TRAPPED US FRANCHISE, INC.	**[FRANCHISEE]**
By: _____	By: _____
Name:	Name: _____
Title:	Title: _____
Date Signed: _____	Date Signed: _____

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Trapped US Franchise, Inc.
Franchise Disclosure Document

Exhibit F

Conditional Assignment of Telephone and Directory Listings

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TRAPPED US FRANCHISE, INC.

CONDITIONAL ASSIGNMENT OF TELEPHONE AND DIRECTORY LISTINGS

In consideration of Trapped US Franchise, Inc. ("Assignee") concurrently granting a Trapped franchise ("Franchised Business") to _____ ("Assignor"), and other valuable consideration, Assignor assigns to Assignee all telephone numbers, directory listings, fax numbers, Internet Web site addresses and domain names, and other listings, whether in electronic or other media, used or to be used by Assignor in the operation of the Franchised Business. Assignee assumes the performance of all of the terms, covenants, and conditions of the telephone or directory company with respect to these listings with the same force and effect as if they had been originally issued to Assignee. This Assignment is valid on the effective date and is irrevocable. Assignee may fill in, add or change the effective date and the listings at any time. The telephone or directory company is authorized to rely on this Assignment. The parties will hold harmless and indemnify the telephone or directory company from any claims based on reliance on this Assignment.

Effective Date: _____, 20____

ASSIGNOR:	**ASSIGNEE:**
_____	TRAPPED US FRANCHISE, INC.
By: _____	By: _____
Its: _____	Its: _____

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Trapped US Franchise, Inc.
Franchise Disclosure Document

Exhibit G

Sample General Release

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EXHIBIT G

SAMPLE MUTUAL GENERAL RELEASE

[may be signed as a part of a transfer or renewal agreement – actual language may vary]

We, and our owners, successors, representatives, assigns and affiliates, release and forever discharge you, any Guarantors, and their owners, successors, representatives, assigns, and affiliates, of and from any and all obligations, liabilities, losses, damages, claims, actions, suits, proceedings, investigations, demands, assessments, judgments, costs, and causes of action, whether known or unknown, which we now have, or at any time have had, or may at any time have, arising prior to and including the date of this [renewal][transfer], except as otherwise stated in this [renewal][transfer].

You, any Guarantors, and each of them, for themselves, their owners, successors, representatives, assigns, and affiliates, release and forever discharge us and our owners, successors, representatives, assigns, affiliates, officers, managers, employees and agents, of and from any and all obligations, liabilities, losses, damages, claims, actions, suits, proceedings, investigations, demands, assessments, judgments, costs, and causes of action, whether known or unknown, which you or any Guarantors now have, or at any time have had, or may at any time have, arising prior to and including the date of this [renewal][transfer], except as otherwise stated in this [renewal][transfer].

**This Release shall not apply to any claims arising under the Washington Franchise Investment Protection Act (RCW 19.100) and the rules adopted thereunder. You and any Guarantors represent that no third party claims an interest in any claim released by this Release.

All parties to this Release expressly agree to execution of this Release by electronic means and that such execution shall be legally binding and enforceable as an "electronic signature" and the legal equivalent of a handwritten signature.

Dated: _____, 20___

Franchisor: _____

By: _____

Title: _____

Franchisee: _____

By: _____

Title: _____

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Trapped US Franchise, Inc.
Franchise Disclosure Document

Exhibit H

State Addenda

©2025 Trapped US Franchise, Inc.

ADDENDUM REQUIRED BY THE STATE OF NEW YORK

All references to "Disclosure Document" shall be deemed to include the term "Disclosure Document" as used under New York law.

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, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. 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.

9. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Washington State Addenda to the Franchise Disclosure Document and Franchise Agreement

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

RCW 19.100.180 may supersede the franchise agreement including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

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

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(Signature Page Follows)

©2025 Trapped US Franchise, Inc.

The undersigned does hereby acknowledge receipt of this addendum.
Dated this _____ day of _____ 20_____.

_____ _____

FRANCHISOR FRANCHISEE

ACKNOWLEDGMENT:

If any one of the preceding Addenda for specific states (each an "Addendum") is checked as an "Applicable Addenda" below, then that Addendum shall be incorporated into the Franchise Disclosure Document; the Franchise Agreement dated _____, 20____; and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of the Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, or other specified agreement(s), the terms of the Applicable Addenda shall control.

Applicable Addenda:

☐ California	☐ Michigan	☐ Ohio
☐ Hawaii	☐ Minnesota	☐ Rhode Island
☐ Illinois	☐ New York	☐ Virginia
☐ Maryland	☐ North Dakota	☐ Washington

TRAPPED US FRANCHISE INC.

By:_____

Name:_____

Title:_____

Date:_____

_____

FRANCHISEE

By:_____ By:_____

Name:_____ Name:_____

Title:_____ Title:_____

Date:_____ Date:_____

By:_____ By:_____

Name:_____ Name:_____

Title:_____ Title:_____

Date:_____ Date:_____

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)

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Trapped US Franchise, Inc.
Franchise Disclosure Document

Exhibit I

Franchise Disclosure Questionnaire

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EXHIBIT I

FRANCHISE DISCLOSURE QUESTIONNAIRE

DO NOT COMPLETE OR SIGN THIS QUESTIONNAIRE IF YOU RESIDE, OR INTEND TO OPERATE THE FRANCHISED BUSINESS, IN ONE OR MORE OF THE FOLLOWING STATES:

CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI

As you know, Trapped US Franchise, Inc. ("we," "us" or "Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a franchised Trapped escape room business ("Franchised Business"). Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed our Franchise Agreement and each exhibit and schedule attached to it?

   Yes ____ No ____ Your Initials: _____

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?

   Yes ____ No ____ Your Initials: _____

   If "No," what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary)

   _____

   _____

   _____

   _____

3. Have you received and personally reviewed the Disclosure Document we provided to you?

   Yes ____ No ____ Your Initials: _____

[Remainder of Page Intentionally Left Blank]

4. Do you understand all of the information contained in the Disclosure Document?

Yes____ No____ Your Initials: _____

If "No", what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary)

_____

_____

_____

_____

5. Have you discussed the benefits and risks of operating a Franchised Business with an attorney, accountant or other professional advisor and do you understand those risks?

Yes ____ No ____ Your Initials: _____

6. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Franchised Business operated by us or our franchisees other than what is specifically described in Item 19 of the Disclosure Document?

Yes ____ No ____ Your Initials: _____

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ____ No ____ Your Initials: _____

8. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a Franchised Business?

Yes ____ No ____ Your Initials: _____

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the total amount of revenue a Franchised Business will generate?

Yes ____ No ____ Your Initials: _____

10. Has any employee or other person speaking on our behalf made any statement or promise regarding the costs you may incur in operating a Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ____ No ____ Your Initials: _____

11. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes ____ No ____ Your Initials: _____

12. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ____ No ____ Your Initials: _____

13. If you have answered "Yes" to any of questions six (6) through twelve (12), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of such questions, please leave the following lines blank.

_____

_____

_____

_____

14. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and the Franchisor?

Yes ____ No ____ Your Initials: _____

[Remainder of Page Intentionally Left Blank]

You understand that your answers are important to us and we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. You expressly agree to execution of this Questionnaire by electronic means and that such execution shall be the legal equivalent of your handwritten signature.

This Questionnaire does not waive any liability arising under the Washington Franchise Investment Protection Act (RCW 19.100) and the rules adopted thereunder.

For the avoidance of doubt, no statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

_____
FRANCHISE APPLICANT

_____
Print Name

Date: _____, 20___

_____
FRANCHISE APPLICANT

_____
Print Name

Date: _____, 20___

©2025 Trapped US Franchise, Inc.

Trapped US Franchise, Inc.
Franchise Disclosure Document

Exhibit J

State Effective Dates

©2025 Trapped US Franchise, Inc.

State Effective Dates

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

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

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

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

©2025 Trapped US Franchise, Inc.

Trapped US Franchise, Inc.
Franchise Disclosure Document

Exhibit K

Receipts

©2025 Trapped US Franchise, Inc.

Receipt
(Our Copy)

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

If Trapped US Franchise, Inc. offers you a franchise, it must provide this disclosure document to you at least 14 calendar days (or longer in some states) 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 and Rhode Island require that Trapped US Franchise, Inc. give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan also requires that Trapped US Franchise, Inc. give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Trapped US Franchise, 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 to the relevant state agency listed in Exhibit A.

Our franchise sellers are Vic Zhou, Zhenlin Zhou, and Mankaran Kharbanda. Their address and phone number is 614 N. DuPont Hwy, Suite 210, Dover, Delaware 19901, (647) 895-9137. In certain regions, Trapped US Franchise, Inc. may use a franchisee referral source; the name, address, and phone number of that person, if applicable, is:_____.

Issuance Date: February 14, 2025

Exhibit A is a list of Trapped US Franchise, Inc's registered agents authorized to receive service of process.

I received the disclosure document dated February 14, 2025, that included the following Exhibits:

Exhibit A – List of State Regulatory Authorities and Registered Agents
Exhibit B – Table of Contents of Manual
Exhibit C – List of Current and Former Franchisees
Exhibit D – Financial Statements
Exhibit E – Franchise Agreement
Exhibit F – Conditional Assignment of Telephone and Directory Listings
Exhibit G – Sample General Release
Exhibit H – State Addenda
Exhibit I – Franchise Disclosure Questionnaire
Exhibit J – State Effective Dates
Exhibit K – Receipts

©2025 Trapped US Franchise, Inc.

SIGNED:_____	SIGNED:_____
DATE SIGNED:_____	DATE SIGNED:_____
NAME (Please print)	NAME (Please print)
Address	Address
SIGNED:_____	SIGNED:_____
DATE SIGNED:_____	DATE SIGNED:_____
NAME (Please print)	NAME (Please print)
Address	Address

Please sign and date this Receipt (with the date that you received the disclosure document). All owners of an entity franchisee, or two authorized officers, must review all documents and sign individually and on behalf of any legal entity. Attach additional signatures or use additional receipts if necessary.

RETURN THIS COPY TO US
Trapped US Franchise, Inc.
614 N. DuPont Hwy, Suite 210
Dover, Delaware 19901

©2025 Trapped US Franchise, Inc.

Receipt
(Your Copy)

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

If Trapped US Franchise, Inc. offers you a franchise, it must provide this disclosure document to you at least 14 calendar days (or longer in some states) before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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If Trapped US Franchise, 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 to the relevant state agency listed in Exhibit A.

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Exhibit G – Sample General Release
Exhibit H – State Addenda
Exhibit I – Franchise Disclosure Questionnaire
Exhibit J – State Effective Dates
Exhibit K – Receipt of Disclosure Document

©2025 Trapped US Franchise, Inc.

SIGNED:_____	SIGNED:_____
DATE SIGNED:_____	DATE SIGNED:_____
NAME (Please print)	NAME (Please print)
Address	Address
SIGNED:_____	SIGNED:_____
DATE SIGNED:_____	DATE SIGNED:_____
NAME (Please print)	NAME (Please print)
Address	Address

Please sign and date this Receipt (with the date that you received the disclosure document). All owners of an entity franchisee, or two authorized officers, must review all documents and sign individually and on behalf of any legal entity. Attach additional signatures or use additional receipts if necessary.

KEEP THIS COPY FOR YOUR RECORDS

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